Ard-Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

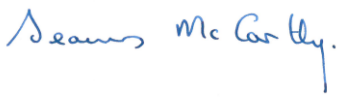
Appropriation Accounts 2023

30 September 2024

Appropriation Accounts 2023

Section 3 (11) of the Comptroller and Auditor General (Amendment) Act 1993 requires me, upon the completion of my audit 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 2023.



Seamus McCarthy
Comptroller and Auditor General

30 September 2024

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Preface

Dáil Éireann provides money for the ordinary services of Government departments 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 notes 6 and 7 (miscellaneous and fund accounts).

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, National Development Plan Delivery 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 include information prepared on an accruals basis in the statement of financial position and other notes. Throughout, the accounts show prior year amounts for comparison purposes.

Departments should obtain prior approval from the Department of Public Expenditure, National Development Plan Delivery and Reform for any departures from, or 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 2023.

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, National Development Plan Delivery 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 may, under section 2 of the Public Accounts and Charges Act 1891, 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]
- employee pension contributions
- rent and proceeds from certain sales
- with the prior agreement of the Minister for Public Expenditure, National Development Plan Delivery 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.

1 The Department of Public Expenditure, National Development Plan Delivery 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 of 2023.

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

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.

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 opening and closing balances due to the Exchequer.

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).

An exception to this general principal is where a department is acting as an agent for another Government department (the principal) resulting in financial transactions between the principal and the 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, National Development Plan Delivery 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 inventory, 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 before the end of the year of account where the related goods or service will not be received until a future period.
- **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, or prior to, the year of account for goods/services which it has yet to provide.

Capital assets

As part of the transition to increased accrual reporting based on international accounting standards, acquired and developed software assets have been identified separately as intangible assets with effect from 1 January 2023. Accordingly, capital assets have been separated into two components in the statement of financial position, and in the related notes: property, plant and equipment (note 2.1); and intangible assets (note 2.2). Comparatives have been restated to reflect this.

Expenditure on assets under development within the department should be included in the relevant category of capital assets in the statement of financial position and notes 2.1 and 2.2, e.g. construction projects (property, plant and equipment), or software development (intangible assets).

The following are not included in capital assets

- individual assets purchased since 1 January 2021 (or 1 January 2020 if threshold was applied earlier) where the cost was less than €10,000
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in capital assets.)

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 note 2.1). 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.

Intangible assets

Intangible assets, comprising acquired or developed software, are initially recognised at cost, where that cost is at least equal to the threshold of €10,000. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Where the licence period is for only one year, the related cost is not capitalised.

Costs directly associated with the development of software for internal use are recognised as an intangible asset where the future economic benefit can be demonstrated and the cost of the asset can be measured reliably. Direct costs include the cost of services, identifiable software development employee costs and specific overheads. Other development expenditure is not capitalised and is reflected in the appropriation account in the period in which the expenditure is incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits or service potential of the specific asset to which it relates. All other expenditure is reflected in the appropriation account in the period in which the expenditure is incurred.

Depreciation policy

Depreciation is calculated and charged on a monthly basis from the month of acquisition/commissioning until the month of disposal.[1]

Departmental property, plant and equipment 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%
Category B – Items depreciated to a nil value over 5 years	
IT equipment	20%
Office equipment	20%
Other specialist equipment	20%
Motor vehicles	20%

1 Departments may continue to charge depreciation on an annual basis as an interim arrangement where appropriate systems are not in place to calculate depreciation on a monthly basis. Only departments that do not use the monthly depreciation method must state what depreciation method they used.

Category C – Other items	
Land	0%
Buildings	0% to 5%
Military assets	3% to 20%

The carrying value of an intangible asset with a finite useful life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each year and the rate applied to each class of intangible asset is disclosed in the statement of accounting policies and principles.

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.

Inventories

Inventories are held for distribution or for use in the provision of goods and services. Inventories are stated at the lower of cost or departmental valuations. Consumables are generally expensed unless items have significant individual value or are subject to certain security considerations.

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.

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.

Contractual commitments in excess of €10,000 likely to materialise in subsequent years, under the headings: procurement of goods and services, non-capital grant programmes, capital grant programmes, capital projects and public private partnership projects, are disclosed by way of note 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 e.g. provision of a financial guarantee. Contingent liabilities are not recognised in the statement of financial position but 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 contingent liability and (ii) the potential benefit and (iii) the potential costs. The sanction of the Minister for Public Expenditure, National Development Plan Delivery 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 the 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, National Development Plan Delivery and Reform and shown under the net allied services note for the relevant votes.

Superannuation payments for gardaí, teachers, army personnel and health service personnel are met on a current 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[1] and extra remuneration.

Except in the cases outlined below, explanatory 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 Minister for Public Expenditure, National Development Plan Delivery and Reform considers that an explanatory 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 programme subhead expenditure (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 significant 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 one or more categories, 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 to the account.

1 An ex gratia payment is a payment not legally due under a contract or otherwise – e.g. compensation paid on grounds of hardship.

Compensation and legal costs

The components of the legal costs and compensation awards made to those who have taken legal actions against the department 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, any costs incurred in relation to these cases are included in the tables A and B. The note is presented in two distinct parts

- details of compensation and legal costs paid out by the vote/department directly or to reimburse the State Claims Agency
- details of the cumulative total costs of legal cases finalised in the year of account.

Details of compensation and legal costs paid by the Chief State Solicitor's Office (CSSO) for cases where the CSSO is representing the department are reported in the appropriation account of the CSSO.

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, National Development Plan Delivery 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. For permanent commissions, expenditure in the year of account and prior year is shown. In the case of temporary commissions or special inquiries, 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 or note 7.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €892,000 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account. The following exception applied.

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.

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.

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 (NSSO) for the provision of human resources, financial management 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

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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 2023 and the audit work programme agreed in 2022 was implemented in 2023.

Procurement

The President's Establishment ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €823,000 in 2023.

There were no contracts that exceeded the reporting threshold of €25,000 that were awarded without a competitive process. As required by circular 40/2002, a 'nil' return was submitted to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

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

The President's Establishment has procedures to monitor the effectiveness of its risk management and control procedures. In 2023, 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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

John Callinan
Accounting Officer
President's Establishment

8 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 1 President's Establishment for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

7 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 1 President's Establishment

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	President's Establishment	3,410	2,816	2,536
B	Centenarians' Bounty	1,764	1,507	1,293
Gross expenditure		**5,174**	**4,323**	**3,829**
	Deduct			
C	**Appropriations-in-aid**	**83**	**124**	**110**
Net expenditure		**5,091**	**4,199**	**3,719**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**892,344**	**1,030,629**

John Callinan
Accounting Officer
President's Establishment

8 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		1,441	1,246
Pay		2,141	1,909
Non pay		741	674
Gross expenditure		**4,323**	**3,829**
Deduct			
Appropriations-in-aid		**124**	**110**
Net expenditure		**4,199**	**3,719**
Changes in capital assets			
***Property, plant and equipment* (note 2.1)**			
Depreciation		8	8
Changes in net current assets			
(Increase) in inventories	(49)		
Decrease in prepayments	36		
(Decrease) in accrued expenses	(45)		
		(58)	27
Direct expenditure		**4,149**	**3,754**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,303	4,858
Net programme cost		**9,452**	**8,612**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	—	12
Vote 12	Superannuation and Retired Allowances	698	762
Vote 13	Office of Public Works	2,368	2,163
Vote 18	National Shared Services Office	312	72
Vote 20	Garda Síochána	233	229
Vote 28	Foreign Affairs	174	110
Vote 36	Defence	496	486
Vote 43	Office of the Government Chief Information Officer	60	64
Central Fund: emoluments and allowances of the President and pensions of former presidents		962	960
		5,303	**4,858**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	9	17
Total fixed assets		**9**	**17**
Current assets			
Bank and cash		106	67
Inventories	2.2	87	38
Prepayments		27	63
Accrued income		4	4
Other debit balances		2	1
Total current assets		**226**	**173**
Less current liabilities			
Accrued expenses	2.3	39	84
Other credit balances	2.4	69	61
Net Exchequer funding	2.5	39	7
Total current liabilities		**147**	**152**
Net current assets		79	21
Net assets		**88**	**38**
Represented by:			
State funding account	2.6	**88**	**38**

2.1 Property, plant and equipment

	IT equipment €000	Total €000
Gross assets cost or valuation		
At 1 January 2023	43	43
At 31 December 2023	43	43
Accumulated depreciation		
At 1 January 2023	26	26
Depreciation for the year	8	8
At 31 December 2023	34	34
Net assets		
At 31 December 2023	**9**	**9**
At 31 December 2022	17	17

2.2 Inventories

at 31 December	2023	2022
	€000	€000
Centenarian medals	87	38
	87	**38**

2.3 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration expenses	39	46
Other accruals	—	38
	39	**84**

2.4 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	32	29
Pay related social insurance	17	14
Universal social charge	7	6
Pension contributions	5	4
Withholding tax	1	—
	62	53
Payroll deductions held in suspense	7	8
	69	**61**

2.5 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	892	1,031
Exchequer grant undrawn	(853)	(1,024)
Net Exchequer funding	**39**	**7**
Represented by:		
Debtors		
Bank and cash	106	67
Debit balances: suspense	2	1
	108	68
Creditors		
Due to the State	(62)	(53)
Credit balances: suspense	(7)	(8)
	(69)	(61)
	39	**7**

2.6 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			38	73
Disbursements from the Vote				
Estimate provision	Account	5,091		
Surplus to be surrendered	Account	(892)		
Net vote			4,199	3,719
Expenditure (cash) borne elsewhere	1.1		5,303	4,858
Net programme cost	1		(9,452)	(8,612)
Balance at 31 December			**88**	**38**

2.7 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	**271**	**101**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,314	2,141	1,909
ii	Travel and subsistence	310	103	104
iii	Training and development	40	16	7
iv	Professional, consultancy and other services	225	173	185
v	Operating expenses	228	317	270
vi	Asset and equipment expenses	260	42	32
vii	Premises and accommodation expenses	9	4	2
viii	Communications expenses	104	86	74
		3,490	**2,882**	**2,583**

Significant variations

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

ii Travel and subsistence

Estimate provision €310,000; outturn €103,000

A shortfall in expenditure of €207,000 arose as domestic and international travel was less than originally envisaged. Expenditure in this area is slowly building back up to pre Covid-19 levels.

vi Asset and equipment expenses

Estimate provision €260,000; outturn €42,000

There was a shortfall in expenditure of €218,000. The estimate provided for investment to replace the current Lotus Notes system. Progress on the project was delayed as a result of competing business priorities. The project is to be progressed in 2024.

Programme A President's Establishment

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
A.1	Administration − pay	2,249	2,078	1,864
A.2	Administration − non pay	1,161	738	672
		3,410	**2,816**	**2,536**

Programme B Centenarians' Bounty

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
B.1	Administration − pay	65	63	45
B.2	Administration − non pay	15	3	2
B.3	Centenarians' bounty	1,684	1,441	1,246
		1,764	**1,507**	**1,293**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.3 Centenarians' bounty

Estimate provision €1.684 million; outturn €1.441 million

Overall, the expenditure in relation to Programme B was €243,000 lower than provided because there were fewer centenarians than provided for. 514 centenarian bounties were paid out in 2023 and approximately 609 were provided for. Spend in this area is demand lead.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023 Estimated €000	2023 Realised €000	2022 Realised €000
1	Receipts from additional superannuation contributions on public service remuneration	78	89	79
2	Miscellaneous	5	35	31
	Total	**83**	**124**	**110**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**29**	**24**

5.2 Pay

	2023 €000	2022 €000
Pay	1,910	1,721
Higher, special or additional duties allowances	60	52
Overtime	25	20
Employer's PRSI	146	116
Total pay	**2,141**	**1,909**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	6	3	22,728	21,136
Overtime	13	—	7,246	5,835

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

5.4 President's Establishment staffing by pay bands

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	18	16
60,000	69,999	3	3
70,000	79,999	1	3
80,000	89,999	1	—
90,000	99,999	1	2
100,000	109,999	1	—
110,000	119,999	2	1
120,000	129,999	—	—
130,000	139,999	1	1
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 1 President's Establishment is also the Accounting Officer for Vote 2 Department of the Taoiseach. His salary level is disclosed in the Appropriation Account for Vote 2.

Appropriation Account 2023

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 2023 for the salaries and expenses of the Department of the Taoiseach, including certain services administered by the Department and for the payment of grants.

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

A surplus of €4.856 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	3 – 5 years	33% – 20%

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 the Financial Shared Services Centre 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 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 for the provision of human resources and payroll shared services.

I rely on letters of assurance from the Accounting Officers for the National Shared Services Office and the Financial Shared Services Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Department of the Taoiseach.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services amounted to a total of €13.325 million in 2023.

The Department has provided details of four non-competitive contracts in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contracts in excess of €25,000 (exclusive of VAT) totalling €212,152 (exclusive of VAT) as set out below.

- A contract with a value of €66,652 for facilitation and notetaking for the Citizens' Assemblies, procured through a request for tenders on e-tenders, exceeded the threshold of such procurement. A new contract is now in place for this service.

- Two contracts with a combined value of €145,500 for IT managed support services had previously been awarded under competitive processes but were extended exceeding their thresholds. For one contact, extensions to the original reporting deadlines of the Commission of Investigation resulted in this above-threshold procurement. For the other, a competitive procurement process will be undertaken in 2024.

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 discuss significant risks that may arise for Ireland over the short, medium and long term. The National Risk Assessment sets out the most significant geopolitical, economic, social, environmental and technological risks facing the country. The latest National Risk Assessment was published in August 2023. Preparatory work is now underway ahead of commencement of the 2024 process.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

John Callinan
Accounting Officer
Department of the Taoiseach

26 June 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 2 Department of the Taoiseach for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

27 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 2 Department of the Taoiseach

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Supporting the work of the Taoiseach and Government				
	Original	39,534			
	Supplementary	1			
			39,535	34,626	32,367
Gross expenditure			**39,535**	**34,626**	**32,367**
	Deduct				
B	**Appropriations-in-aid**		**789**	**736**	**864**
Net expenditure					
	Original	38,745			
	Supplementary	1			
			38,746	**33,890**	**31,503**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**4,855,886**	**6,521,782**

John Callinan
Accounting Officer
Department of the Taoiseach

26 June 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		11,140	9,507
Pay		18,780	17,340
Non pay		4,706	5,520
Gross expenditure		**34,626**	**32,367**
Deduct			
Appropriations-in-aid		**736**	**864**
Net expenditure		**33,890**	**31,503**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	—		
Loss on disposal	3		
Depreciation	115		
Intangible assets (note 2.2)			
Purchases	(43)		
Amortisation	98		
		173	231
Changes in net current assets			
(Increase)/decrease in inventories	—		
(Increase)/decrease in prepayments	135		
Increase/(decrease) in accrued expenses	207		
		342	(859)
Direct expenditure		**34,405**	**30,875**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,077	5,578
Notional rents		1,517	1,517
Net programme cost		**40,999**	**37,970**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	10	10
Vote 12	Superannuation and Retired Allowances	3,570	4,096
Vote 13	Office of Public Works	545	561
Vote 18	National Shared Services Office	29	25
Vote 20	Garda Síochána	262	236
Vote 24	Justice	61	59
Vote 36	Defence	89	86
Vote 43	Office of the Government Chief Information Officer	51	43
Central Fund - Taoisigh and ministerial pensions		460	462
		5,077	**5,578**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	51	237
Intangible assets	2.2	243	298
Total fixed assets		**294**	**535**
Current assets			
Bank and cash	2.3	911	1,014
Prepayments	2.4	606	741
Other debit balances	2.5	48	40
Total current assets		**1,565**	**1,795**
Less current liabilities			
Accrued expenses	2.6	859	652
Other credit balances	2.7	694	705
Net Exchequer funding	2.8	265	349
Total current liabilities		**1,818**	**1,706**
Net current assets		(253)	89
Net assets		**41**	**624**
Represented by:			
State funding account	2.9	**41**	**624**

2.1 Property, plant and equipment

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [a, b]			
At 1 January 2023	964	639	1,603
Adjustments	(541)	(535)	(1,076)
Additions	—	—	—
Disposals	(41)	—	(41)
At 31 December 2023	382	104	486
Accumulated depreciation			
At 1 January 2023	801	565	1,366
Adjustments	(526)	(482)	(1,076)
Depreciation for the year	101	14	115
Depreciation on disposals	(38)	—	(38)
At 31 December 2023	338	97	435
Net assets			
At 31 December 2023	**44**	**7**	**51**
At 31 December 2022	163	74	237

Note [a] Cost or valuation at the beginning of the year include assets acquired for less than €10,000 prior to 1 January 2021. These assets have been removed from the statement by way of adjustments in the year.

[b] On 1 January 2023, acquired and developed software assets were reclassified as intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023 [a]	492	492
Adjustments	(4)	(4)
Additions	43	43
At 31 December 2023	531	531
Accumulated amortisation		
At 1 January 2023	194	194
Adjustments	(4)	(4)
Amortisation for the year	98	98
At 31 December 2023	288	288
Net assets		
At 31 December 2023	243	243
At 31 December 2022	298	298

Note [a] At 1 January 2023, acquired and developed software assets were transferred from property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	911	1,012
Other bank account balance	—	2
	911	**1,014**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
ICT prepayments	548	611
Programme prepayments	8	8
Other administration prepayments	50	122
	606	**741**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable travel pass expenditure	43	32
Other debit suspense items	5	8
	48	**40**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Programme accruals	325	334
Administration accruals	534	318
	859	**652**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	352	333
Pay related social insurance	171	155
Professional services withholding tax	20	24
Value added tax	—	35
	543	547
Payroll deductions held in suspense	151	157
Other credit suspense items	—	1
	694	**705**

2.8 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	4,856	6,522
Exchequer grant undrawn	(4,591)	(6,173)
Net Exchequer funding	**265**	**349**
Represented by:		
Debtors		
Bank and cash	911	1,014
Debit balances: suspense	48	40
	959	1,054
Creditors		
Due to the State	(543)	(547)
Credit balances: suspense	(151)	(158)
	(694)	(705)
	265	**349**

2.9 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			624	(4)
Disbursements from the Vote				
Estimate provision	Account	38,746		
Surplus to be surrendered	Account	4,856		
Net vote			33,890	31,503
Expenditure (cash) borne elsewhere	1		5,077	5,578
Non cash items – Property, plant and equipment adjustment	2.1		(68)	—
Non cash expenditure – notional rent	1		1,517	1,517
Net programme cost	1		(40,999)	(37,970)
Balance at 31 December			**41**	**624**

2.10 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	**68**	**49**

2.11 Contingent liabilities

Two High Court cases relating to requests for access to environmental information were noted as contingent liabilities on the 2022 appropriation account. One case concluded in July 2023 and no costs were due. The other case is still ongoing and may generate costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		20,583	18,780	17,340
ii	Travel and subsistence		730	581	605
iii	Training and development and incidental expenses				
	Original	3,002			
	Supplementary	(346)			
			2,656	2,054	2,875
iv	Postal and telecommunications services		360	299	306
v	Office equipment and external IT services				
	Original	1,257			
	Supplementary	(58)			
			1,199	1,257	1,413
vi	Office premises expenses				
	Original	400			
	Supplementary	121			
			521	515	321
vii	Consultancy and other services		18	—	—
			26,067	**23,486**	**22,860**

Significant variations

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

iii **Training and development and incidental expenses**

Estimate provision €3.002 million; outturn €2.054 million

The shortfall in expenditure of €948,000 relative to the estimate provision was due to less expenditure than anticipated across a range of areas including State events and training and development. Savings in this subhead were offset against increased expenditure incurred in subhead v Office equipment and external IT services.

vi Office premises expenses

Estimate provision €400,000; outturn €515,000

The excess expenditure of €115,000 relative to the estimate provision was due to increased energy costs.

Programme A Supporting the work of the Taoiseach and Government

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		20,583	18,780	17,340
A.2	Administration − non pay				
	Original	5,767			
	Supplementary	(283)			
			5,484	4,706	5,520
A.3	National Economic and Social Council		2,468	2,355	2,129
A.4	Tribunals of Inquiry				
	Original	3,910			
	Supplementary	(2,951)			
			959	799	898
A.5	Commissions of Investigation				
	Original	4,271			
	Supplementary	1,879			
			6,150	6,097	3,075
A.6	Citizens' Assembly				
	Original	535			
	Supplementary	1,356			
			1,891	1,889	1,337
A.7	Covid-19 public communications		2,000	—	2,068
			39,535	**34,626**	**32,367**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.4 Tribunals of Inquiry

Estimate provision €3,910,000; outturn €799,000

The shortfall in expenditure of €3.1 million relative to the estimate provision was due to a lower than anticipated number of legal cost claims settled in 2023. The Department has no control over third party legal costs awarded by the Tribunal 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 €4.271 million; outturn €6.097 million

Commissions of investigation are independent of the Department of the Taoiseach and their expenditure levels depend on the needs and requirements of their investigations in the first instance. The excess expenditure of €1.826 million relative to the estimate provision was due to the Commissions' 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 €535,000; outturn €1.889 million

The excess expenditure of €1.354 million relative to the estimate provision was due to the timing of the establishment of the Citizens' Assembly as the estimate provision of €535,000 did not reflect the full year costs.

A.7 Covid-19 public communications

Estimate provision €2 million; outturn €0 million

There was no requirement for any public information campaigns in 2023 in regard to Covid-19. This subhead has been retired in 2024.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	50	17	174
2	Receipts from additional superannuation contributions on public service remuneration	738	719	690
3	Miscellaneous	1	–	–
	Total	**789**	**736**	**864**

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	96	99
Receipts from office holders' voluntary salary surrender	91	96
Transferred to the Exchequer	(96)	(99)
Balance at 31 December	**91**	**96**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	**2023**	**2022**
Department	251	236
Agency – National Economic and Social Development Office	17	14
	268	**250**

5.2 Pay

Remuneration of Department staff

	2023 €000	2022 €000
Pay	17,155	16,262
Redundancy and severance	161	—
Higher, special or additional duties allowances	406	432
Overtime	450	381
Employer's PRSI	1,474	1,338
Total pay [a]	**19,646**	**18,413**

Note [a] The Departmental total pay figure includes pay in respect of staff of the Commissions of Investigation and the Citizens' Assembly.

Remuneration of agency staff

Pay	1,501	1,356
Employer's PRSI	152	133
Total pay	**1,653**	**1,489**

Note [a] Information based on returns made by the National Economic and Social Development Office.

5.3 Allowances and overtime payments - Department

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	45	18	38,396	35,302
Overtime	101	11	32,273	28,504
Extra remuneration in more than one category	17	11	42,423	32,980

5.4 Other remuneration arrangements

Ex-gratia payment of €29,829 (2022: €29,829) was made in respect of agreed retirement benefits to one former employee.

This account includes expenditure of €120,645 in respect of one officer who was serving outside the Department for all of 2023 and whose salary was paid by the Department.

This account does not include expenditure in respect of three officers who were serving outside the Department for all or part of 2023 in other Government Offices and whose salaries were not recouped by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	8	18,690	21,805
Recovery plans in place	5	10,263	14,971

Four recovery plans in respect of four individuals to the value of €9,034 were transferred to other departments or public service bodies during the year.

5.6 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	148	150
60,000	69,999	24	16
70,000	79,999	13	6
80,000	89,999	18	17
90,000	99,999	19	19
100,000	109,999	12	5
110,000	119,999	7	17
120,000	129,999	4	3
130,000	139,999	2	—
140,000	149,999	—	1
150,000	159,999	1	—
160,000	169,999	6	9
170,000	179,999	3	—
180,000	189,999	1	1
190,000	199,999	1	1
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	—	—
230,000	239,999	—	1
240,000	249,999	1	—

5.7 Severance and redundancy

During 2023, seven staff members whose employment was terminated were paid severance payments, totalling €126,818. Five of these seven individuals also received redundancy payments, totalling €34,392.

5.8 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay		
Martin Fraser (to 2 May 2022)	—	74
John Callinan (from 3 May 2022)	245	151
	245	**225**

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

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2023	2023	2022
		€000	€000	€000
Tribunal of Inquiry [a]	1997	68,136	799	898
Commission of Investigation (Cregan) [b]	2015	17,724	4,712	1,976
Commission of Investigation (Cooke) [c]	2017	6,394	1,385	1,099
			6,896	**3,973**

Note
[a] There will be further payments associated with the Tribunal of 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 Official gifts

The account includes the sum of €9,528, which was used for the purchase of gifts for presentation by, or on behalf of, the Taoiseach and Ministers of State in 2023 (2022: €18,322).

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	2023	2022
Number of cases [a]	7	4
	€000	**€000**
Department's own legal costs	—	—
Compensation	—	—
Legal costs	4,839	1,090
Other costs	—	—
2023 Total	**4,839**	**1,090**

Cumulative costs of cases completed in 2023

	Total
Number of cases [a]	7
	€000
Department's own legal costs	—
Compensation	—
Legal costs	4,839
Other costs	—
Total	**4,839**

Note [a] Seven payments for third party costs to members of the public relating to the Cregan Commission of Investigation and the Moriarty Tribunal of Inquiry.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €7.226 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 5 years	20%

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 for 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 put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of internal audit work performed by the National Shared Services Office Internal Audit Unit and by audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2023.

The Accounting Officer for shared services has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2023. 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Office has provided details of two non-competitive contracts in excess of €25,000 in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of two contracts in excess of €25,000 (exclusive of VAT). A contract with a value of €117,677 for parliamentary drafting services was awarded without a competitive process. It was deemed non-compliant, as the contract was not subjected to a competitive process in the year due to the specialised nature of the work involved, the extreme urgency of legislation required and the necessity to deliver on the Government's legislative programme. The second contract with a value of €56,726 was for the use of Office mobile phone services. The requirement to tender for this service was overlooked when responsibility for the management of this service was reassigned within the Office.

Both of these contracts have been included in the 40/2002 annual return referenced above.

The Office has engaged in a number of tendering processes over the last number of years to attract suitability qualified individuals for parliamentary drafting services. The Office will undertake a formal tendering process during 2024 for the provision of mobile phone services.

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 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 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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Damien Moloney
Accounting Officer
Office of the Attorney General

13 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 3 Office of the Attorney General for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard

Seamus McCarthy
Comptroller and Auditor General

28 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 3 Office of the Attorney General

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of professional legal services to Government, departments and offices.	27,541	20,278	20,445
Gross expenditure		**27,541**	**20,278**	**20,445**
	Deduct			
B	**Appropriations-in-aid**	**705**	**668**	**631**
Net expenditure		**26,836**	**19,610**	**19,814**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**7,225,753**	**13,471,619**

Damien Moloney
Accounting Officer
Office of the Attorney General

13 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		2,548	2,316
Pay		13,736	13,007
Non pay		3,994	5,122
Gross expenditure		**20,278**	**20,445**
Deduct			
Appropriations-in-aid		**668**	**631**
Net expenditure		**19,610**	**19,814**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(127)		
Loss on disposal	7		
Depreciation	127		
Intangible assets (note 2.2)			
Purchases	—		
Amortisation	40		
		47	(8)
Changes in net current assets			
Decrease in prepayments	(74)		
Increase in accrued income	(55)		
Increase in accrued expenses	(232)		
		(361)	119
Direct expenditure		**19,296**	**19,925**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,217	2,786
Notional rents		791	791
Net programme cost		**23,304**	**23,502**

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.

		2023 €000	2022 €000
Vote 12	Superannuation and Retired Allowances	2,464	2,251
Vote 13	Office of Public Works	249	189
Vote 18	National Shared Services Office	16	14
Vote 20	Garda Siochána	231	—
Vote 43	Office of the Government Chief Information Officer	16	24
Central Fund: pensions in respect of former Attorneys General		241	308
		3,217	**2,786**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed Assets			
Property, plant and equipment	2.1	276	283
Intangible assets	2.2	53	93
Total fixed assets		**329**	**376**
Current assets			
Bank and Cash		249	(459)
Prepayments	2.3	348	274
Accrued income	2.4	56	1
Other debit balances	2.5	16	119
Net Exchequer funding	2.8	(253)	340
Total current assets		**416**	**275**
Less current liabilities			
Accrued expenses	2.6	168	400
Other credit balances	2.7	12	—
Total current liabilities		**180**	**400**
Net current assets		236	(125)
Net assets		**565**	**251**
Represented by:			
State funding account	2.9	**565**	**251**

2.1 Property, plant and equipment [b]

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [a]			
At 1 January 2023	1,230	1,694	2,924
Additions	127	—	127
Disposals	(150)	(25)	(175)
At 31 December 2023	**1,207**	**1,669**	**2,876**
Accumulated depreciation			
At 1 January 2023	985	1,656	2,641
Depreciation for the year	122	5	127
Depreciation on disposals	(150)	(18)	(168)
At 31 December 2023	**957**	**1,643**	**2,600**
Net assets			
At 31 December 2023	**250**	**26**	**276**
At 31 December 2022	338	38	376

Note [a] Cost or valuation include certain assets, acquired for less than €10,000 prior to 1 January 2021

[b] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (note 2.2)

2.2 Intangible assets

	Acquired and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023	624	624
Additions	—	—
Disposals	(294)	(294)
At 31 December 2023	**330**	**330**
Accumulated amortisation		
At 1 January 2023	531	531
Amortisation for the year	40	40
Amortisation of disposals	(294)	(294)
At 31 December 2023	**277**	**277**
Net assets		
At 31 December 2023	**53**	**53**
At 31 December 2022	**93**	**93**

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

2.3 Prepayments

	2023 €000	2022 €000
Software support	258	198
Library services	89	76
Other prepayments	1	—
	348	**274**

2.4 Accrued income

at 31 December	2023 €000	2022 €000
Refund of secondment cost	55	—
Social Protection refunds	1	1
	56	**1**

2.5 Other debit balances

at 31 December	2023 €000	2022 €000
Office of Public Works	1	99
Recoupable travel pass scheme	12	8
Shared costs account	—	9
Other debit balances	3	3
	16	**119**

2.6 Accrued expenses

at 31 December	2023 €000	2022 €000
Contract legal expertise	37	312
Other administration expenses	131	88
	168	**400**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Professional services withholding tax	12	—
	12	**—**

2.8 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	7,226	13,472
Exchequer grant undrawn	(6,973)	(13,812)
Net Exchequer funding	**253**	**(340)**
Represented by:		
Debtors		
Debit balances: suspense	16	119
Bank and cash	249	(459)
	265	**(340)**
Creditors		
Due to the State	(12)	—
	(12)	—
	253	**(340)**

2.9 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			251	362
Disbursements from the Vote				
Estimate provision	Account	26,836		
Surplus to be surrendered	Account	7,226		
Net vote			19,610	19,814
Expenditure (cash) borne elsewhere	1.1		3,217	2,786
Non cash expenditure – notional rent	1		791	791
Net programme cost	1		(23,304)	(23,502)
Balance at 31 December			**565**	**251**

2.10 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	**1,280**	**986**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
i	Salaries, wages and allowances	15,756	13,736	13,007
ii	Travel and subsistence	240	133	110
iii	Training and development and incidental expenses	750	762	551
iv	Postal and telecommunications services	125	97	92
v	Office equipment and external IT services	1,154	1,140	1,007
vi	Office premises expenses	310	191	116
vii	Consultancy services and value for money and policy reviews	35	24	22
viii	Contract legal expertise	2,100	542	447
		20,470	**16,625**	**15,352**

Significant variations

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

ii Travel and subsistence

Estimate provision €240,000; outturn €133,000

Savings of €107,000 arose as travel was only beginning to return to pre-pandemic levels.

vi Office premises expenses

Estimate provision €310,000; outturn €191,000

The savings of €119,000 arose due to lower than anticipated utility costs.

viii Contract legal expertise

Estimate provision €2.1 million; outturn €542,000

The savings of €1.558 million arose as payments to external counsel and consultancy parliamentary counsel were much less than anticipated. Funding of €1.1 million was provided for the year under this subhead to allow the Office to seek advice, if necessary, from external counsel who would specialise in a particular area of law thus freeing up Office staff to undertake other daily tasks. The additional funding would also allow the State to appropriately address and where necessary defend litigation. Ultimately, expenditure on requests from external counsel on advice under specific areas of law and the need to address and defend litigation throughout 2023 did not materialise for the Office. The balance of €1 million was to meet payments to consultant parliamentary counsel for the year. Savings of €458,000 were made as there was less than the anticipated requirement for the service of consultant parliamentary counsel throughout 2023.

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	15,756	13,736	13,007
A.2	Administration – non pay	4,714	2,889	2,345
A.3	Contributions to international organisations	58	68	57
A.4	Law Reform Commission	2,883	2,548	2,316
A.5	General law expenses	130	205	36
A.6	Consolidation and revision of planning regulations	4,000	832	2,684
		27,541	**20,278**	**20,445**

Significant variations

The following outlines the reasons for significant variations in non-administration expenditure (+/- 5% and €100,000).

A.4 Law Reform Commission

Estimate €2.883 million; realised €2.548 million

The shortfall in expenditure of €335,000 relative to the estimate provision was exclusively due to savings under pay in the Commission as all posts were not filled at all times during the year.

A.5 General law expenses

Estimate €130,000; realised €205,000

The overspend of €75,000 relative to the estimate provision was due to a higher demand by the Office in the use of external counsel in seeking advice on legal matters and European Court of Human Rights cases.

A.6 Consolidation and revision of planning regulations

Estimate €4 million; realised €0.832 million

Government decision S180/20/10/2665 agreed, following on from the agreement under *Housing for All*, to undertake a comprehensive review and consolidation of planning legislation. In all, funding of €15 million was provided to undertake this project, €4 million of which was allocated in the 2023 estimate provision for the Office. The underspend of €3.168 million relative to the estimate provision was partly due to lower than anticipated costs associated with members of the working group on the project to review and redraft the planning legislation. In addition, €2 million of the estimate had been allocated for the anticipated use of external counsel on the project who would specialise in specific areas of legislation and who may have been required to undertake specific areas of work on the project relevant to their specific area of expertise. In the event, these services were not required.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	697	668	631
2	Miscellaneous	8	—	—
	Total	**705**	**668**	**631**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2023	2022
Office of the Attorney General	151	137
Agency - Law Reform Commission	21	20
Total	**172**	**157**

5.2 Pay – Office of the Attorney General

	2023 €000	2022 €000
Pay	12,453	11,788
Higher, special or additional duties allowances	71	73
Other allowances	15	14
Overtime	16	12
Employer's PRSI	1,181	1,120
Total pay	**13,736**	**13,007**

5.2 Pay – Law Reform Commission

	2023 €000	2022 €000
Pay	1,309	1,162
Higher, special or additional duties allowances	—	—
Employer's PRSI	107	110
Total pay [a]	**1,416**	**1,272**

Note [a] The Law Reform Commission received a grant of €2.548 million under subhead A.4 Law Reform Commission (€2.316 million in 2022). 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	
			2023	2022
			€	€
Higher, special or additional duties allowances	6	4	24,503	28,889
Other allowances	9	—	8,994	8,825
Overtime	2	—	7,970	12,203
Extra remuneration in more than one category	2	1	24,503	28,889

5.4 Office staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	48	41
60,000	69,999	8	11
70,000	79,999	12	18
80,000	89,999	14	11
90,000	99,999	14	8
100,000	109,999	14	8
110,000	119,999	10	14
120,000	129,999	13	13
130,000	139,999	5	—
140,000	149,999	—	—
150,000	159,999	1	3
160,000	169,999	—	3
170,000	179,999	9	4
180,000	189,999	—	—
190,000	199,999	—	1
200,000	209,999	1	—
210,000	219,999	—	—
220,000	229,999	—	2
230,000	239,999	2	—

5.5 Other remuneration arrangements

This account includes expenditure of €36,569 in respect of the salary costs of one officer who was serving outside the Office for all or part of 2023 and whose salary was paid by the Office.

This account does not include expenditure in respect of 35 officers who were serving outside the Office for all or part of 2023 in other Government departments/offices and whose salaries were paid by the host department/office.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	9	21,425	16,833
Recovery plans in place	6	15,056	4,993

5.7 Severance/redundancy

Five staff from the Attorney General's Private Office, whose employments were terminated following on from the change of Attorney General in December 2022, received severance payments of €64,176 during 2023. Each of these staff also received redundancy payments, the total value of which were €17,796. Total payments for 2023 amounted to €81,972.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**231**	**214**

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

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €716,000 is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 6 form part of the account.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	2 - 10 years	50% - 10%

Depreciation

Assets that cost €7.864 million, and were employed during the 2022 Census of Population are being depreciated over a two-year period commencing June 2022.

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 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 and other 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 three-year 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

The Central Statistics Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Central Statistics Office has provided details of 15 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, National Development Plan Delivery and Reform.

The CSO complied with all relevant guidelines during 2023, with the exception of two non-compliant contracts totalling €208,900, as set out below.

- Katalyse – Data Scientist Graduates Contract, value €177,000, was awarded prior to an Internal Audit review.
- Sureskills Ltd – Commvault Online Plug-In, value €31,900, was awarded prior to an Internal Audit review.

The Office intends to remedy this situation by strengthening the monitoring responsibilities of the Procurement Support Section to ensure more effective oversight and improved compliance.

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 risk register is reviewed and updated by the risk board on a quarterly basis and approved annually 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 management and the risk 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

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.

Overpayment of home office allowance

The Office continuously conducts surveys collecting data from Irish households. The Office has a permanent household survey field workforce of approximately 130 coordinators and interviewers, and additional temporary field staff are recruited to conduct cyclical surveys. The Office reported in the 2022 appropriation account the overpayment of a home office/storage allowance to field staff due to the use of an incorrect payment rate. The overpayment amounted to €3.24 a week per field staff member for variable periods between 2018 to 2023. The total amount overpaid was €92,778.

The Office has implemented revised processes for payment of the allowance. The National Shared Services Office (NSSO) now processes this as part of the regular payroll administration rather than individual travel and subsistence expense claims. The Office is seeking to recoup the amounts overpaid from the relevant staff members/former staff members/pensioners in accordance with Department of Public Expenditure, National Development Plan Delivery and Reform circular 7/2018. This process is underway with current employees advised of the repayments due, and we have commenced a number of recoupment plans.

Voluntary disclosure to Revenue Commissioners

The Office identified an underpayment of taxation in relation to the home office allowance. An internal review also highlighted an under payment of tax regarding certain other allowances to field staff. Additionally, the review identified small underpayments of tax relating to professional body subscription payments.

On foot of this, the Office made an unprompted voluntary disclosure to the Revenue Commissioners in relation to an under payment of €366,129 comprised of a tax liability of €295,927 plus interest totalling €70,202 relating to the period from January 2019 to February 2024. This disclosure is currently being reviewed by Revenue.

As part of our ongoing audit work programme, the Office appointed external auditors to carry out a review of its systems, procedures, and controls in respect of travel and subsistence claims and certain allowances payable to Social Survey Interviewers. This report is being finalised and findings will be fully implemented. Apart from four medium/low priority rated findings made, the auditors found the controls tested have operated satisfactorily during the period January 2022 to June 2023.

Jennifer Banim
Accounting Officer
Central Statistics Office

28 August 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 4 Central Statistics Office for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Voluntary disclosure to the Revenue Commissioners

The Accounting Officer has disclosed in the statement on internal financial control that an amount of €366,129 has been paid to Revenue in relation to underpayment of tax on certain allowances paid to staff. The Accounting Officer has outlined the steps being taken to improve controls in this area.

Seamus McCarthy
Comptroller and Auditor General

30 August 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 4 Central Statistics Office

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Delivery of annual statistical programme	74,092	73,765	102,071
Gross expenditure		**74,092**	**73,765**	**102,071**
	Deduct			
B	**Appropriations-in-aid**	**1,640**	**2,029**	**2,531**
Net expenditure		**72,452**	**71,736**	**99,540**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**716,212**	**3,944,786**

Pádraig Dalton
Accounting Officer
Central Statistics Office

15 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		56,777	77,814
Non pay		16,988	24,257
Gross expenditure		**73,765**	**102,071**
Deduct			
Appropriations-in-aid		2,029	2,531
Net expenditure		**71,736**	**99,540**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases cash	(263)		
Depreciation	269		
Intangible assets (note 2.2)			
Purchases	(1,446)		
Amortisation	5,803		
		4,363	933
Changes in net current assets			
(Increase)/decrease in prepayments	(637)		
(Increase)/decrease in accrued income	(104)		
Increase/(decrease) in accrued expenses	279		
		(462)	(101)
Direct expenditure		**75,637**	**100,372**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		11,964	11,556
Notional rents		1,706	1,706
Net programme cost		**89,307**	**113,634**

1.1 Net allied services expenditure

The net allied services expenditure amount comprises the following amounts in relation to Vote 4 borne elsewhere.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	1,077	1,216
Vote 12	Superannuation and Retired Allowances	9,151	8,337
Vote 13	Office of Public Works	1,572	1,389
Vote 18	National Shared Services Office	164	614
		11,964	**11,556**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	699	705
Intangible assets	2.2	9,569	14,125
Total fixed assets		10,268	14,830
Current assets			
Bank and cash	2.3	1,428	1,687
Prepayments	2.4	2,989	2,352
Accrued income	2.5	256	152
Other debit balances	2.6	146	204
Net Exchequer funding	2.9	729	500
Total current assets		**5,548**	**4,895**
Less current liabilities			
Accrued expenses	2.7	819	540
Other credit balances	2.8	2,303	2,391
Total current liabilities		**3,122**	**2,931**
Net current assets		2,426	1,964
Net assets		**12,694**	**16,794**
Represented by:			
State funding account	2.10	**12,694**	**16,794**

2.1 Property, plant and equipment [a]

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	4,553	903	5,456
Additions	263	—	263
At 31 December 2023	4,816	903	5,719
Accumulated depreciation			
At 1 January 2023	3,886	865	4,751
Depreciation for the year	256	13	269
At 31 December 2023	4,142	878	5,020
Net assets			
At 31 December 2023	**674**	**25**	**699**
At 31 December 2022	667	38	705

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	44,846	1,123	45,969
Adjustments[b]	—	(199)	(199)
Additions	—	1,446	1,446
Transfers	1,366	(1,366)	—
Disposals[c]	(7,647)	—	(7,647)
At 31 December 2023	**38,565**	**1,004**	**39,569**
Accumulated amortisation			
At 1 January 2023	31,844	—	31,844
Amortisation for the year	5,803	—	5,803
Amortisation of disposals	(7,647)	—	(7,647)
At 31 December 2023	**30,000**	**—**	**30,000**
Net assets			
At 31 December 2023	**8,565**	**1,004**	**9,569**
At 31 December 2022	13,002	1,123	14,125

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment (note 2.1).

[b] The adjustment relates to the opening value of assets under development to remove software with an expected useful life of less than one year.

[c] All software assets were reviewed as part of the project to record intangible assets as a separate note. This identified a value totalling €7.647 million for obsolete fully depreciated assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	1,427	1,686
Petty cash	1	1
	1,428	**1,687**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
IT services and support	2,662	1,911
Census publicity	—	3
Other prepayments	327	438
	2,989	**2,352**

2.5 Accrued income

at 31 December	2023	2022
	€000	€000
Grant funding due from the EU	256	152
	256	**152**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable salaries	25	32
Recoupable travel expenditure	14	9
Recoupable travel pass expenditure	5	4
OPW suspense balance	32	95
Other debit suspense items	70	64
	146	**204**

2.7 Accruals

at 31 December	2023	2022
	€000	€000
Administration expenses	436	264
IT services and support	316	195
Travel and subsistence expenses	67	81
	819	**540**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	713	768
Pay related social insurance	542	514
Professional services withholding tax	152	53
Value added tax	148	45
Pension contributions	186	175
Local property tax	5	5
Universal social charge	149	148
	1,895	1,708
Payroll deductions held in suspense	209	197
Other credit suspense items	199	486
	2,303	**2,391**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	716	3,945
Exchequer grant undrawn	(1,445)	(4,445)
Net Exchequer funding	**(729)**	**(500)**
Represented by:		
Debtors		
Bank and cash	1,428	1,687
Debit balances: suspense	146	204
	1,574	1,891
Creditors		
Due to the State	(1,895)	(1,708)
Credit balances: suspense	(408)	(683)
	(2,303)	(2,391)
	(729)	**(500)**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			16,794	21,156
Disbursements from the Vote				
Estimate provision	Account	72,452		
Surplus to be surrendered	Account	(716)		
Net vote			71,736	99,540
Non cash items – Property, plant and equipment adjustment	2.1		—	(3,530)
Non cash items – Intangible assets adjustment	2.2		(199)	—
Expenditure (cash) borne elsewhere	1.1		11,964	11,556
Non cash expenditure – notional rent	1		1,706	1,706
Net programme cost	1		(89,307)	(113,634)
Balance at 31 December			**12,694**	**16,794**

2.11 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	18,497	12,582

2.12 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	5	10

2.13 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.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	58,428	56,179	77,057
ii	Travel and subsistence	1,271	1,193	743
iii	Training and development and incidental expenses	1,270	1,552	2,583
iv	Postal and telecommunications services	975	1,384	1,436
v	Office equipment and external IT services	8,385	9,839	11,348
vi	Office premises expenses	1,147	1,410	1,745
vii	Consultancy services and value for money and policy reviews	170	50	12
viii	Collection of statistics	1,446	1,192	6,045
		73,092	**72,799**	**100,969**

Significant variations

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

iv Postal and telecommunications services

Estimate provision €975,000; outturn €1.384 million

The increase of €409,000 on expenditure on postal and telecommunications services was due to higher postal costs required to address falling survey response rates.

vii Consultancy services and value for money and policy reviews

Estimate provision €170,000; outturn €50,000

This decrease of €120,000 on expenditure on consultancy services and value for money and policy reviews was due to a reduced use of consultancy services during 2023 versus original budget.

Programme A Delivery of annual statistical programme

	2023		2022
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A.1 Administration – pay	58,428	56,179	77,056
A.2 Administration – non pay	14,664	16,620	23,913
A.3 NRRP – Online Census Pilot	1,000	966	1,102
	74,092	**73,765**	**102,071**

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	European Union receipts	140	247	906
2	Receipts from additional superannuation contributions on public service remuneration	1,430	1,696	1,542
3	Miscellaneous	70	86	83
	Total	**1,640**	**2,029**	**2,531**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 European Union receipts

Estimate €140,000; realised €247,000

The 2023 estimate for EU receipts related to two Purchasing Power Parity grants estimated to be €140,000 but the actual grant receipts amounted to €207,167. An additional grant was also received for large case unit activities grant totalling €40,112.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €1.430 million; realised €1.696 million

The increase of €266,000 in additional superannuation contributions was due to changes to staff numbers and movement in payband distribution.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**946**	**1,001**

5.2 Pay

	2023 €000	2022 €000
Pay	51,786	69,898
Higher, special or additional duties allowances	376	1,589
Other	3	—
Overtime	156	266
Employer's PRSI	4,456	6,061
Total pay [a]	**56,777**	**77,814**

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

5.3 Allowances and overtime payments

	Number of recipients [a]	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	137	5	22,918	15,523
Overtime and extra attendance	102	1	22,131	20,632
Other allowances	23	—	191	65
Extra remuneration in more than one category	21	8	29,793	27,920

Note [a] Additional overtime was incurred during 2023 to ensure delivery of census processing deadlines.

5.4 CSO staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	687	727
60,000	69,999	89	70
70,000	79,999	38	34
80,000	89,999	54	59
90,000	99,999	42	29
100,000	109,999	14	17
110,000	119,999	19	14
120,000	129,999	7	1
130,000	139,999	1	—
140,000	149,999	—	—
150,000	159,999	—	2
160,000	169,999	4	3
170,000	179,999	—	1
180,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Nine retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €21,730 during 2023. The payments made were consistent with the principles of the Public Services (Single Scheme and other Provisions) Act 2012.

There were no officers serving outside the Office for all or part of 2023 and whose salaries were paid by the Office.

This account does not include expenditure in respect of 47 officers who were serving outside the Office for all or part of 2023 in other government department/offices that paid their salaries.

5.6 Payroll overpayments

	Number of recipients	2023 €	2022 €
Overpayments	94	124,406	100,656
Recovery plans in place	29	51,177	53,386

Six overpayment recovery plans in respect of five individuals to the value of €2,298 were transferred to other government departments in 2023.

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	215	202

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

Note 6 Miscellaneous

6.1 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2023, the Office received EU income totalling €247,279 on foot of three contracts. Two contracts were for data collection to facilitate purchasing power parity comparisons between capital city prices totalling €207,167. The third contract was for large case unit activities totalling €40,112 This funding has been recognised as appropriations-in-aid in 2023.

The Office was also awarded EU NRRP (National Resilience and Recovery Plan) funding totalling €1 million (actual expenditure €0.966 million) in 2023 towards delivery of an online census platform. This grant was added to the Office allocation through the Department of Public Expenditure, National Development Plan Delivery and Reform vote mechanism.

6.2 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by employees		2023 Total	2022 Total
	Personal injuries [a]	Breach HR/ employment policies[b]		
Number of cases	5	2	7	4
	€000	€000	€000	€000
Office's own legal costs	—	—	—	—
Awards				
Compensation	3	4	7	—
Legal costs	20	—	20	40
Other costs	3	—	3	14
2023 total	**26**	**4**	**30**	**54**
2022 total	54	—	—	

Note [a] Amount paid to one individual €3,000

[b] Amounts paid to two individuals were €450 and €3,200

No cases finalised in 2023 where expenditure was above €50,000. One case was settled, but not finalised, advised that compensation amounts to €187,671 value of costs not determined.

At 31 December 2023 the following claims are outstanding:

Personal injury claims: employees — four (2022: six); breach of HR/employment policies — one (2022: nil).

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.27 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, National Development Plan Delivery and Reform in Circular 22 of 2023, have been applied in the preparation of the account with the following exceptions.

Accrued general law expenses

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

- Costs that have been awarded and which are agreed and settled before 28 February of the following year are accrued at the amount for which they were settled.
- Costs which have been awarded and which have not been settled by 28 February are accrued based on an estimate which takes into account the complexity of proceedings, the bill of costs which has been submitted and our experience of previous settlements.

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.

Intangible assets

Capital assets have been separated into two components on the face of the statement of financial position and in the related notes, Intangible assets and Property, plant and equipment. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

Asset class	*Useful life*	*Rate of amortisation* *
Software licences	5 years	20%
Acquired/developed software	5 years	20%

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 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.

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.

Financial control environment

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

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. This includes the following elements.

- 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

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.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Office has provided details of five 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, National Development Plan Delivery 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 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 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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Marion Berry
Accounting Officer
Office of the Director of Public Prosecutions

4 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 5 Office of the Director of Public Prosecutions for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

31 May 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 5 Office of the Director of Public Prosecutions

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Provision of prosecution service				
Original	56,078			
Supplementary	4,500			
		60,578	59,445	50,878
Gross expenditure		**60,578**	**59,445**	**50,878**
Deduct				
B **Appropriations-in-aid**		**760**	**899**	**831**
Net expenditure				
Original	55,318			
Supplementary	4,500			
		59,818	**58,546**	**50,047**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**1,271,848**	**1,229,759**

Marion Berry
Accounting Officer
Office of the Director of Public Prosecutions

4 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		35,544	29,500
Pay		20,484	18,483
Non pay		3,417	2,895
Gross expenditure		**59,445**	**50,878**
Deduct			
Appropriations-in-aid		899	831
Net expenditure		**58,546**	**50,047**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(112)		
Depreciation	61		
Loss on disposals	14		
		(37)	(68)
Changes in net current assets			
(Increase)/decrease in inventories	3		
(Increase)/decrease in prepayments	(41)		
Increase/(decrease) in accrued expenses	267		
		229	975
Direct expenditure		**58,738**	**50,954**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,042	3,145
Notional rents		2,025	2,025
Net programme cost		**63,805**	**56,124**

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.

		2023	2022
		€000	€000
Vote 12	Superannuation and Retired Allowances	2,201	2,431
Vote 13	Office of Public Works	573	468
Vote 18	National Shared Services Office	26	22
Vote 20	Garda Síochána	242	224
		3,042	**3,145**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	166	129
Total fixed assets		**166**	**129**
Current assets			
Bank and cash	2.3	886	952
Inventories	2.4	64	67
Prepayments	2.5	285	244
Other debit balances	2.6	496	390
Total current assets		**1,731**	**1,653**
Less current liabilities			
Accrued expenses	2.7	3,442	3,175
Other credit balances	2.8	1,363	1,326
Net Exchequer funding	2.9	19	16
Total current liabilities		**4,824**	**4,517**
Net current liabilities		(3,093)	(2,864)
Net liabilities		**(2,927)**	**(2,735)**
Represented by:			
State funding account	2.10	**(2,927)**	**(2,735)**

2.1 Property, plant and equipment

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [a]			
At 1 January 2023 [b]	308	24	332
Additions	112	—	112
Disposals	—	(14)	(14)
At 31 December 2023	420	10	430
Accumulated depreciation			
At 1 January 2023	193	10	203
Depreciation for the year	61	—	61
Depreciation on disposals	—	—	—
At 31 December 2023	254	10	264
Net assets			
At 31 December 2023	**166**	—	**166**
At 31 December 2022	115	14	129

Note [a] Cost or valuation includes assets acquired for less than €10,000 prior to 1 January 2021.

[b] On 1 January 2023, Acquired and developed software assets were transferred to Intangible assets (note 2.2).

2.2 Intangible assets

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023	2,219	2,219
Additions	—	—
Transfers	—	—
Disposals	—	—
At 31 December 2023	2,219	2,219
Accumulated amortisation		
At 1 January 2023	2,219	2,219
Amortisation for the year	—	—
Amortisation of disposals	—	—
At 31 December 2023	2,219	2,219
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	—	—

Note [a] On 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balance	879	948
Other bank account balance	7	4
	886	**952**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
IT consumables	64	67
	64	**67**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Software and other maintenance	206	181
Information services	72	63
Travel and subsistence	7	—
	285	**244**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable travel pass scheme expenditure	16	19
Other debit suspense items	480	371
	496	**390**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Counsel fees	2,196	1,467
General law expenses	911	1,563
Other expenses	335	145
	3,442	**3,175**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	573	514
Pay related social insurance	232	200
Professional services withholding tax	394	453
Value added tax	17	30
Local property tax	1	1
Universal social charge	120	104
	1,337	1,302
Other credit suspense items	26	24
	1,363	**1,326**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	1,272	1,230
Exchequer grant undrawn	(1,253)	(1,214)
Net Exchequer funding	**19**	**16**
Represented by:		
Debtors		
Bank and cash	886	952
Debit balances: suspense	496	390
	1,382	1,342
Creditors		
Due to the State	(1,337)	(1,302)
Credit balances: suspense	(26)	(24)
	(1,363)	(1,326)
	19	**16**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			(2,735)	(1,828)
Disbursements from the Vote				
Estimate provision	Account	59,818		
Surplus to be surrendered	Account	(1,272)		
Net vote			58,546	50,047
Expenditure (cash) borne elsewhere	1		3,042	3,145
Non-cash expenditure – notional rent	1		2,025	2,025
Net programme cost	1		(63,805)	(56,124)
Balance at 31 December			**(2,927)**	**(2,735)**

2.11 Commitments

at 31 December	2023 €000	2022 €000
Procurement of goods and services	91	27

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.

2.12 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	53	21

Note 3 Vote Expenditure

Analysis of administration expenditure

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

			2023		2022
		Estimate provision		Outturn	Outturn
		€000		€000	€000
i	Salaries, wages and allowances				
	Original	23,747			
	Supplementary	(2,343)			
			21,404	20,484	18,483
ii	Travel and subsistence		186	315	174
iii	Training and development and incidental expenses		1,145	1,243	1,034
iv	Postal and telecommunications services		230	202	205
v	Office equipment and external IT services		1,181	844	942
vi	Office premises expenses		658	718	513
vii	Consultancy services and value for money and policy reviews		37	95	27
			24,841	**23,901**	**21,378**

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 €186,000; outturn €315,000

The increase in expenditure of €129,000 relative to the estimate provision was due to an increase in the cost of staff serving overseas with the Eurojust agency and cost of office staff attending court sittings outside of Dublin.

v. Office equipment and external IT services

Estimate provision €1.181 million; outturn €844,000

The shortfall in expenditure of €337,000 relative to the estimate provision was due to work on our IT infrastructure not proceeding as quickly as expected. This will now be undertaken in 2024.

Programme A Provision of Prosecution Service

		Estimate provision	2023 Outturn	2022 Outturn
			€000	€000	€000
A.1	Administration − pay				
	Original	23,747			
	Supplementary	(2,343)			
			21,404	20,484	18,483
A.2	Administration − non pay		3,437	3,417	2,895
A.3	Fees to counsel				
	Original	19,028			
	Supplementary	4,884			
			23,912	24,115	20,072
A.4	General law expenses				
	Original	1,446			
	Supplementary	727			
			2,173	1,913	1,095
A.5	Local State Solicitor service				
	Original	8,420			
	Supplementary	1,232			
			9,652	9,516	8,333
			60,578	**59,445**	**50,878**

Significant variations

The following outlines the reasons for significant variations in expenditure from the amount provided (+/- 5% and €100,000).

A.3 ***Fees to counsel***

Original estimate provision €19.028 million; outturn €24.115 million

The increase in expenditure of €5.09 million relative to the original estimate provision was due to the increased number of cases listed for hearing by the courts following the appointment of more judges.

A.4 ***General law expenses***

Original estimate provision €1.446 million; outturn €1.913 million

The increase in expenditure of €467,000 relative to the original estimate provision was due to a small number of unusually costly cases.

A.5 ***Local State Solicitor service***

Original estimate provision €8.42 million; outturn €9.516 million

The increase in expenditure of €1.1 million relative to the original estimate provision was due to the payment of arrears arising under the State Solicitors' contract.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations in aid	42	30	52
2	Receipts from additional superannuation contributions on public service remuneration	717	867	779
3	Miscellaneous	1	2	—
	Total	**760**	**899**	**831**

Significant variations

The following outlines the reasons for significant variations in expenditure from the amount provided (+/- 5% and €100,000).

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

The increase in receipts of €150,000 relative to the original estimate provision arises due to the increase in salaries and wages over the previous year.

4.2 Extra receipts payable to the Exchequer

at 31 December	2023	2022
	€000	€000
Balance at 1 January	—	—
Receipts under Sections 4 and 61 of the 1994 Criminal Justice Act	1,221	—
Transferred to the Exchequer	(1,221)	—
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**263**	**230**

5.2 Pay

	2023 €000	2022 €000
Pay	18,520	16,709
Higher, special or additional duties allowances	180	198
Overtime	7	7
Employer's PRSI	1,777	1,569
Total pay	**20,484**	**18,483**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	36	7	32,399	36,451
Overtime and extra attendance	8	—	2,533	2,387
Extra remuneration in more than one category	1	—	3,884	—

5.4 Office staffing by pay band

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

Pay band		Number of employees	
From (€)	**To (€)**	**2023**	**2022**
20,000	59,999	122	122
60,000	69,999	17	21
70,000	79,999	30	27
80,000	89,999	26	24
100,000	109,999	19	15
110,000	119,999	9	6
120,000	129,999	15	11
130,000	139,999	4	3
140,000	149,999	—	2
150,000	159,999	1	—
160,000	169,999	1	2
170,000	179,999	4	1
180,000	189,999	1	1
190,000	199,999	—	—
200,000	209,999	1	—
210,000	219,999	—	—
220,000	229,999	—	—
230,000	239,999	1	1

5.5 Other remuneration arrangements

This account includes expenditure of €246,265 (2022: €188,642) in respect of two officers who were serving outside the Office in 2023 and whose salaries were paid from subhead A.1.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	12	16,668	13,422
Recovery plans in place	7	8,824	12,008

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €	2022 €
Basic pay		
Liz Howlin – appointed 7 August 2021/appointment concluded 30 November 2022	—	158,319
Marion Berry – appointed 1 December 2022 [a]	202,116	—
Allowances		
Liz Howlin	—	11,494
	202,116	**169,813**

The value of retirement benefits earned in the period are not included above.

All of the individuals referenced above are members of superannuation schemes for established civil servants, and their entitlements in that regard do not extend beyond the standard terms of the relevant schemes.

Note [a] Marion Berry received her first payroll payment in January of 2023.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	2023	2022
	Total	**Total**
Number of cases	—	1
	€000	**€000**
Office's own legal costs	—	5
Payments by/on behalf of Office		
Compensation	—	23
Legal costs	—	12
Total	—	**40**

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.349 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, National Development Plan Delivery and Reform in Circular 22 of 2023, have been applied in the preparation of the account except for the following:

Accrued income

As a result of the National Treasury Management Agency (Delegation of Claims for Costs Management Functions) Order 2018 (S.I. No. 191 of 2018), the management of claims in respect of costs orders made on or after 29 May 2018 both for and against the State has been delegated to the National Treasury Management Agency.

Accrued income in this account represents costs awarded to the State that were taxed on foot of orders obtained prior to 29 May 2018 but not yet fully recovered. The Office remains responsible for the recovery of the pre-May 2018 costs.

Accrued counsel fees

Fee notes received from counsel are subject to a comprehensive evaluation process to determine the level of fees due, which may differ from the amount(s) sought by counsel. The end-of-year accrual in respect of counsel fee liabilities is the amount estimated by the Office, based on the experience of its assessment process during the year of account, as representing the amount of liability that will become due.

Intangible assets

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 2023.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

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

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €179,987 (ex. VAT) in 2023. The contracts are in respect of legal cost accounting services, and were identified as the Office completed a review of the procurement of the services of legal costs accountants at the end of June 2024. The review entailed a detailed consideration of the relevant EU Directives. The rules as set out in the Directive 2014/24/EU changed significantly from the previous applicable rules set out in Directive 2004/18/EC and required detailed examination. Following an in-depth consideration of the open question whether legal costs accountants came within the definition of 'legal services' in the Directive, the CSSO is now satisfied, on balance and out of an abundance of caution, to accept that these contracts should be included on a list of non-competitive contracts for the annual circular 40/2002 return. The CSSO accepts that future requirements from July 2024 should be procured in line with public procurement rules and that these contracts will be included in the 40/2002 disclosure until the services are procured in accordance with procurement guidelines by the relevant contracting authority.

The above contracts have been included in the 40/2002 annual return referenced above.

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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

5 July 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 6 Office of the Chief State Solicitor for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

8 July 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 6 Office of the Chief State Solicitor

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of legal services	50,389	49,485	45,442
Gross expenditure		**50,389**	**49,485**	**45,442**
	Deduct			
B	**Appropriations-in-aid**	**891**	**1,336**	**996**
Net expenditure		**49,498**	**48,149**	**44,446**

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

	2023	2022
	€	€
Surplus to be surrendered	**1,349,067**	**5,211,700**

Maria Browne
Accounting Officer
Office of the Chief State Solicitor

5 July 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		20,744	20,069
Pay		25,567	22,538
Non-pay		3,174	2,835
Gross expenditure		**49,485**	**45,442**
Deduct			
Appropriations-in-aid		**1,336**	**996**
Net expenditure		**48,149**	**44,446**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(45)		
Depreciation	147		
Loss on disposal	1		
Intangible assets (note 2.2)			
Purchases	—		
Amortisation	69		
		172	138
Changes in net current assets			
Increase in prepayments	(78)		
Decrease in accrued income	26		
Increase in accrued expenses	562		
		510	(344)
Direct expenditure		**48,831**	**44,240**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,512	4,850
Notional rents		865	865
Net programme cost		**55,208**	**49,955**

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.

		2023	2022
		€000	€000
Vote 12	Superannuation and Retired Allowances	3,868	3,390
Vote 13	Office of Public Works	1,570	1,373
Vote 18	National Shared Services Office	38	35
Vote 43	Office of the Government Chief Information Officer	36	52
		5,512	**4,850**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	261	352
Intangible assets	2.2	100	169
Total fixed assets		**361**	**521**
Current assets			
Bank and cash	2.3	1,284	1,300
Prepayments	2.4	425	347
Accrued income	2.5	9,702	9,728
Other debit balances	2.6	571	513
Total current assets		**11,982**	**11,888**
Less current liabilities			
Accrued expenses	2.8	4,818	4,256
Net Exchequer funding	2.7	6	(505)
Other credit balances	2.9	1,849	2,318
Total current liabilities		**6,673**	**6,069**
Net current assets		5,309	5,819
Net assets		**5,670**	**6,340**
Represented by:			
State funding account	2.10	**5,670**	**6,340**

2.1 Property, plant and equipment

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [a, b]			
At 1 January 2023	1,937	1,734	3,671
Additions	45	—	45
Adjustment for the year	20	—	20
Disposals	(402)	(181)	(583)
At 31 December 2023	1,600	1,553	3,153
Accumulated depreciation			
At 1 January 2023	1,671	1,648	3,319
Depreciation for the year	131	16	147
Adjustment for the year	8	—	8
Depreciation on disposals	(402)	(180)	(582)
At 31 December 2023	1,408	1,484	2,892
Net assets			
At 31 December 2023	**192**	**69**	**261**
At 31 December 2022	266	86	352

Note [a] Cost or valuation include assets acquired for less than €10,000 prior to 1 January 2021.

[b] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Cost or value		
At 1 January 2023	1,363	1,363
Additions	—	—
Disposals	(370)	(370)
At 31 December 2023	993	993
Accumulated amortisation		
At 1 January 2023	1,194	1,194
Amortisation for the year	69	69
Amortisation of disposals	(370)	(370)
At 31 December 2023	893	893
Net assets		
At 31 December 2023	**100**	**100**
At 31 December 2022	169	169

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	1,278	1,299
Commercial bank account balance	6	1
	1,284	**1,300**

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 bank accounts at the end of 2023 was €13.29 million (2022: €2.95 million).

2.4 Prepayments

at 31 December	2023 €000	2022 €000
Software and other maintenance	272	219
Information services	109	50
Other prepayments	44	78
	425	**347**

2.5 Accrued income

at 31 December	2023 €000	2022 €000
Opening balance 1 January	9,728	9,770
Cash receipts	(26)	(42)
Closing balance 31 December	**9,702**	**9,728**

2.6 Other debit balances

at 31 December	2023 €000	2022 €000
Recoupable salaries	557	469
Recoupable travel pass scheme	12	15
Recoupable cycle to work scheme	2	4
State solicitors	—	25
	571	**513**

2.7 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	1,349	5,212
Exchequer grant undrawn	(1,343)	(5,717)
Net Exchequer funding	**6**	**(505)**
Represented by:		
Debtors		
Bank and cash	1,284	1,300
Debit balances: suspense	571	513
	1,855	1,813
Creditors		
Due to the State	(1,338)	(1,425)
Credit balances: suspense	(511)	(893)
	(1,849)	(2,318)
	6	**(505)**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
Counsel fees	4,555	3,955
General law expenses	71	103
Incidental expenses	27	64
Office machinery	84	78
Post and telecommunications	32	25
Other expenses	49	31
	4,818	**4,256**

2.9 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	482	426
Pay related social insurance	281	236
Professional services withholding tax	540	668
Pension contributions	—	91
Value added tax	29	3
Office of Public Works	3	—
Shorter Working Year	2	—
Local property tax	1	1
	1,338	1,425
State property: escheated estates [a]	511	893
	1,849	**2,318**

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 ongoing operations of CSSO while the escheated estates figure relates to cash collected from external third parties where the CSSO is awaiting disposition instructions.

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			6,340	6,134
Disbursements from the Vote				
Estimate provision	Account	49,498		
Surplus to be surrendered	Account	(1,349)		
Net vote			48,149	44,446
Expenditure (cash) borne elsewhere	1.1		5,512	4,850
Non cash items – Property, plant and equipment adjustment	2.1		12	—
Non cash items – Intangible assets adjustment	2.2		—	—
Non cash expenditure – notional rent	1		865	865
Net programme cost	1		(55,208)	(49,955)
Balance at 31 December			**5,670**	**6,340**

2.11 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	1,136	1,379

2.12 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	111	54

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
i	Salaries, wages and allowances	26,676	25,567	22,538
ii	Travel and subsistence	90	70	63
iii	Training and development and incidental expenses	1,038	1,248	1,075
iv	Postal and telecommunications services	310	341	333
v	Office equipment and external IT services	1,005	1,100	1,163
vi	Office premises expenses	250	200	123
vii	Consultancy services and value for money and policy reviews	100	215	78
		29,469	**28,741**	**25,373**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €26.676 million; outturn €25.567 million

The saving of €1.109 million in this subhead was due to a combination of (i) slower recruitment due to both ongoing challenging market conditions and the time lag in hiring replacement staff and (ii) the number of leavers arising from increased mobility and promotion opportunities across the public service and higher retirements.

iii Training and development and incidental expenses

Estimate provision €1.038 million; outturn €1.248 million

The overspend on this subhead of €210,000 was due to a combination of (i) increased operational costs (including, *inter alia,* security, offsite storage, catering); (ii) increased training costs related to trainee solicitors; and (iii) increased costs to access various legal knowledge databases.

vii Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn €215,000

The overspend on this subhead was due to the costs of engaging a private recruitment agency to assist with recruiting new legal and administration resources.

Programme A Provision of legal services

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
A.1	Administration − pay	26,676	25,567	22,538
A.2	Administration − non pay	2,793	3,174	2,835
A.3	External legal services [a]	220	225	221
A.4	Fees to counsel [a]	19,500	19,500	19,143
A.5	General law expenses [a]	1,200	1,019	705
		50,389	**49,485**	**45,442**

Note [a] Of the legal expenditure incurred under A.3 to A.5 above, €20.23 million was paid out on behalf of 29 departments/votes in 2023 (2022: €19.23 million, 28 departments/votes).

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.5 General law expenses

Estimate provision: €1.200 million, outturn €1.019 million

The saving in expenditure of €181,000 relative to the estimate provision was due to the unpredictability of how legal cases progress through the courts.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023 Estimated €000	2023 Realised €000	2022 Realised €000
B.1	Costs and fees received by the Office of the Chief State Solicitor	100	428	204
B.2	Receipts from additional superannuation contributions on public service remuneration	790	898	792
B.3	Miscellaneous	1	10	—
	Total	**891**	**1,336**	**996**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

B.1 Costs and fees received by the Office of the Chief State Solicitor

Estimate provision: €100,000, outturn €428,000

The excess receipts of €328,000 for the year was due to a higher than expected level of cost recovery, particularly three cases totalling €195,000.

B.2 Receipts from additional superannuation contributions on public sector remuneration

Estimate provision: €790,000 outturn €898,000

The excess receipts of €108,000 for the year was due to the full year impact of new recruits in 2022.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Receipts under sections 10 and 28 of the State Property Act 1954	1	50
Receipts under section 31 of the State Property Act 1954	—	—
Transferred to the Exchequer	(1)	(50)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
CSSO staff focused on core activities	341	308
CSSO staff working on projects for other departments/offices	11	10
	352	**318**

5.2 Pay

	2023 €000	2022 €000
Pay	23,848	21,143
Higher, special or additional duties allowances	151	120
Other allowances	8	9
Overtime	27	21
Employer's PRSI	2,367	2,062
Total gross pay	26,401	23,355
Recoveries from other departments/offices	(834)	(817)
Total net pay	**25,567**	**22,538**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023 €	2022 €
Higher, special or additional duties	46	2	10,362	12,046
Other allowances	4	—	2,333	2,039
Overtime	14	—	7,432	3,133
Extra remuneration in more than one category	7	5	12,675	7,824

5.4 Office staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	218	203
60,000	69,999	21	16
70,000	79,999	17	27
80,000	89,999	62	74
90,000	99,999	53	30
100,000	109,999	15	8
110,000	119,999	12	10
120,000	129,999	8	4
130,000	139,999	1	—
140,000	149,999	—	2
150,000	159,999	1	—
160,000	169,999	—	2
170,000	179,999	3	1
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

This account does not include expenditure in respect of five officers who were serving outside the Office for all or part of 2023 in other Government Departments/Offices and whose salaries were not recouped by the Office.

5.6 Payroll overpayments

	Number of recipients	2023 €	2022 €
Overpayments	16	22,561	38,438
Recovery plans in place	11	12,053	29,819

5.7 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€	€
Basic pay	**215,194**	**201,843**

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

Note 6 Miscellaneous

6.1 Write offs

The following sums were written off in the year.

	2023	2022
	€000	€000
State Solicitors	25	—

Note [a] The amount written off represents unvouched expenditure by local State Solicitors during the period 2004 to 2007 which is considered irrecoverable.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €6.220 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following:

Intangible assets

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	10 years	10%

Depreciation

Depreciation is calculated and charged on a monthly basis from the month of acquisition until the month 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

Payroll, finance 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 HR, finance and payroll shared services.

The Accounting Officer for 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 put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of

- internal audit work performed by the National Shared Services Office's internal audit unit, and
- audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2023.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2023. 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

The Department uses the Department of Public Expenditure, National Development Plan Delivery and Reform internal audit function under the terms of the service level agreement between the two Departments. The internal audit unit operates under a written charter which has been approved by the Secretary General of the Department of Public Expenditure, National Development Plan Delivery 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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of eight 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, National Development Plan Delivery 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 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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account**.**

John Hogan
Accounting Officer
Office of the Minister for Finance

28 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 7 Office of the Minister for Finance for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 August 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 7 Office of the Minister for Finance

Appropriation Account 2023

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
Programme expenditure					
A	Economic and fiscal policy				
		Original	26,816		
		Deferred surrender	50		
		Supplementary	1		
			26,867	24,202	24,985
B	Banking and financial services policy				
		Original	20,498		
		Deferred surrender	50		
			20,548	16,884	15,405
Gross expenditure					
		Original	47,314		
		Deferred surrender	100		
		Supplementary	1		
			47,415	**41,086**	**40,390**
	Deduct				
C	**Appropriations-in-aid**		910	911	1,038
Net expenditure					
		Original	46,404		
		Deferred surrender	100		
		Supplementary	1		
			46,505	**40,175**	**39,352**

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. €110,000 of unspent allocations in respect of the capital elements of subheads A.2 and B.2 were carried forward to 2024.

	2023	2022
	€	€
Surplus to be surrendered	6,329,913	3,548,171
Deferred surrender	(110,000)	(100,000)
Surplus to be surrendered	**6,219,913**	**3,448,171**

John Hogan
Accounting Officer
Office of the Minister for Finance

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		12,614	11,676
Pay		24,361	22,640
Non pay		4,111	6,074
Gross expenditure		**41,086**	**40,390**
Deduct			
Appropriations-in-aid		**911**	**1,038**
Net expenditure		**40,175**	**39,352**
Changes in capital assets			
Intangible assets (note 2.2)			
Purchases	(815)		
Amortisation	9		
		(806)	(235)
Changes in net current assets			
Decrease in prepayments	132		
Decrease in accrued expenses	(187)		
		(55)	461
Direct expenditure		**39,314**	**39,578**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		22,086	14,694
Notional rents		1,236	1,236
Net programme cost		**62,636**	**55,508**

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.

		2023 €000	2022 €000
Vote 11	Public Expenditure, NDP Delivery and Reform	240	—
Vote 12	Superannuation and Retired Allowances	14,829	14,213
Vote 13	Office of Public Works	993	946
Vote 18	National Shared Services Office	6,445	246
Vote 20	Garda Síochána	244	232
Vote 43	Office of Government Chief Information Officer	472	420
Central Fund - ministerial pensions		269	267
		23,492	16,324
Costs of shared services provided to other votes		(1,406)	(1,630)
		22,086	**14,694**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	—	—
Intangible assets	2.2	1,047	241
Total fixed assets		**1,047**	**241**
Current assets			
Bank and cash		—	760
Prepayments	2.3	204	336
Net Exchequer funding	2.7	1,236	—
Other debit balances	2.5	574	271
Total current assets		**2,014**	**1,367**
Less current liabilities			
Bank and cash		922	—
Accrued expenses	2.4	564	751
Other credit balances	2.6	888	787
Net Exchequer funding	2.7	—	244
Total current liabilities		**2,374**	**1,782**
Net current assets/(liabilities)		(360)	(415)
Net assets		**687**	**(174)**
Represented by:			
State funding account	2.8	**687**	**(174)**

2.1 Property, plant and equipment

	Office equipment €000	IT equipment €000	Total €000
Cost or valuation [a]			
At 1 January 2023	223	222	445
Additions	—	—	—
Disposals	—	—	—
Adjustments	—	—	—
At 31 December 2023	223	222	445
Accumulated depreciation			
At 1 January 2023	223	222	445
Depreciation for the year	—	—	—
Depreciation on disposals	—	—	—
Adjustments	—	—	—
At 31 December 2023	223	222	445
Net assets			
At 31 December 2023	**—**	**—**	**—**
At 31 December 2022	—	—	—

Note [a] On 1 January 2023, acquired and developed software assets were reclassified as intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	—	241	241
Additions [b]	815	—	815
Transfers	241	(241)	—
Disposals	—	—	—
At 31 December 2023	1,056	—	1,056
Accumulated amortisation			
At 1 January 2023	—	—	—
Amortisation for the year	9	—	9
Amortisation of disposals	—	—	—
At 31 December 2023	9	—	9
Net assets			
At 31 December 2023	1,047	—	1,047
At 31 December 2022	—	—	—

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

[b] Costs associated with the Beneficial Ownership Register Interconnection System (BORIS). During 2023, €509,000 of additions for the BORIS was paid to the Central Bank directly from the Central Fund (and not borne by the Vote). The reason for this was that under Article 123 of the Treaty on the Functioning of the European Union, the Central Bank of Ireland is prohibited from engaging in 'monetary financing'. Accordingly, it cannot use its own resources to defray expenses incurred by it in the performance of its functions as Registrar. At 31 December 2023, the BORIS had not reached 'go-live' yet due to concerns around potential GDPR issues.

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT licences and support	54	260
Training	90	34
Subscriptions	48	39
Other prepayments	12	3
	204	**336**

2.4 Accrued expenses

at 31 December	2023	2022
	€000	€000
Secondment costs	341	600
Office premises expenses	66	34
General administration	41	52
Travel and subsistence	36	—
Consultancy and other services	80	65
	564	**751**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable travel expenditure	81	26
Recoupable travel pass expenditure	19	15
Recoupable salaries	177	72
Other debit suspense items	297	158
	574	**271**

2.6 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	358	324
Pay related social insurance	240	205
Professional services withholding tax	11	13
Value added tax	45	40
Pension contributions	83	71
Local property tax	2	1
Universal social charge	74	65
	813	719
Payroll deductions held in suspense	75	68
	888	**787**

2.7 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	6,220	3,448
Deferred surrender	110	100
Exchequer grant undrawn	(7,566)	(3,304)
Net Exchequer funding	**(1,236)**	**244**
Represented by:		
Debtors		
Bank and cash	—	760
Debit balances: suspense	574	271
	574	1,031
Creditors		
Due to the State	(813)	(719)
Credit balance: suspense	(75)	(68)
Bank and cash	(922)	—
	(1,810)	(787)
	(1,236)	**244**

2.8 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			(174)	52
Disbursements from the Vote				
Estimate provision	Account	46,505		
Deferred surrender	Account	(110)		
Surplus to be surrendered	Account	(6,220)		
Net vote			40,175	39,352
Expenditure (cash) borne elsewhere	1.1		22,086	14,694
Non cash expenditure – notional rent	1		1,236	1,236
Net programme cost	1		(62,636)	(55,508)
Balance at 31 December			**687**	**(174)**

2.9 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	**13**	**2**

2.10 Contingent liabilities

There is litigation in progress regarding Irish Bank Resolution Corporation (IBRC) and Permanent TSB. 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 shares in Bank of Ireland and AIB, 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.

			2023		2022
		Estimate provision		Outturn	Outturn
			€000	€000	€000
i	Salaries, wages and allowances				
	Estimate provision	26,805			
	Supplementary estimate	(400)	26,405	24,361	22,640
ii	Travel and subsistence		1,084	978	557
iii	Training and development		573	405	306
iv	Professional, consultancy and other services		150	22	13
v	Operating expenses		2,237	924	3,493
vi	Premises and accommodation expenses		1,247	687	598
vii	Communication expenses		324	167	258
viii	Asset and equipment expenses				
	Estimate provision	930			
	Deferred surrender	100	1,030	927	849
			33,050	**28,471**	**28,714**

Significant variations

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

iii Training and development

Estimate provision €573,000; outturn €405,000

The underspend of €168,000 was due to lower take up than anticipated on some courses and on the Refund of Fees scheme.

iv Professional, consultancy and other services

Estimate provision €150,000; outturn €22,000

The underspend of €128,000 was because this subhead provided for the cost of miscellaneous consultancies of an administrative nature required for training, studies, research and support services for some Departmental functions, the nature of which are difficult to predict with certainty.

v Operating expenses

Estimate provision €2.237 million; outturn €924,000

This subhead contained an allocation for interest charges associated with the Surplus Public Expenditure Monies (SPEM) account. However, the underspend of €1.313 million arose because there was a return to positive interest rates and the allocation was not required. Please see note 4.2.

vi Premises and accommodation expenses

Estimate provision €1.247 million; outturn €687,000

The underspend of €560,000 on this subhead largely relates to difficulties in scheduling planned capital works.

vii Communication expenses

Estimate provision €324,000; outturn €167,000

This subhead provided for the communication expenses of the Department, including fixed and mobile voice telephony and data network links. The underspend of €157,000 arose as the outturn can be difficult to estimate.

Programme A Economic and Fiscal Policy

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A.1	Administration – pay				
	Estimate provision	11,291			
	Supplementary estimate	(400)	10,891	10,645	10,258
A.2	Administration − non pay				
	Estimate provision	3,407			
	Deferred surrender	50	3,457	1,803	4,242
A.3	Committees and commissions				
	Estimate provision	370			
	Supplementary estimate	401	771	598	215
A.4	Consultancy services and other services		748	496	512
A.5	Fuel grant		11,000	10,660	9,758
			26,867	**24,202**	**24,985**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Committees and commissions

Estimate provision €370,000; outturn €598,000

The overspend of €228,000 arose mainly because of an agreement to pay the Department of Health in respect of the salary of the Chair of the Disabled Drivers Medical Board of Appeal, which was not anticipated in the estimate provision.

A.4 Consultancy services and other services

Estimate provision €748,000; outturn €496,000

The underspend of €252,000 arose due to the nature of this subhead where 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.

Programme B Banking and Financial Services Policy

		Estimate provision	2023 Outturn	2022 Outturn
			€000	€000	€000
B.1	Administration − pay		15,514	13,716	12,381
B.2	Administration − non pay				
	Estimate provision	3,138			
	Deferred surrender	50	3,188	2,308	1,832
B.3	Committees and commissions		42	21	25
B.4	Consultancy and other services		1,267	360	676
B.5	Financial Services and Pensions Ombudsman		537	479	491
			20,548	**16,884**	**15,405**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.4 Consultancy and other services

Estimate provision €1.267 million; outturn €360,000

The underspend of €907,000 arose due to the nature of this subhead where 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

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Recoupment of expenses under bank guarantee scheme	10	—	49
2	Receipts from additional superannuation contributions on public service remuneration	750	776	753
3	Miscellaneous	150	135	236
	Total	**910**	**911**	**1,038**

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	—	—
Collected	11,976	—
Transferred to the Exchequer	(11,976)	—
Balance at 31 December	**—**	**—**

In 2023, the SPEM account earned interest of €11.927 million. This was paid to the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	352	313

5.2 Pay

	2023 €000	2022 €000
Pay	21,451	20,011
Redundancy/severance	16	30
Pension payment	21	—
Higher, special or additional duties allowances	216	167
Other allowances	527	490
Overtime	173	159
Employer's PRSI	1,957	1,783
Total pay	**24,361**	**22,640**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	16	10	29,946	31,728
Other allowances	124	8	116,178	50,717
Overtime	56	7	26,476	22,470
Extra remuneration in more than one category	12	8	52,065	26,602

5.4 Department staffing by pay band

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

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	176	194
60,000	69,999	28	16
70,000	79,999	12	18
80,000	89,999	37	35
90,000	99,999	34	21
100,000	109,999	10	13
110,000	119,999	8	10
120,000	129,999	11	9
130,000	139,999	1	2
140,000	149,999	—	—
150,000	159,999	1	—
160,000	169,999	3	3
170,000	179,999	2	1
180,000	189,999	—	—
190,000	199,999	—	2
200,000	209,999	1	—
210,000	219,999	—	—
220,000	229,999	—	1
230,000	239,999	—	—
240,000	249,999	1	—

5.5 Other remuneration arrangements

This account includes expenditure of €265,742 in respect of five officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	28	48,118	18,060
Recovery plans in place	8	25,543	9,266

5.7 Severance/redundancy

During 2023, one staff member whose employment was terminated, received redundancy payments of €3,156 and severance payments of €13,111. No early payment of pension, additional added years of notional service, or any other enhancement to the accrued pension terms have been granted.

5.8 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	241	225

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

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

	2023	2022
	€000	€000
Permanent commission		
Credit Union Advisory Committee [a]	21	25
Disabled Drivers Medical Board of Appeal [b]	598	86
Fixed purpose commission		
Commission on Taxation and Welfare [c]	—	128
	619	**239**

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. The entire Board resigned in November 2021 which contributed to the lower spend in 2022. However, following negotiations the Department agreed to make a payment to the Department of Health to meet the costs associated with the salary of the Chair to the Board. The Board is now up and running, and appeal hearings recommenced in December 2023.

[c] The Commission on Taxation and Welfare was established to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity, while ensuring that there are sufficient resources available to meet the costs of public services and supports in the medium and longer term. The report by the Commission on Taxation and Welfare was launched on September 14 2022. There were no costs incurred in 2023.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2023	Total 2022 [a]
Number of cases	—	—	3
	€000	**€000**	**€000**
Department's own legal costs	—	—	22
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	—	—	—
Other costs	—	—	—
2023 Total	—	—	**22**
2022 Total	22	22	

Note [a] These costs have been refunded to the Department by a third party in 2022.

6.4 Surplus Public Expenditure Monies (SPEM) account

	2023	2022
	€000	**€000**
Negative interest charge	**—**	**2,715**

Note The Surplus Public Expenditure Monies (SPEM) account exists to facilitate tracking of the borrowing and repayment of surplus funds held in the supply account of the Paymaster General. Negative interest charges on balances in the SPEM account at the Central Bank were a charge on Vote 7 in 2022. However, most of these charges were effectively reimbursed, via the surrender to the Central Fund of 80% of Central Bank annual surpluses.

In 2023, the SPEM account earned interest of €11.9 million. This was paid to the Exchequer as an 'extra receipt' and is reflected in note 4.2.

6.5 Deferred surrender

Deferred surrender comprises savings in 2023 of €110,000 in capital expenditures in the following subheads that were carried over to 2024.

	2024
	€000
A.2 Administration – non pay	110

The Department moved to one strategic programme in 2024.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.634 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 in circular 22 of 2023, have been applied in the preparation of the account. In addition, the following accounting policies have been adopted.

Reclassification of assets

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

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 percentages used are 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 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 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 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 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 agreements between this Office and the National Shared Services Office for the provision of human resources, payroll processing and financial management 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 these shared services to this Office.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability. In particular

- 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.

Internal audit and Audit Committee

The Office has an internal audit function provided by a firm of auditors with appropriately trained personnel, which operates in accordance with a written charter which I and the Audit Committee Chair have approved. Its work is informed by analysis of the risks to which the Office is exposed and its annual internal audit plans, approved by me and the Audit Committee Chair, 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 Audit Committee, which also operates under a written charter, provides me with an independent and objective view on the financial control system by examining and advising on the process by which I obtain assurance.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. No non-competitive contracts were entered into by the Office during 2023 and, as required by Circular 40/2002, a nil return was submitted to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines in the year for the award of contracts and there are no contracts (in excess of €25,000) to be disclosed.

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. There is a Risk Management Committee comprising the three Directors of Audit in place to oversee the management of risk across the office.

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 Risk Management 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 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

The Office has procedures in place 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.

ICT security

The Office has a strong commitment to the security of its ICT systems. The Office holds accreditation under the international standard ISO 27001: Information Security Management. This information security management system 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. As part of the certification process, the Office is subject to bi-annual audits to ensure continued compliance with ISO 27001.

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 as appropriate. 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 2023 that require disclosure in the appropriation account.

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

8 March 2024

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 2023 has been audited on my behalf by Mr Shaw McClung, Crowe Ireland, Chartered Accountants and Statutory Audit Firm, 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 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

19 April 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

Section 13 of the 1993 Act states that the appropriation account shall be audited on my behalf by a qualified person appointed by me, subject to such terms and conditions as the Minister for Finance may determine.

Under that Section, I appointed Crowe Ireland to carry out an audit of the appropriation account in accordance with the International Standards on Auditing (ISAs).
The attached report sets out the objectives of the audit undertaken on my behalf and includes information on the audit process.

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

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 2023.

In our opinion, the appropriation account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2023 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 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 Office of the Comptroller and Auditor General 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.

Conclusion on going concern

In auditing the appropriation account, we have concluded that the Office of the Comptroller and Auditor General's use of the going concern basis of accounting in the preparation of the appropriation account is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office of the Comptroller and Auditor General's ability to continue as a going concern for a period of at least twelve months from the date when the appropriation account was signed.

Our responsibilities and the responsibilities of the Office of the Comptroller and Auditor General with respect to going concern are described in the relevant sections of this report.

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

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 (Ireland). Our objectives are to obtain reasonable assurance about whether the appropriation account, as a whole 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 the 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.

As part of an audit in accordance with the ISAs (Ireland), we exercise professional judgment and maintain skepticism throughout the audit. We also

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

- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Office of the Comptroller and Auditor General's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

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

- Conclude on the appropriateness of the Office of the Comptroller and Auditor General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Comptroller and Auditor General's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the appropriation account or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Office of the Comptroller and Auditor General to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Appropriation Account, including the disclosures, and whether the appropriation account represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Office of the Comptroller and Auditor General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 an auditors' report 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.

Shaw McClung
for and on behalf of
Crowe Ireland
Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4

19 April 2024

Vote 8 Office of the Comptroller and Auditor General

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Audit and reporting	17,226	16,640	15,874
Gross expenditure		**17,226**	**16,640**	**15,874**
	Deduct			
B	**Appropriations-in-aid**	**6,686**	**7,734**	**7,665**
Net expenditure		**10,540**	**8,906**	**8,209**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**1,634,289**	**1,155,816**

Colette Drinan
Accounting Officer
Office of the Comptroller and Auditor General

8 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		13,629	13,077
Non pay		3,011	2,797
Gross expenditure		**16,640**	**15,874**
Deduct			
Appropriations-in-aid		**7,734**	**7,665**
Net expenditure		**8,906**	**8,209**
Changes in capital assets			
Property, plant and equipment **(note 2.1)**			
Purchases	—		
Depreciation	166		
Intangible assets (note 2.2)			
Capitalised in the year	(131)		
Amortisation	34		
		69	182
Changes in net current assets			
(Increase)/decrease in prepayments	(61)		
(Increase)/decrease in accrued income	(557)		
Increase/(decrease) in accrued expenses	38		
		(580)	(256)
Direct expenditure		**8,395**	**8,135**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		5,371	4,058
Notional rents		11	11
Net programme cost		**13,777**	**12,204**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	2,513	1,655
Vote 13	Office of Public Works	1,552	1,510
Vote 18	National Shared Services Office	543	132
Vote 43	Office of the Government Chief Information Officer	238	254
Central Fund – salary of Comptroller and Auditor General and pensions of previous office holders		485	466
		5,371	**4,058**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	163	329
Intangible assets	2.2	145	48
Total fixed assets		**308**	**377**
Current assets			
Bank and cash		552	1,158
Other debit balances	2.3	48	31
Prepayments		289	228
Audit fees recoverable	2.4	2,501	1,944
Total current assets		**3,390**	**3,361**
Less current liabilities			
Accrued expenses		139	101
Other credit balances	2.5	468	461
Net Exchequer funding	2.6	132	728
Total current liabilities		**739**	**1,290**
Net current assets		2,651	2,071
Net assets		**2,959**	**2,448**
Represented by:			
State funding account	2.7	**2,959**	**2,448**

2.1 Property, plant and equipment [a]

	Furniture and fittings	Office and IT equipment	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	1,655	121	1,776
Additions	—	—	—
Disposals	—	(109)	(109)
At 31 December 2023	1,655	12	1,667
Accumulated depreciation			
At 1 January 2023	1,326	121	1,447
Depreciation for the year	166	—	166
Depreciation on disposals	—	(109)	(109)
At 31 December 2023	1,492	12	1,504
Net assets			
At 31 December 2023	**163**	—	**163**
At 31 December 2022	329	—	329

Note [a] Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021

[b] On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software €000	Total €000
Gross assets		
At 1 January 2023	319	319
Additions	131	131
Disposals	(237)	(237)
At 31 December 2023	213	213
Accumulated amortisation		
At 1 January 2023	271	271
Amortisation for the year	34	34
Amortisation of disposals	(237)	(237)
At 31 December 2023	68	68
Net assets		
At 31 December 2023	**145**	**145**
At 31 December 2022	48	48

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

2.3 Other debit balances

at 31 December	2023 €000	2022 €000
Recoupable travel expenditure and travel pass scheme	16	6
Recoupable expenditure from co-tenants	32	25
	48	**31**

2.4 Audit fees recoverable

at 31 December	2023 €000	2022 €000
Audit fee debtors	376	578
Accrued audit fee income	1,702	815
Work in progress	423	551
	2,501	**1,944**

2.5 Other credit balances

at 31 December	2023 €000	2022 €000
Amounts due to the State		
Income tax	168	175
Pay related social insurance	125	130
Professional services withholding tax	10	7
Value added tax	53	48
Universal social charge	34	34
	390	394
Payroll deductions held in suspense	78	67
	468	**461**

2.6 Net Exchequer funding

at 31 December	2023 €000	2022 €000
Surplus to be surrendered	1,634	1,156
Exchequer grant undrawn	(1,502)	(428)
Net Exchequer funding	**132**	**728**
Represented by:		
Debtors		
Bank and cash	552	1,158
Debit balances: suspense	48	31
	600	1,189
Creditors		
Due to the State	(390)	(394)
Credit balances: suspense	(78)	(67)
	(468)	(461)
	132	**728**

2.7 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			2,448	2,374
Disbursements from the Vote				
Estimate provision	Account	10,540		
Surplus to be surrendered	Account	(1,634)		
Net Vote			8,906	8,209
Expenditure (cash) borne elsewhere	1.1		5,371	4,058
Non-cash items - notional rent	1		11	11
Net programme cost	1		(13,777)	(12,204)
Balance at 31 December			**2,959**	**2,448**

2.8 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	**1,514**	**2,002**

2.9 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	—	—

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages, pensions and allowances	14,130	13,629	13,077
ii	Travel and subsistence	546	193	116
iii	Training and development	330	318	252
iv	Professional, consultancy and other services	1,125	1,412	1,363
v	Operating expenses	166	193	162
vi	Asset and equipment expenses	489	595	659
vii	Premises and accommodation expenses	160	102	101
viii	Communication and marketing expenses	100	59	60
		17,046	**16,501**	**15,790**

Significant variations

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

ii Travel and subsistence

Estimate provision €546,000; outturn €193,000

The underspend of €353,000 is due to a reduced requirement for business travel under the working arrangements that applied during the year.

iv Professional, consultancy and other services

Estimate provision €1.125 million; outturn €1.412 million

The excess of €287,000 is mainly due to higher than expected activity for recruitment and legal advice, and increases in costs for these services.

vi Asset and equipment expenses

Estimate provision €489,000; outturn €595,000

The excess of €106,000 is mainly due to increases in costs for software licence renewals.

Programme A Audit and reporting

		2023 Estimate provision €000	2023 Outturn €000	2022 Outturn €000
A.1	Administration – pay	14,130	13,629	13,077
A.2	Administration − non pay	2,916	2,872	2,713
A.3	Consultancy services and other services	180	139	84
		17,226	**16,640**	**15,874**

Note 4 Receipts

4.1 Appropriations-in-aid

		2023 Estimated €000	2023 Realised €000	2022 Realised €000
1	Audit fees	6,300	7,267	7,285
2	Receipts from additional superannuation contributions on public service remuneration	385	399	380
3	Miscellaneous	1	68	—
		6,686	**7,734**	**7,665**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Audit fees

Estimate €6.3 million; realised €7.3 million

Variance of €967,000 is due to the difficulty in forecasting the precise timing of receipts.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	179	191

5.2 Pay

	2023 €000	2022 €000
Pay	12,385	11,916
Higher, special or additional duties allowances	23	21
Overtime	—	1
Employer's PRSI	1,221	1,139
Total pay	**13,629**	**13,077**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	4	1	12,420	11,446
Overtime	—	—	—	517

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

5.4 Office staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	111	101
60,000	69,999	26	27
70,000	79,999	15	16
80,000	89,999	20	12
90,000	99,999	10	9
100,000	109,999	2	1
110,000	119,999	9	10
120,000	129,999	—	—
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	1
160,000	169,999	2	1
170,000	179,999	1	1

5.5 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 €4,655. The fees paid were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

Included in the account is the salary paid to one serving officer on secondment from the Office to the European Court of Auditors serving as a national expert to Chamber V of the Court, whose salary was paid by the Office.

This account does not include expenditure in respect of six officers who were serving outside the Office for all or part of 2023 in other government departments/offices/European Court of Auditors and whose salaries were not paid by the Office during their secondments.

5.6 Payroll overpayments

	Number of recipients	2023 €	2022 €
Overpayments	9	23,241	10,417
Recovery plans in place	4	6,293	39

The above table presents the overpayments balance at 31 December in each year. Overpayments made in 2023 were €15,086. One overpayment recovery plan in respect of one individual to the value of €659 was transferred to one government department/office in 2023.

In all five cases for which recovery plans are not currently in place, the recipients are off payroll.

5.7 Remuneration of 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 2023 in relation to the remuneration of the Comptroller and Auditor General was €227,149 (2022: €213,001). As provided for in Article 33 of the Constitution, the Comptroller and Auditor General may not hold any other office or position of emolument.

5.8 Remuneration and benefits of Accounting Officer

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

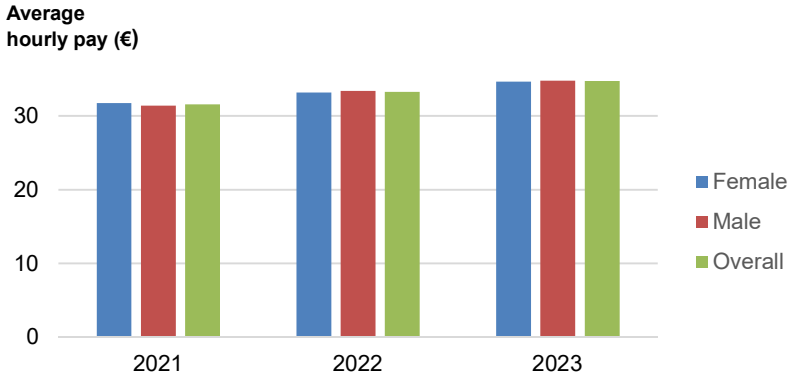
	2023 €000	2022 €000
Basic pay	175	170
Benefit in kind	1	1
	176	171

The benefit in kind amount relates to the payment by the Office of the annual membership subscription to a professional accountancy body. It is not a paid allowance and does not increase the overall gross pay. The calculated value for the purpose of deducting tax, specified above, is in accordance with Revenue requirements.

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

5.9 Gender pay gap

The Office is committed to equality in its work force and supports a range of diversity initiatives. Gender balance and average pay rates are monitored and reported on. In 2023, there was no material (2% or more) difference in pay rates for male and female employees of the Office. On average across all grades at end 2023, male employees were paid 0.4% more per contracted hour than female employees. The chart below shows the average pay per contracted hour for males and females over the last three years.



5.10 Supporting professional qualifications and relevant work experience

The Office continues to support the professional development of its staff who are pursuing professional accountancy qualifications. The Office also provides opportunities for relevant work experience for third level students and for apprentices from the Accounting Technician Ireland apprenticeship programme. The table below shows the total number of trainee auditors who were supported in pursuing their professional qualifications during the year, and the total numbers of students and apprentices who held a placement within the Office during the year.

	2023	2022
Trainee auditors not yet qualified	66	59
Students	11	19
Apprentices	3	4

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.546 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Assets class	*Useful life*	*Rate of amortisation*
Software licences	5 years	20%
Acquired/developed software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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.

Financial control environment

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

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 to identify potential risks and ensure an appropriate mitigation strategy is in place. 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 framework that includes an assessment of risk at organisational, Divisional and Branch level
    - implementation of a strong and integrated project management framework for all significant projects.
- 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.

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 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

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €207.35 million in 2023.

The Office has provided details of 68 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of eight contracts (in excess of €25,000), totalling €2,671,650 (exclusive of VAT) as set out below:

- One contract for the provision of security services with a value of €2,048,061 had previously been awarded under compliant competitive processes but was extended while revised arrangements were being put in place. A new contract is now in place for these services.
- One contract for the provision of electricity with a value of €211,757, previously awarded under a competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. The new service provider is now in place for this service.
- One contract for the storage of seized goods with a value of €159,062 awarded under a compliant competitive process in 2022 was extended while Revenue explores market options for the safe disposal and future storage of the goods and the renewal of a contract for the management of the State Warehouse.
- One contract for the provision of mobile voice and data services with a value of €102,686, previously awarded under a compliant competitive process, was deemed non-compliant due to transitional delays in migrating to a new service provider. A new request for tenders will go to market during Q2 of 2024 which will address the migration issues.
- Two contracts for audio visual services and fuel testing kits with a combined value of €80,047, were deemed non-compliant due to aggregated spend being above the threshold for more formal procurement processes. Requirements will be reviewed with a view to implementing compliant procurement processes during 2024.
- One contract for the provision of software licences with a value of €37,507, was deemed non-compliant as a direct award to a supplier. A more formal procurement process will be put in place in 2024 for the future renewal of these licences.
- One contract for training services with a value of €32,530, was deemed non-compliant due to aggregated spend being above the threshold for a more formal procurement process. A new contract is now in place for this training.

The above contracts have been included in the 40/2002 annual return referenced under procurement above.

Risk and control framework

This Office operates a corporate 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 Corporate Risk Register is in place which identifies the key risks facing this Office. These risks are described, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated into Revenue's strategic and business planning process.

There is a quarterly review process for the Corporate Risk Register. Divisions report on the effectiveness of risk mitigating controls and residual risk levels following mitigation. Revisions to the register, including whether there should be any changes to the priority or ranking of individual risks, are then considered as part of a formal review by the Risk Management Committee (RMC). The RMC then presents the updated register for note to the Management Advisory Committee (MAC). This process provides that risk escalation is recognised, reviewed, reported, and included in the Corporate Risk Register. The RMC Chair presents a Corporate Risk Management Annual Report to the Board of the Revenue Commissioners which outlines the activities of the RMC throughout the preceding year and provides assurance of adherence to Revenue's risk management policies.

A Data Protection Officer with responsibility for overseeing Revenue's data protection strategy and implementation, including compliance with the General Data Protection Regulation (GDPR) is in place and is supported by a Data Protection Unit.

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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

27 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 9 Office of the Revenue Commissioners for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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.

Basis of recognition of charges in respect of Rosslare Terminal 7

Without qualifying my opinion, I draw attention to note 2.13 to the appropriation account which deals with commitments of the Vote at the end of 2023. This discloses that €51.3 million was charged to Vote 9 in 2023 in respect of the Office of the Revenue Commissioners' share of the costs of developing a new border control facility (Terminal 7) at Rosslare Europort. The charges were recorded against subhead vi office premises expenses on the direct instructions of the Department of Public Expenditure, National Development Plan Delivery and Reform.

In my view, €31.3 million of the charge is not compliant with the *Public Financial Procedures* guidelines published by the Department, or with the accounting policies issued by the Department for the 2023 appropriation accounts.

Chapter 3 of my report on the accounts of the public services for 2023 explains the basis upon which the charges are recognised in the 2023 appropriation account for Vote 9.

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 appendix to this report.

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 2023.

Seamus McCarthy
Comptroller and Auditor General

26 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 9 Office of the Revenue Commissioners

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Administration and collection of taxes and duties, and frontier management				
Original	531,995			
Supplementary	55,364			
		587,359	585,127	491,699
Gross expenditure		**587,359**	**585,127**	**491,699**
Deduct				
B **Appropriations-in-aid**				
Original	58,089			
Supplementary	3,066			
		61,155	**62,468**	**64,152**
Net expenditure				
Original	473,906			
Supplementary	52,298			
		526,204	**522,659**	**427,547**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**3,545,686**	**14,048,260**

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		374,191	350,751
Non pay		210,936	140,948
Gross expenditure		**585,127**	**491,699**
Deduct			
Appropriations-in-aid		**62,468**	**64,152**
Net expenditure		**522,659**	**427,547**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(1,562)		
Depreciation	7,806		
Disposals cash	40		
Loss on disposals	1,184		
Intangible assets (note 2.2)			
Purchases	(19,238)		
Amortisation	13,795		
		2,025	(665)
Changes in net current assets			
Decrease in inventories	325		
(Increase) in prepayments	(1,710)		
Decrease in accrued income	5		
Increase in accrued expenses	2,998		
(Decrease) in deferred income	(1,117)		
		501	6,321
Direct expenditure		**525,185**	**433,203**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		171,953	167,154
Notional rents (non-cash)		12,043	12,043
Net programme cost		**709,181**	**612,400**

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.

		2023 €000	2022 €000
Vote 12	Superannuation and Retired Allowances	156,569	152,597
Vote 13	Office of Public Works	19,012	19,380
Vote 18	National Shared Services Office	705	680
		176,286	172,657
Costs of shared services provided to other voted services rendered by Revenue without charge [a]		(4,333)	(5,503)
		171,953	**167,154**

Note [a] In addition to services rendered without charge to other Votes shown here (€4.333 million), services to the value of approximately €1.412 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 (Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS)) and the Department of Enterprise, Trade and Employment funded scheme (Temporary Business Energy Support Scheme (TBESS)) 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 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	29,913	37,611
Intangible assets	2.2	71,152	66,487
Total fixed assets		**101,065**	**104,098**
Current assets			
Bank and cash	2.3	15,411	30,170
Inventories	2.4	1,080	1,405
Prepayments	2.5	16,966	15,256
Accrued income	2.6	970	975
Other debit balances	2.7	2,657	1,883
Total current assets		**37,084**	**49,689**
Less current liabilities			
Accrued expenses	2.8	7,307	4,789
Deferred income	2.9	259	1,376
Other credit balances	2.10	17,484	25,999
Net Exchequer funding	2.11	584	6,054
Total current liabilities		**25,634**	**38,218**
Net current assets		11,450	11,471
Net assets		**112,515**	**115,569**
Represented by:			
State funding account	2.12	**112,515**	**115,569**

2.1 Property, plant and equipment [a]

	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Cost or valuation [b]				
At 1 January 2023	20,793	54,007	88,681	163,481
Additions	57	1,003	272	1,332
Disposals	(140)	(1,052)	(4,635)	(5,827)
At 31 December 2023	20,710	53,958	84,318	158,986
Accumulated depreciation				
At 1 January 2023	16,189	48,560	61,121	125,870
Depreciation for the year	1,447	2,391	3,968	7,806
Depreciation on disposals	(140)	(1,051)	(3,412)	(4,603)
At 31 December 2023	17,496	49,900	61,677	129,073
Net assets				
At 31 December 2023	**3,214**	**4,058**	**22,641**	**29,913**
At 31 December 2022	4,604	5,447	27,560	37,611

Note [a] With effect from 1 January 2023, acquired and developed software assets were reclassified to intangible assets (note 2.2).

[b] Cost or valuation include assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or Valuation			
At 1 January 2023	392,367	5,751	398,118
Additions	2,476	16,512	18,988
Transfers	17,170	(17,170)	—
Disposals	(2,782)	—	(2,782)
Write down [b]	—	(528)	(528)
At 31 December 2023	409,231	4,565	413,796
Accumulated amortisation			
At 1 January 2023	331,631	—	331,631
Amortisation for the year	13,795	—	13,795
Amortisation of disposals	(2,782)	—	(2,782)
Depreciation on write down [b]	—	—	—
At 31 December 2023	342,644	—	342,644
Net assets			
At 31 December 2023	**66,587**	**4,565**	**71,152**
At 31 December 2022	60,736	5,751	66,487

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

[b] Following a review of the capitalisation rate initially recorded for all internal IT projects, Revenue removed six projects that had no capital amount to report.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	13,577	20,272
Commercial bank account balance	54	55
TWSS bank account balance	65	1,662
EWSS bank account balance	539	8,156
TBESS bank account balance	1,176	25
	15,411	**30,170**

2.4 Inventories

at 31 December	2023 €000	2022 €000
Stationery and small stores	61	59
Equipment/clothing/miscellaneous	1,019	1,322
IT consumables	—	24
	1,080	**1,405**

2.5 Prepayments

at 31 December	2023 €000	2022 €000
ICT services and support	11,263	13,707
Other administration expenses	4,552	398
Postal and telecommunications	1,151	1,151
	16,966	**15,256**

2.6 Accrued income

at 31 December	2023 €000	2022 €000
Administration income	970	975
	970	**975**

2.7 Other debit balances

at 31 December	2023 €000	2022 €000
Shared building advances	498	247
Recoupable travel expenditure	44	12
Advances to OPW for building works, etc.	1,484	929
Vote 10 Tax Appeals Commission	280	300
Recoupable salaries	133	186
Recoupable travel pass scheme expenditure	114	100
Travel imprests	2	—
Other debit suspense items	102	109
	2,657	**1,883**

2.8 Accrued expenses

at 31 December	2023 €000	2022 €000
Other administration expenses	4,772	2,164
Training and development and other day-to-day expenses	1,530	1,312
ICT services and support	1,005	1,313
	7,307	**4,789**

2.9 Deferred income

at 31 December	2023 €000	2022 €000
EU funding for the procurement of specialised equipment	105	1,252
Fee income received in advance	154	124
	259	**1,376**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income Tax	4,400	4,300
Universal Social Charge	928	875
Pay Related Social Insurance	3,621	3,249
Professional Services Withholding Tax	1,162	2,210
Value Added Tax	1,498	937
Pension contributions	1,220	1,229
Local Property Tax	37	35
Extra Exchequer receipts	3	—
	12,869	12,835
Payroll deductions held in suspense	2,528	2,554
Recoupable expenditure in advance	204	258
Due to DSP in respect of		
• TWSS [a]	65	1,662
• EWSS [a]	539	8,156
Due to the Account of the Receipt of Revenue of the State in respect of		
• TBESS [b]	1,176	25
Other credit suspense items	103	509
	17,484	**25,999**

Note [a] In 2023, payments and recoveries administered under EWSS were as follows.

- EWSS payments €6 million
- EWSS recoveries €30.5 million

Recoveries of €30.5 million arose due to repayment of EWSS liabilities.

In 2023, payments and recoveries administered under TWSS were as follows.

- TWSS payments €223,000
- TWSS recoveries €9.5 million

Recoveries of €9.5 million arose due to repayment of TWSS liabilities.

[b] In 2023, payments (net of refunds and unpaid claims) administered under TBESS amounted to €148.2 million.

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	3,545	14,048
Exchequer grant undrawn	(2,961)	(7,994)
Net Exchequer funding	**584**	**6,054**
Represented by:		
Debtors		
Bank and cash	15,411	30,170
Other debit balances	2,657	1,883
	18,068	**32,053**
Creditors		
Due to the State	(12,869)	(12,835)
Other credit balances	(4,615)	(13,164)
	(17,484)	**(25,999)**
	584	**6,054**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			115,569	121,225
Disbursements from the Vote				
Estimate provision	Account	526,204		
Surplus to be surrendered	Account	(3,545)		
Net vote			522,659	427,547
Expenditure (cash) borne elsewhere	1.1		171,953	167,154
Non cash items – write down	2.2		(528)	—
Non cash expenditure – notional rent	1		12,043	12,043
Net programme cost	1		(709,181)	(612,400)
Balance at 31 December			**112,515**	**115,569**

2.13 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	49,567	25,070
Capital projects	29,954	—
Total of legally enforceable commitments	**79,521**	**25,070**

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Terminal 7, Rosslare Europort [a]	—	51,301	29,954	81,255	—

Note [a] Revenue is co-funding, through Vote 9, the construction of a new border facility (Terminal 7) at Rosslare Harbour. The Office of Public Works is delivering the project on an agency basis. Revenue's agreed share of the total project cost is 34.43%. The commitments figure represents the costs to be borne by Vote 9 until completion of the project (expected to be October 2025). The entire asset will be included in the statement of financial position for Vote 13 Office of Public Works.

2.14 Contingent liabilities

Revenue has contingent liabilities estimated at €5.308 million (2022: €4.092 million) relating to possible legal and compensation costs.

Note 3 Vote Expenditure

Analysis of administration expenditure

All programme expenditure is classified as administration expenditure.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	378,388			
	Supplementary	(3,888)			
			374,500	374,191	350,751
ii	Travel and subsistence				
	Original	3,600			
	Supplementary	220			
			3,820	3,951	1,836
iii	Training and development and incidental expenses				
	Original	28,400			
	Supplementary	850			
			29,250	29,058	28,496
iv	Postal and telecommunications services				
	Original	10,600			
	Supplementary	220			
			10,820	9,709	11,156
v	Office equipment and external IT services				
	Original	72,025			
	Supplementary	6,275			
			78,300	79,412	72,763
vi	Office premises expenses				
	Original	11,470			
	Supplementary	51,328			
			62,798	62,580	9,308
vii	Consultancy services and value for money and policy reviews				
	Original	2,000			
	Supplementary	2,450			
			4,450	4,125	165
viii	Motor vehicles				
	Original	11,562			
	Supplementary	(627)			
			10,935	9,773	5,421

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
ix	Law charges, fees and rewards				
	Original	12,850			
	Supplementary	(968)			
			11,882	11,693	11,419
x	Compensation and losses				
	Original	1,100			
	Supplementary	(496)			
			604	635	384
			587,359	**585,127**	**491,699**

Significant variations

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

vi Office premises expenses

Estimate provision €11.47 million; outturn €62.58 million

An excess of €51.11 million arises due to the commencement of a critical infrastructure project to develop the necessary permanent infrastructure at Rosslare Europort to comply with Customs controls as a consequence of Brexit.

vii Consultancy services and value for money and policy reviews

Estimate provision €2 million; outturn €4.125 million

An excess of €2.125 million arises due to a large volume and complexity of appeals cases dealt with in 2023.

x Compensation and losses

Estimate provision €1.1 million; outturn €635,000

Expenditure was €465,000 less than the estimate provision due to legal cost award and compensation payments being lower than anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

			2023		2022
			Estimated	Realised	Realised
			€000	€000	€000
1	Receipts for services relating to the PRSI scheme		37,437	37,437	37,437
2	Fines, forfeitures, law costs recovered				
	Original	2,050			
	Supplementary	125			
			2,175	2,318	2,441
3	Cherished numbers				
	Original	225			
	Supplementary	5			
			230	344	368
4	Receipts in respect of Environmental Levy collection				
	Original	400			
	Supplementary	5			
			405	416	407
5	Share of Single Authorisation for Simplified Procedures (SASP) collection costs				
	Original	7,250			
	Supplementary	2,363			
			9,613	10,327	10,453
6	Receipts from additional superannuation contributions on public service remuneration				
	Original	8,750			
	Supplementary	495			
			9,245	9,358	8,697
7	Miscellaneous				
	Original	1,977			
	Supplementary	73			
			2,050	2,268	4,349
			61,155	**62,468**	**64,152**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000). Overall, appropriations-in-aid were €4.379 million higher than the original estimate.

2 Fines, forfeitures, law costs recovered

Estimate €2.05 million; realised €2.318 million

The increase on estimates arises due to a greater volume of fines in respect of diesel and excise offences.

3 Cherished numbers

Estimate €225,000; realised €344,000

The demand for Cherished vehicle registrations can be difficult to forecast accurately as it relates to discretionary expenditure by purchasers of new vehicles. A conservative estimate is taken when preparing the Estimate.

5 Share of SASP collection costs

Estimate €7.25 million; realised €10.327 million

A significant increase (€3.08 million) in Customs collection costs receipts was received compared to the forecast. This was due to the expansion of a retail entity's business in central and eastern Europe.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate €8.75 million; realised €9.358 million

The increase on estimates arises due to the pay increases generated by the Building Momentum Pay agreement which in turn increased ASC receipts.

7 Miscellaneous

Estimate €1.977 million; realised €2.268 million

The increase on estimates arises due to higher than expected Vote Returns and Ancillary State Support Scheme receipts.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	445
Receipts from cash forfeited under Section 39 of the Criminal Justice Act 1994	708	726
Receipts from Ireland's share of the annual payments under an international anti-counterfeit/ anti-contraband agreement with global cigarette manufacturers	690	130
Transferred to the Exchequer	(1,395)	(1,301)
Balance at 31 December	**3**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	6,901	6,676

5.2 Pay

	2023	2022
	€000	€000
Pay	332,134	313,000
Higher, special or additional duties allowances	9,322	8,885
Overtime	3,259	2,582
Employer's PRSI	29,476	26,284
Total pay	**374,191**	**350,751**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	101	20	22,290	21,600
Overtime and extra attendance	1,248	165	39,353	30,983
Shift and roster allowances	848	224	28,992	53,509
Miscellaneous	86	7	37,069	43,117
Extra remuneration in more than one category	183	72	37,440	54,311

5.4 Office employee pay bands

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	5,230	5,217
60,000	69,999	704	610
70,000	79,999	381	373
80,000	89,999	208	205
90,000	99,999	179	122
100,000	109,999	52	22
110,000	119,999	37	46
120,000	129,999	31	10
130,000	139,999	3	—
140,000	149,999	—	1
150,000	159,999	1	3
160,000	169,999	9	10
170,000	179,999	3	2
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	1
220,000	229,999	2	—

5.5 Performance awards

A total of €120,000 (2022: €127,000) was spent on staff recognition schemes. There were 2,254 (2022: 2,413) individual awards, ranging from €5 to €250.

5.6 Other remuneration arrangements

A total of €44,000 was paid to 34 retired civil servants by Revenue in 2023 in respect of committee member payments, interview board payments, Revenue centenary events and witness expenses (2022: €77,000 was paid to 51 retired civil servants). These payments were made in accordance with the appropriate Department of Public Expenditure, National Development Plan Delivery and Reform rates.

This account includes expenditure of €877,000 in respect of 17 officers who were serving outside Revenue for all or part of 2023 and whose salaries were paid by Revenue (2022: €1.23 million in respect of 21 officers).

This account does not include expenditure in respect of 33 officers who were serving outside Revenue for all or part of 2023 in other Government departments/offices and whose salaries were paid by those other departments/offices.

5.7 Payroll overpayments

at 31 December	Number of recipients	2023 €000	2022 €000
Overpayments	1,031	1,679	1,520
Recovery plans in place	623	815	710

Two overpayment recovery plans, in respect of two individuals to the value of €6,148 were transferred to two other departments/offices during the year.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**227**	**213**

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

Note 6 Miscellaneous

6.1 Write-offs

The following sums were written off in the year.

	2023	2022
	€000	€000
Payroll overpayments [a]	123	10
Payroll amendments	—	10
Obsolete inventory	2	9
	125	**29**

Note [a] A review of fixed allowances identified seven cases where staff were receiving a consecutive allowance not due to them. The staff affected are in the lowest paid category and recoupment would have resulted in severe financial hardship for the staff.

6.2 Law charges, fees and rewards (subhead A (ix))

Legal costs paid during the year are categorised as follows.	2023	2022
	€000	€000
External solicitors	2,968	2,337
Counsel fees	5,662	5,446
Bankruptcy/liquidation costs	2,131	2,009
Miscellaneous costs and rewards	932	1,627
	11,693	**11,419**

6.3 Compensation and losses

Payments/costs paid by Revenue Commissioners in the year

	Claims by					Total 2023	Total 2022
	employees		members of the public				
	Personal injury [a]	Other [b]	Personal injury [c]	Loss or damage [d]	Other [e]		
Number of cases	12	2	4	6	31	55	40
	€000	€000	€000	€000	€000	€000	€000
Revenue's own legal costs	18	—	4	—	128	150	718
Payments by/on behalf of Revenue							
Compensation	195	16	124	13	—	348	147
Legal costs	92	—	—	—	162	254	201
Other costs	6	3	1	1	7	18	45
2023 total	**311**	**19**	**129**	**14**	**297**	**770**	**1,111**
2022 total	276	72	4	1	758	1,111	

Note
[a] Amounts paid in individual cases ranged from €55 to €94,000
[b] Amounts paid in individual cases ranged from €300 to €10,000
[c] Amounts paid in individual cases ranged from €40 to €70,000
[d] Amounts paid in individual cases ranged from €86 to €4,000
[e] Amounts paid in individual cases ranged from €80 to €69,000

At 31 December 2023, the following claims are outstanding.

- Personal injury claims: 23 – employees 15, members of the public 8 (2022: 21)
- Loss or damage claims: 5 – employees 1, members of the public 4 (2022: 7)
- Other claims: 29 – members of the public 29 (2022: 19)

Cumulative costs of cases completed in 2023

	Claims by				Total
	employees	members of the public			
	Personal injury	Personal injury	Loss or damage	Other	
Number of cases	6	4	6	6	22
	€000	€000	€000	€000	€000
Revenue's own legal costs	19	4	—	104	127
Payments by/on behalf of Revenue					
Compensation	195	124	13	—	332
Legal costs	92	—	—	162	254
Other costs	7	2	1	6	16
Total	**313**	**130**	**14**	**272**	**729**

6.4 EU funding

Under a grant agreement with EU Commission Anti-Fraud Office (OLAF), the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.44 million, or 80% of the eligible cost for the purchase of a mobile X-ray scanning van which is used by Investigation, Prosecution and Frontier Management Division (IPFMD) to scan trucks and containers. The first instalment of grant funding €720,000 was received in 2020 and the scanner was ordered in 2021. The scanner was delivered in October 2022. The second grant instalment of €361,000 was received in Q2 2023 and is included in category 7 'miscellaneous' in appropriations-in-aid.

Under a grant agreement with OLAF, the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.84 million, or 40% of the eligible cost for the purchase of a Customs cutter which will be used by IPFMD to detect prohibited goods and illicit excisable products in the maritime domain. The first instalment of €920,000 was received in June 2022 and the cutter was ordered in August 2023. Delivery of the cutter is scheduled for September 2025. The second grant instalment will be claimed by Revenue in Q4 2025.

Under a grant agreement with the Directorate-General Taxation and Customs Union (DG-TAXUD), the Office of the Revenue Commissioners is entitled to a grant to a maximum of €1.19 million, or 80% of the eligible cost for the purchase of various X-ray machines, trace detection systems, bore scopes and spectrometers which will be used by IPFMD to detect prohibited goods and illicit excisable products in ports, airports, and postal depots. The first instalment of €595,200 was received in October 2022 and equipment was ordered in 2022 and 2023. The second grant instalment will be claimed by Revenue in Q4 2024.

Appropriation Account 2023

Vote 10

Tax Appeals Commission

Introduction

As Accounting Officer for Vote 10, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2023 for the salaries and expenses of the Tax Appeals Commission.

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

A surplus of €688,000 is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 6 form part of the account.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

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

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is implemented, maintained and operated by the Commission.

This responsibility is exercised in the context of the resources available to me and my other obligations as Chairperson. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Support services

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

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

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

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

Internal audit

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

In 2024, the internal auditor reported on the review of the effectiveness of internal financial controls in 2023, which provided reasonable assurance regarding the internal control environment in operation. The work of the internal audit function is informed by analysis of the risks to which the Commission is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period.

The internal audit function is reviewed periodically by me. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Audit and Risk Committee

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

Procurement

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

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

Risk and control framework

The Commission has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Commission and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Risk Review Board and the Audit and Risk Committee on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

The Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Commission responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

27 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 10 Tax Appeals Commission

Opinion on the appropriation account

I have audited the appropriation account for Vote 10 Tax Appeals Commission for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 10 Tax Appeals Commission for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Tax Appeals Commission and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Accounting Officer has presented a statement on internal financial control with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

26 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 10 Tax Appeals Commission

Appropriation Account 2023

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

Surplus

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

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

Marie-Claire Maney
Accounting Officer
Tax Appeals Commission

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

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

1.1 Net allied services expenditure

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

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

Note 2 Statement of Financial Position as at 31 December 2023

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

2.1 Property, plant and equipment [a]

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

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

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

2.2 Intangible assets [a]

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

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

2.3 Prepayments

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

2.4 Net Exchequer funding

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

2.5 State funding account

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

2.6 Commitments

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

Note 3 Vote Expenditure

Analysis of administration expenditure

All the programme expenditure is classified as administrative expenditure.

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

Note 4 Receipts

4.1 Appropriations-in-aid

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

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**33**	**34**

5.2 Pay

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

5.3 Allowances and overtime payments

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

5.4 Performance awards

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

5.5 Commission staffing by pay band

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

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

5.6 Remuneration and benefits of Accounting Officer

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

	2023	**2022**
	€000	**€000**
Basic pay	201	195
	201	195

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

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

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

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

Cumulative costs of cases completed in 2023

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

Vote 11

Office of the Minister for Public Expenditure, National Development Plan Delivery 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 2023, for the salaries and expenses of the Office of the Minister for Public Expenditure, National Development Plan Delivery 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 granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €4.601 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.

Change of Department name

On 1 February 2023, the Public Expenditure and Reform (Alteration of Name of Department and Title of Minister) Order 2023 came into operation to give legal effect to a name change announced by the Taoiseach on 17 December 2022. This changed the name of the Department from the Department of Public Expenditure and Reform to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Structural changes

During 2022, the Department completed a strategic review of its operating model and implemented a divisional reorganisation. The new operating model allows the Department to work in a more integrated way and ensure a more joined-up approach to policy and service provision. Consequently, from 2023, there is a single programme for the whole Department reflecting this integrated approach and the 2022 comparatives have been restated. Three subheads have changed as part of the new operating model and now exist as part of wider subheads. These are the public pay determination support, civil service arbitration and appeals, and consultancy and other services subheads (all consultancy is now included in a single administration subhead). The subhead for non-profit sector data project is closed, as the project is now complete.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

Depreciation

Depreciation is calculated and charged on a straight line monthly basis from the month of acquisition/commissioning.

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired software	5 years	10%
Developed software	10 years	20%

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.

The Department of Finance provides certain services on a shared basis to Vote 11, thus their statement on internal financial control is also relevant and considered by the Department.

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 (NSSO) for the provision of HR, finance and payroll shared service.

I rely on a letter of assurance from the Accounting Officer of the Vote for the NSSO that the appropriate controls are exercised in the provision of shared services, including financial shared services, to this Department

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- The statement on 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

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

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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €4.89 million in 2023.

The Department has provided details of one non-competitive but compliant contract in excess of €25,000 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.

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 high level risks facing the Department are 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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Department of Public Expenditure, National Development Plan Delivery and Reform

7 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform

Opinion on the appropriation account

I have audited the appropriation account for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Public Expenditure, National Development Plan Delivery 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

10 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A Public expenditure and sectoral policy					
	Original	54,322			
	Supplementary	1	54,323	50,004	44,902
Gross expenditure			**54,323**	**50,004**	**44,902**
Deduct					
C **Appropriations-in-aid**			**3,025**	**3,307**	**3,852**
Net expenditure					
	Original	51,297			
	Supplementary	1			
			51,298	**46,697**	**41,050**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**4,600,773**	**5,474,721**

David Moloney
Accounting Officer
Department of Public Expenditure, National Development Plan Delivery and Reform

7 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		18,822	17,253
Pay		27,814	24,912
Non pay		3,368	2,737
Gross expenditure		**50,004**	**44,902**
Deduct			
Appropriations-in-aid		**3,307**	**3,852**
Net expenditure		**46,697**	**41,050**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Depreciation	21		
Intangible assets (note 2.2)			
Purchases	(364)		
Amortisation	340		
		(3)	(137)
Changes in net current assets			
Increase in prepayments	(345)		
Increase in accrued income	(8)		
Decrease in accrued expenses	(46)		
		(399)	162
Direct expenditure		**46,295**	**41,075**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		11,376	11,860
Notional rents		2,512	2,512
Net programme cost		**60,183**	**55,447**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	1,400	1,457
Vote 12	Superannuation and Retired Allowances	6,728	7,585
Vote 13	Office of Public Works	1,723	1,957
Vote 18	National Shared Services Office	1,009	211
Vote 20	Garda Síochána	234	223
Vote 43	Office of the Government Chief Information Officer	522	427
		11,616	11,860
Cost of shared services provided to other votes [a]		(240)	—
		11,376	**11,860**

Note [a] The shared services provided to other votes relates to the value of audit shared services provided by this Department to the Department of Finance in 2023.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed Assets			
Property, plant and equipment	2.1	47	68
Intangible assets	2.2	2,138	2,114
Total fixed assets		**2,185**	**2,182**
Current assets			
Bank and cash		612	3,497
Prepayments	2.3	607	262
Accrued income	2.4	8	—
Other debit balances	2.5	273	276
Net Exchequer funding	2.7	255	—
Total current assets		**1,755**	**4,035**
Less current liabilities			
Accrued expenses		144	190
Other credit balances	2.6	1,140	1,168
Net Exchequer funding	2.7	—	2,605
Total current liabilities		**1,284**	**3,963**
Net current assets		471	72
Net assets		**2,656**	**2,254**
Represented by:			
State funding account	2.8	**2,656**	**2,254**

2.1 Property, plant and equipment [a]

	Office and IT equipment €000	Total €000
Cost or valuation		
At 1 January 2023	105	105
Additions	—	—
At 31 December 2023	105	105
Accumulated depreciation		
At 1 January 2023	37	37
Depreciation for the year	21	21
At 31 December 2023	58	58
Net assets		
At 31 December 2023	**47**	**47**
At 31 December 2022	68	68

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

2.2 Intangible assets [a]

	Acquired and developed software €000	Total €000
Gross assets		
At 1 January 2023	5,161	5,161
Additions	—	—
Adjustments [b]	364	364
Disposals	(12)	(12)
At 31 December 2023	5,513	5,513
Accumulated amortisation		
At 1 January 2023	3,047	3,047
Amortisation for the year	340	340
Amortisation of disposals	(12)	(12)
At 31 December 2023	3,375	3,375
Net assets		
At 31 December 2023	**2,138**	**2,138**
At 31 December 2022	2,114	2,114

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

[b] The adjustments represent enhancements to two existing assets: €311,000 to the development of the European Regional

Development Fund (ERDF) portfolio management system and €53,000 to the eCohesion system.

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT costs	297	109
Education fees	126	48
International institutions	71	55
Subscriptions	98	42
Insurance	8	7
Miscellaneous	7	1
	607	**262**

2.4 Accrued income

at 31 December	2023	2022
	€000	€000
National Lottery Regulator pension contributions	8	—
	8	**—**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable travel pass expenditure	51	28
VAT refund due	—	154
Other debit suspense items	222	94
	273	**276**

2.6 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax and USC	542	491
Pay related social insurance	284	242
Professional services withholding tax	50	22
Value added tax	84	28
Pension contributions	84	86
Local property tax	2	2
	1,046	871
Payroll deductions held in suspense	84	96
Other credit suspense items	10	201
	1,140	**1,168**

2.7 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	4,601	5,475
Exchequer grant undrawn	(4,856)	(2,870)
Net Exchequer funding	**(255)**	**2,605**
Represented by:		
Debtors		
Bank and cash	612	3,497
Debit balances: suspense	273	276
	885	3,773
Creditors		
Due to the State	(1,046)	(871)
Credit balances: suspense	(94)	(297)
	(1,140)	(1,168)
	(255)	**2,605**

2.8 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			2,254	2,279
Disbursements from the Vote				
Estimate provision	Account	51,298		
Surplus to be surrendered	Account	(4,601)		
Net vote			46,697	41,050
Expenditure (cash) borne elsewhere	1.1		11,376	11,860
Non-cash expenditure – notional rent	1		2,512	2,512
Net programme cost			(60,183)	(55,447)
Balance at 31 December			**2,656**	**2,254**

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure in the Public Expenditure Management and Reform programme is set out below.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	30,471	27,814	24,912
ii	Travel and subsistence	265	323	189
iii	Training and development	496	642	492
iv	Professional, consultancy and other services	837	565	749
v	Operating expenses	601	567	408
vi	Premises and accommodation expenses	270	542	333
vii	Communication and marketing expenses	95	50	18
viii	Asset and equipment expenses	465	679	548
		33,500	**31,182**	**27,649**

Note [a] Previously, the Department's activities were split across two programmes. Following a strategic review of the Department's operating model there is now a single programme for the whole Department. Subsequent to this, a review of the comparative figures resulted in the restatement of the following prior year figures.

[b] (i) Salaries, wages and allowances was increased to include €1,000 of expenditure previously shown under B.9 Public pay determination support.

[c] (iv) Professional, consultancy and other services was increased by €675,000 to include expenditure previously shown under subheads A.8 Consultancy and other services; B.4 Civil service arbitration and appeals procedure; B.5 Consultancy and other services; and B.9 Public pay determination support.

Significant variations

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

iii **Training and development**

Estimate provision €496,000; outturn €642,000

The higher level of spend of €146,000 was due to additional expenditure for the Principal Officer Leadership Development Programme that was piloted in 2023. There was also an increased uptake in courses.

iv **Professional, consultancy and other services**

Estimate provision €837,000; outturn €565,000

The underspend of €272,000 is due to less consultancy expenditure than planned.

vi **Premises and accommodation expenses**

Estimate provision €270,000; outturn €542,000

The higher level of spend of €272,000, is due to increased utility costs in the Department, general inflationary increases and increased office attendance post pandemic.

viii **Asset and equipment expenses**

Estimate provision €465,000; outturn €679,000

The higher level of spend of €214,000 against profile was due to expenditure on the European Regional Development Fund(ERDF) Enterprise Project Portfolio Management System(EPPM), which supports the timely drawdown of EU funds. There was also increased expenditure on ICT hardware and software licences.

Programme A Public Expenditure and Sectoral Policy [a]

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		30,471	27,814	24,912
A.2	Administration − non pay		3,029	3,368	2,737
A.3	Irish Government Economic and Evaluation Service		253	145	172
A.4	Economic and Social Research Institute – administration and general expenses		3,250	3,250	3,000
A.5	Structural funds technical assistance and other costs		1,846	1,154	1,169
A.6	Technical assistance costs of Regional Assemblies		1,633	1,249	992
A.7	Special EU Programmes Body and North/South programmes		4,550	3,413	3,147
A.8	Ireland/Wales and Transnational INTERREG		211	198	217
A.9	Construction innovation support		500	404	481
A.10	Public Service Trans/reform agenda		625	667	436
A.11	Employee assistance officer shared service		1,563	1,488	1,434
A.12	Civil service learning and development programme				
	Original	911			
	Supplementary	(208)			
			703	635	607
A.13	Institute of Public Administration				
	Original	2,725			
	Supplementary	209			
			2,934	2,933	2,725
A.14	Single public service pension administration project		200	66	71
A.15	Implementation of Protected Disclosures Act		405	373	285
A.16	Funding for pensions for bodies under the aegis of the Department		1,400	2,136	1,505
A.17	Public Service Innovation Fund		750	711	747
-	*Non-profit sector data project (discontinued)*		—	—	265
			54,323	**50,004**	**44,902**

Note [a] There is only one programme for 2023. Programme A and B were amalgamated into one programme in 2023. The 2022 comparatives are restated to reflect the new structure.

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.1 Administration – Pay

Estimate provision €30.471 million; outturn €27.814 million

The saving of €2.657 million relates to a higher than expected level of vacancies caused by delays in recruitment.

A.2 Administration – Non pay

Estimate provision €3.029 million; outturn €3.368 million

The increase of €339,000 relates to an increase of €58,000 in travel and subsistence costs, due to a return to regular travel post the pandemic. There were also increases in training and development costs, premises and accommodation expenses and asset and equipment expenses, as explained above.

A.3 Irish Government Economic & Evaluation Service

Estimate provision €253,000; outturn €145,000

There was an underspend of €50,000 with the IGEES Research Fund. This is an annual competition, open to government departments undertaking collaborative research projects. The amount disbursed by the fund is dependent on the applications received. There was also less expenditure than forecast on Learning and Development programmes for 2023.

A.5 Structural funds technical assistance and other costs

Estimate provision €1.846 million; outturn €1.154 million

This underspend of €692,000 against estimate is mainly due to the transfer of enhanced development costs on the ERDF Enterprise Project Portfolio Management (EPPM) system and e-Cohesion system (€364,000) to subhead A.2 Asset and equipment expenses. There were also underspends in Internal and EU Audit Division due to staff vacancies.

A.6 Technical assistance costs of Regional Assemblies

Estimate provision €1.633 million; outturn €1.249 million

This underspend of €384,000 occurred as planned training was deferred until 2024 and a number of posts were not filled until mid-year.

A.7 Special EU Programmes Body and North/South programmes

Estimate provision €4.55 million; outturn €3.413 million

This underspend of €1.137 million is mainly due to the later than anticipated commencement of the PEACEPLUS cross-border EU programme.

A.14 Single public service pension administration project

Estimate provision €200,000; outturn €66,000

This centralised administration system will support the administration of the Single Public Service Pension Scheme by all relevant authorities. This underspend of €134,000 arose as the design work solution did not advance as planned in 2023.

A.16 Funding for pensions for bodies under the aegis of the Department

Estimate provision €1.4 million; outturn €2.136 million

This higher level of spend of €736,000 was due to a higher than anticipated pension payments and lump sums by the Institute of Public Administration. It is difficult to forecast retirements given the short notice needed to retire.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	EU programmes	1,330	1,259	1,925
2	Pension cash flow surpluses	130	274	177
3	Miscellaneous	65	100	173
4	Receipts from additional superannuation contributions on public service remuneration	1,500	1,674	1,577
	Total	**3,025**	**3,307**	**3,852**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

2 Pension cash flow surpluses

Estimate €130,000; realised €274,000

These surpluses were ahead of profile by €144,000 as pension receipts are higher than profiled due to Building Momentum pay agreement increases.

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €1.5 million; realised €1.674 million

Receipts were €174,000 ahead of estimate due to increased additional superannuation contribution receipts related to the Building Momentum pay agreement increases.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Voluntary surrender of ministerial salaries	21	37
Transferred to the Exchequer	(21)	(37)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2023**	**2022**
Number of staff at year end	**374**	**364**

5.2 Pay

	2023 €000	2022 €000
Pay	26,968	25,249
Higher, special or additional duties allowances	369	256
Other allowances	131	10
Overtime	9	7
Employer's PRSI	2,444	2,131
Total pay [a]	**29,921**	**27,653**

Note [a] 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	
			2023	2022
			€	€
Higher, special or additional duties allowances	70	7	42,131	33,876
Other allowances	2	—	9,410	9,723
Overtime	18	—	927	4,404
Extra remuneration in more than one category	1	—	5,242	21,674

5.4 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	177	213
60,000	69,999	39	35
70,000	79,999	30	21
80,000	89,999	45	39
90,000	99,999	40	42
100,000	109,999	23	11
110,000	119,999	12	15
120,000	129,999	8	5
130,000	139,999	3	1
140,000	149,999	1	—
150,000	159,999	1	2
160,000	169,999	3	—
170,000	179,999	1	1
180,000	189,999	—	—
190,000	199,999	1	1
200,000	209,999	1	—
210,000	219,999	—	—
220,000	229,999	—	1
230,000	239,999	—	—
240,000	249,999	1	—

5.5 Other remuneration arrangements

In 2023, expenditure of €95,958 (2022: €195,174) was incurred in respect of one officer (2022: three officers) who was serving outside the Department for all or part of 2023 and whose salary was paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	45	191,432	115,915
Recovery plans in place	17	116,297	19,402

Three individuals with recovery plans in place to a value of €24,079 transferred to other departments in the year. Recovery of the outstanding amounts will be collected by their respective departments. Delays in recovery plans being put in place are usually caused by timing differences at year end or staff being on illness leave. Recovery is made early in the following year or once the staff member returns from leave.

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**241**	**225**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	2023	2022
	€000	€000
Civil Service Arbitration Board [a]	—	23
Top Level Appointments Committee [b]	77	72
	77	**95**

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.

6.2 EU funding

The outturn shown in subheads A.5, A.6 and A.7 includes payments in respect of activities which are co-financed by the EU. Estimates of expenditure and actual outturns were as follows:

		2023		2022
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead	**Description**			
A.5	Structural funds technical assistance and other costs	1,846	1,154	1,169
A.6	Technical assistance costs of Regional Assemblies	1,633	1,249	992
A.7	6 Special EU Programmes Body and North/South programmes	4,550	3,413	3,147
		8,029	**5,816**	**5,308**

6.3 Land Development Agency

As provided for in section 25 of the Land Development Agency Act 2021, the Minister for Public Expenditure, National Development Plan Delivery and Reform and the Minister for Housing, Local Government and Heritage (the Ministers) are the sole shareholders in the Land Development Agency (LDA). In 2023, the Minister for Finance directed the National Treasury Management Agency to transfer a further €825 million out of the assets of the Irish Strategic Investment Fund to the LDA for the purpose of discharging the Minister for Public Expenditure, National Development Plan Delivery and Reform's liability arising from the Minister's subscription for further shares in the LDA with a nominal value of €825 million.

	2023 €000	2022 €000
Shareholding of Equity in Land Development Agency		
Balance at 1 January	99,000	—
Acquired in the year	825,000	99,000
Balance at 31 December	924,000	99,000

Note 7 Contingency Fund

	2023 €000	2022 €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.

Appropriation Account 2023

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 2023 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, National Development Plan Delivery 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €110.822 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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 of Public Expenditure, National Development Plan Delivery and Reform (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 (NSSO) for the provision of HR, finance 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, including financial shared services, to this Department.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems.

Internal audit and Audit Committee

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

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

Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Under section 787R of the Taxes Consolidation Act 1997, when the capital value of a pension exceeds the Standard Fund Threshold, a chargeable excess arises. The full amount of the chargeable excess is subject to income tax at the higher rate. The income tax is payable to the Revenue Commissioners.

A review of the period 2015 to 2023 uncovered 15 cases where the income tax deducted from the individual retirees was not paid from the Vote. Of the 21 cases where a chargeable excess tax liability has arisen to date, only six payments were made to the Revenue Commissioners. The National Shared Service Office (NSSO) undertakes the role of tax agent on behalf of Vote 12. Weaknesses were identified in controls around the NSSO's instruction process and Vote 12 oversight which resulted in these payments not being processed and the error not being identified until now.

Vote 12 made an unprompted voluntary disclosure to the Revenue Commissioners in relation to the underpayment. Chargeable excess tax of €2,327,688 and interest of € 468,744 were paid to the Revenue Commissioners in 2024.

A full review has been carried out with corrective measures put in place to ensure Vote 12 is tax compliant going forward. To note, all chargeable excess tax liabilities were correctly accounted for in determining the amount of pensionable benefits for the 21 retirees.

No other weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Superannuation and Retired Allowances

5 July 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 12 Superannuation and Retired Allowances for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Public Expenditure, National Development Plan Delivery 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 appendix to this report.

Controls over payment of liabilities to Revenue

The Accounting Officer has disclosed in the statement on internal financial control that liabilities totaling €2.3 million were not paid to the Revenue Commissioners when due. The liabilities related to chargeable excess income tax (in line with section 787R of the Taxes Consolidation Act 1997) on the value of some pensions that commenced between 2015 and 2023. The appropriate deductions had been made from the amounts paid to the pensioners.

The Accounting Officer has outlined that steps are being taken to improve controls in this area and that a voluntary disclosure, together with payment of the estimated amounts due, was made to Revenue in 2024.

Seamus McCarthy
Comptroller and Auditor General

11 July 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 12 Superannuation and Retired Allowances

Appropriation Account 2023

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
Programme expenditure					
A	Superannuation and retired allowances				
		Original	807,620		
		Supplementary	20,001		
			827,621	814,193	762,551
Gross expenditure			**827,621**	**814,193**	**762,551**
	Deduct				
B	**Appropriations-in-aid**				
		Original	500,855		
		Supplementary	20,000		
			520,855	**618,249**	**509,226**
Net expenditure					
		Original	306,765		
		Supplementary	1		
			306,766	**195,944**	**253,325**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**110,822,107**	**100,103,037**

David Moloney
Accounting Officer
Superannuation and Retired Allowances

5 July 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023 €000	2022 €000
Programme cost	813,626	762,025
Non pay	567	526
Gross expenditure	**814,193**	**762,551**
Deduct		
Appropriations-in-aid	**618,249**	**509,226**
Net expenditure	**195,944**	**253,325**
Changes in net current assets		
Decrease/(increase) in accrued income	183	(183)
Direct expenditure	**196,127**	**253,142**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	4,166	4,083
Net programme cost	**200,293**	**257,225**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	—	28
Vote 18	National Shared Services Office	3,042	2,946
Central Fund [a]		1,124	1,109
		4,166	**4,083**

Note [a] Central fund expenditure arises on ministerial spouses and children, Cathaoirleach, Leas Cathaoirleach, Ceann Comhairle and Leas Ceann Comhairle pensions and related costs.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Current assets			
Bank and cash	2.1	28,147	51,997
Other debit balances	2.2	166	166
Accrued income	2.3	—	183
Total current assets		**28,313**	**52,346**
Less current liabilities			
Other credit balances	2.4	18,163	16,942
Net Exchequer funding	2.5	10,150	35,221
Total current liabilities		**28,313**	**52,163**
Net current assets		**—**	183
Net assets		**—**	**183**
Represented by:			
State funding account	2.6	**—**	**183**

2.1 Bank and cash

at 31 December	2023 €000	2022 €000
PMG balances and cash	28,083	51,958
Commercial bank account balance	64	39
	28,147	**51,997**

2.2 Other debit balances

at 31 December	2023 €000	2022 €000
Recoupable pensions owed by other departments	166	166
	166	**166**

2.3 Accrued income

at 31 December	2023	2022
	€000	€000
Purchase of notional service	—	183
	—	**183**

2.4 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	10,072	9,028
Universal social charge	1,665	1,484
Local property tax	165	151
	11,902	10,663
Voluntary pension deductions held in suspense	4,566	4,620
Other credit suspense items	1,695	1,659
	18,163	**16,942**

2.5 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	110,822	100,103
Exchequer grant undrawn	(100,672)	(64,882)
Net Exchequer funding	**10,150**	**35,221**
Represented by:		
Debtors		
Bank and cash	28,147	51,997
Debit balances: suspense	166	166
	28,313	52,163
Creditors		
Due to the State	(11,902)	(10,663)
Credit balances: suspense	(6,261)	(6,279)
	(18,163)	(16,942)
	10,150	**35,221**

2.6 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			183	—
Disbursements from the Vote				
Estimate provision	Account	306,766		
Surplus to be surrendered	Account	(110,822)		
Net vote			195,944	253,325
Expenditure (cash) borne elsewhere	1.1		4,166	4,083
Net programme cost	1		(200,293)	(257,225)
Balance at 31 December			**—**	**183**

Note 3 Vote Expenditure

Programme A Superannuation and Retired Allowances

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances				
	Original	623,430			
	Supplementary	(9,397)			
			614,033	611,382	551,409
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers				
	Original	44,771			
	Supplementary	3,798			
			48,569	48,346	45,971
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers				
	Original	208			
	Supplementary	(70)			
			138	126	177
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service				
	Original	115,452			
	Supplementary	22,204			
			137,656	128,373	141,181
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				
	Original	22,278			
	Supplementary	3,482			
			25,760	24,702	22,775
A.6	Injury grants and medical fees				
	Original	345			
	Supplementary	(2)			
			343	289	283

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.7	Pension related fees and other expenses				
	Original	681			
	Supplementary	(14)			
			667	567	526
A.8	Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997		400	354	175
A.9	Pension liabilities of former public service bodies payable under statute		55	54	54
			827,621	**814,193**	**762,551**

Significant variations

The following outlines the reasons for significant variations in expenditure from the amount provided (+/-5% and €100,000).

A.2 Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers

Estimate provision €44.771 million; outturn €48.346 million

The increase in expenditure of €3.575 million, over the estimate, was driven by both (a) the number of persons serving/retired whose death results in the payment of a survivor's pension benefit and (b) the deaths of persons already in receipt of a spouses' pension in a particular year. There was an increase in 2023 numbers over those of 2022. 94% of the supplementary estimate was used.

A.4 Additional allowances and gratuities in respect of established officers and payments in respect of transferred service

Estimate provision €115.452 million; outturn €128.373 million

The increase in expenditure of €12.921 million, over the estimate, was impacted by numbers entering and leaving the scheme and the grade mix, all of which can vary from year to year, and is due to a higher level of lump sum payments relative to that provided for in the estimate. Given the inherent expenditure variability, and the level of gross expenditure as it stood at the end of October, a supplementary estimate of approximately €22 million was sought for subhead A.4 and approved by the Oireachtas. The 2023 numbers were that 1,690 people (108.3% of the original estimate) retired from the established scheme and received a lump sum. 56% of the supplementary estimate was used.

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

Estimate provision €22.278 million; outturn €24.702 million

The increase in expenditure, over the estimate, of €2.424 million was due to the grade mix and number of retirees. Given the level of gross expenditure as it stood at the end of October, a supplementary estimate of approximately €3.5 million was sought for subhead A.5 and approved by the Oireachtas. The 2023 number was 4,269 people. 70% of the supplementary estimate was used.

A.7 Pension related fees and other expenses

Estimate provision €681,000; outturn €567,000

The decrease in expenditure, from the estimate, of €114,000 was due to the pension schemes membership numbers not reaching the level projected. The fees, payable to the Pensions Authority, are based on the membership numbers within the established, the non-established and the single scheme pension schemes

A.8 Payments in respect of liability under Chapter 2C of the Taxes Consolidation Act 1997

Estimate provision €400,000; outturn €354,000

The Vote expenditure outturn was €354,000. As per the note in the statement on internal financial control, a review uncovered a number of cases where the income tax was not paid from the Vote.

As a result of this, while the outturn was €354,000, an additional €907,000 should have been paid in relation to 2023 retirees.

Note 4 Receipts

4.1 Appropriations-in-aid

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
1	Receipts from the Social Welfare Consolidation Act 2005, Section 5(3) in respect of pension liability of staff		33,685	33,685	27,852
2	Receipts in respect of pension liability of staff on loan, etc.		1,180	689	778
3	Contribution to spouses' and children's pension scheme for civil servants and others		17,420	17,795	19,452
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)		39,520	44,644	40,330
5	Repayments of gratuities, etc.		500	80	72
6	Purchase of notional service		6,500	7,041	5,289
7	Single scheme contributions				
	Original	402,000			
	Supplementary	20,000			
			422,000	514,315	415,192
8	Miscellaneous		50	—	261
	Total		**520,855**	**618,249**	**509,226**

Significant variations

The following outlines the reasons for significant variations in individual Appropriations-in-Aid headings (+/-5% and €100,000).

2 Receipts in respect of pension liability of staff on loan, etc.

Estimate €1.18 million; realised €689,000

The shortfall of €491,000 was due to an over estimation of the number of staff on loan. It is difficult to predict the number of staff on loan year to year.

3 Contributions to spouses' and children's pension scheme for civil servants and others

Estimate €17.42 million; realised €17.795 million

The increase of €375,000 was due to higher 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 €39.52 million; realised €44.644 million

The increase of approximately €5.124 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 January 2013, and who are members of the established scheme. The number in this cohort will decrease as retirements occur. However, 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 €500,000; realised €80,000

The shortfall of €420,000 was due to a lower number of civil servants repaying gratuities. This subhead varies year on year as it is dependent on civil servants repaying gratuities. As a result the estimate can be difficult to predict.

6 Purchase of notional service

Estimate €6.5 million; realised €7.041 million

The increase of €541,000 was due to an increased purchase of notional service in 2023. This subhead is dependent on the numbers of civil servants purchasing notional service year on year. As a result the estimate can be difficult to predict.

7 Single scheme contributions

Estimate €402 million; realised €514.315 million

The increase of approximately €112.315 million was due to an increased level of receipts in the final months of the year. The amount credited to the Vote in respect of 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.

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, National Development Plan Delivery and Reform.

5.2 Pensioners

A breakdown of the total numbers of pensioners in payment by heading at year end is set out below.

		2023	2022
A.1	Superannuation allowances, compensation allowances, pensions and certain children's allowances	24,192	22,969
A.2	Payments under the contributory pensions schemes for spouses and children of civil servants, members of the judiciary and court officers	3,144	3,089
A.3	Ex-gratia pensions for widows and children of civil servants, members of the judiciary and court officers	10	12
A.4	Additional allowances and gratuities in respect of established officers and payments in respect of transferred service	1,690	1,960
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	4,269	4,326
A.9	Pension liabilities of former public service bodies payable under statute	3	3
		33,308	**32,359**

5.3 Pension payment agency services

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 and Training Board pensions	13,445	376
FÀS/SOLAS pensions	1,482	33

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 €247,486 (22 cases). All of these cases have recoupment plans in place.

The NSSO have provided Vote 12 with a list of 301 cases of write-offs under €250, with a combined value of €33,375.

5.5 Salary of Accounting Officer

The Accounting Officer for Vote 12 Superannuation and Retired Allowances is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

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, National Development Plan Delivery and Reform.

In 2023, the pensions of 42 retired civil servants were fully or partially abated. The total amount abated in 2023 was €262,248.

6.2 Chargeable excess tax balances

The table below sets out transactions in relation to income tax on the chargeable excess. The closing balance represents the amount to be recouped from pension payments.

	2023	2022
	€000	€000
Opening balance 1 January	1,911	1,467
Retirees in the year	907	528
Less amounts recouped from pension payments	(116)	(84)
Closing balance 31 December	**2,702**	**1,911**

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 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €16.609 million is liable for surrender to the Exchequer.

The Office of Public Works incurs expenditure on behalf of other Government departments and agencies. The expenditure incurred on their behalf is set out in note 2.14 Provision of agency services. In addition, allied services are provided by the Office on behalf of the State because the Office is able to perform these services more efficiently than the user Departments. Expenditure in relation to the Office which is borne elsewhere and the costs of shared services provided by the Office to other votes are set out in note 1.1.

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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account with the exceptions below.

Valuation of assets

State-owned lands and buildings controlled or managed by the Office are valued using the following basis.

- Market value has been applied to properties where market comparisons are available.
- 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.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.

- Heritage assets which cannot be adequately expressed in financial terms are valued at nil cost.
- Miscellaneous properties are various categories of land and buildings including secondary properties or carpark land these are valued at nil cost as the overall valuation for the full site is included on the primary asset.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value. On the disposal of land and buildings, the assets are revalued to the sales proceeds amount and the gain or loss is shown as a revaluation on disposal in note 2.1.

Capital expenditure in a number of areas is not recognised in note 2.1 Property, plant and equipment as follows.

- Expenditure on improvements to 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.
- Flood relief capital schemes are considered infrastructure assets and are not capitalised.
- National monuments and certain national historic properties are not valued.
- 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 and a full year's depreciation is charged in the year of acquisition/commissioning and no depreciation is charged in the year of disposal.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

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.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	2-10 years	20%
Acquired/developed software	10 years	10%

Capital assets under development

Capital expenditure on works on existing properties owned by the Office carried out under subhead B.6 (new works, alterations and additions) is not included in capital assets under development but any change will be reflected at the next valuation date. 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.

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Risk 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

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 Risk Committee

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 Risk Committee. I have put procedures in place to ensure that the recommendations arising from reports of the internal audit function are implemented.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure by the Office on goods and services, including the cost of contracted-in staff, amounted to a total of €813 million in 2023.

The Office has provided details of 65 non-competitive contracts totalling €4,924,056 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of 61[a] contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €9,331,243 (exclusive of VAT) as set out below.

- Twenty-two suppliers were paid €6,582,012 where the contract value was in excess of the relevant advertising threshold but was awarded by way of competitive requests for tenders. A contractor's framework is currently under development, which will facilitate contracts being procured compliantly.
- Twenty one suppliers were paid €1,375,801 where the contract was awarded directly without approval to engage in a non-competitive process.
- Thirteen suppliers were paid €872,971 where the contract was originally procured compliantly, but was extended without approval under a non-competitive process.
- Five suppliers were paid €500,459 where the contract was originally procured compliantly, but was extended without approval under a non-competitive process. These contracts have since been, or are in the process of being, regularised.

[a] Thirty nine of these contracts have been included in the circular 40/2002 annual return referenced under procurement above.

The Office is committed to reducing the level of non-compliant procurement undertaken and continues to target areas of non-compliance. However, it is not possible to rectify thirty five of these non-compliant contracts retrospectively as the Office is legally committed, and payments must continue until those contracts are complete.

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

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.

Internal financial control issues

The following internal financial control issues were identified in 2023.

Expenditure on measured term maintenance contract

A measured term maintenance contract (MTMC) entered into in October 2018 had an anticipated value estimated at €15 million over three years with an option to extend by one year bringing the total value to €20 million.

In 2023, the Office incurred expenditure under the contract of €2.5 million. This brought the total MTMC actual expenditure at end 2023 to €125 million, which included emergency Brexit infrastructure works.

In 2021, the MTMC was re-tendered as a framework consisting of two separate contracts to broaden the supplier base for maintenance services and minor works to the Office. This MTMC framework (MTMF) commenced on 3 May 2022. The anticipated value of this framework is €10 million per annum with a cumulative estimated value of €40 million over four years.

The total actual expenditure on this MTMF in 2023 was €20.9 million (€5.4 million in 2022).

Prepayment to sub-contractor

In 2020, the Office pre-paid a supplier €299,559 outside of contractual obligations, in respect of works completed on behalf of the Office to reduce the liquidity risk to a sub-contractor as a result of a delayed payment from the main contractor. This payment was refunded in full to the Office in 2022.

The Office has carried out a full review into the circumstances that led to this payment being made. Additionally, internal audit reports were completed which reviewed certain internal control processes and the purchase to pay system.

Following these reviews a total of fifteen improvements were identified. Nine of these improvements have already been implemented with the remaining six to be implemented over the coming months.

Overpayment of VAT liability to Revenue

The Office made a payment of €20.9 million to the Revenue Commissioners in January 2024 in respect of VAT liability for the period November/December 2023. This was a €3.2 million overpayment in respect of the liability for the period. This error was a result of a transcription error when entering the liability value for payment on the ROS system. The error was identified immediately after authorising. An amended VAT return for the period was submitted to Revenue and a full refund was processed and received to rectify the matter.

The Office's payments team have investigated the matter and further controls have been put in place to ensure this issue does not arise again.

Maurice Buckley
Accounting Officer
Office of Public Works

27 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 13 Office of Public Works for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

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 relevant procurement rules in respect of contracts that operated in 2023.

VAT liability overpayment

The Accounting Officer has disclosed in the statement on internal financial control that an overpayment of VAT liability of €3.2 million to the Revenue Commissioners occurred as a result of an error. The Office of Public Works identified the error, and the full amount of the overpayment was subsequently recouped from Revenue.

Adapting flood risk management to climate change impacts

Chapter 4 of my report on the accounts of the public services for 2023 reviews progress in adapting flood risk management to take account of the impacts of climate change, in respect of which the Office of Public Works is the lead agency. The report reviews the governance structure in place in the area of climate change adaptation, with a particular focus on the flood risk management sector; establishes what funding and resources have been made available to support the implementation of the strategic climate change adaptation plan for dealing with flood risks and assesses the progress made in implementing the plan since its approval by Government in October 2019.

Delivery of rapid build housing

Chapter 5 of my report on the accounts of the public services for 2023 examines how the rapid build programme for the delivery of housing units to accommodate beneficiaries of temporary protection has performed against targets. The programme is being delivered by the Office of Public Works as the agent for the Department of Children, Equality Disability, Integration and Youth. The report also looks at whether an assessment has been carried out of the success/feasibility of the rapid build delivery model for other uses, and the current status of the planning for the long-term future use of the housing units.

Seamus McCarthy
Comptroller and Auditor General

23 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 13 Office of Public Works

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Climate Responsive Flood Risk Management				
Original	126,174			
Supplementary	(16,110)			
		110,064	111,681	102,892
B Estate management				
Original	490,837			
Deferred surrender	27,000			
Supplementary	40,709			
		558,546	545,872	438,956
Gross expenditure				
Original	617,011			
Deferred surrender	27,000			
Supplementary	24,599			
		668,610	**657,553**	**541,848**
Deduct				
C **Appropriations-in-aid**				
Original	17,206			
Supplementary	4,500			
		21,706	**27,257**	**33,551**
Net expenditure				
Original	599,805			
Deferred surrender	27,000			
Supplementary	20,099			
		646,904	**630,296**	**508,297**

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.

	2023	2022
	€	€
Surplus	16,608,617	93,883,786
Deferred surrender	—	(27,000,000)
Surplus to be surrendered	**16,608,617**	**66,883,786**

Maurice Buckley
Accounting Officer
Office of Public Works

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		583,665	476,503
Pay		58,427	51,878
Non pay		15,461	13,467
Gross expenditure		**657,553**	**541,848**
Deduct			
Appropriations-in-aid		**27,257**	**33,551**
Net expenditure		**630,296**	**508,297**
Changes in capital assets			
Property, plant and equipment **(note 2.1)**			
Purchases	(52,033)		
Depreciation	6,603		
Disposals cash	4,134		
Loss on disposal	1,966		
Intangible assets **(note 2.2)**			
Purchases	(399)		
Amortisation	327		
		(39,402)	3,910
Changes in net current assets			
Decrease in inventories	273		
Increase in prepayments	(3,274)		
Decrease in accrued income	996		
Decrease in accrued expenses	(1,657)		
Decrease in deferred income	(97)		
		(3,759)	1,675
Direct expenditure		**587,135**	**513,882**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(104,619)	(117,124)
Net programme cost [a]		**482,516**	**396,758**

Note [a] The net programme cost does not include the following.

- Notional rents receivable by the Office on State owned properties are estimated at some €90.085 million. Notional rents payable by the OPW are estimated at €2.2 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.
- Amounts have not been included in the statement in respect of expenditure borne by the OPW on behalf of other departments or bodies and any capital element of allied services, totaling €223 million (2022: €200 million).

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	60	72
Vote 12	Superannuation and Retired Allowances	26,229	24,928
Vote 18	National Shared Services Office	97	83
Vote 43	Office of the Government Chief Information Officer	53	45
Apportioned cost of shared services for other Votes [a]		(131,058)	(142,252)
		(104,619)	**(117,124)**

Note [a] In addition to the value of services rendered without charge to other votes shown here (€131.058 million), services costing approximately €19.921 million were also provided without charge to other non-voted public bodies.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	3,831,053	3,616,088
Intangible assets	2.2	4,850	4,778
Total fixed assets		**3,835,903**	**3,620,866**
Current assets			
Bank and cash	2.3	147,793	106,177
Inventories	2.4	1,828	2,101
Prepayments	2.5	28,999	25,725
Accrued income	2.6	2,645	3,641
Other debit balances	2.7	16,020	17,755
Total current assets		**197,285**	**155,399**
Less current liabilities			
Accrued expenses	2.8	12,625	14,282
Deferred income	2.9	241	338
Other credit balances	2.10	147,206	63,804
Net Exchequer funding	2.11	16,607	60,128
Total current liabilities		**176,679**	**138,552**
Net current assets		20,606	16,847
Net assets		**3,856,509**	**3,637,713**
Represented by:			
State funding account	2.12	**3,856,509**	**3,637,713**

2.1 Property, plant and equipment

	Land and buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation [a]						
At 1 January 2023 [b]	3,581,514	65,864	19,816	23,627	69	3,690,890
Additions	41,804	7,922	1,649	658	56,698 [c]	108,731
Disposals	(5,929)	(2,035)	—	—	—	(7,964)
Adjustments/asset revaluations	427	—	—	79	(69)	437
Transfers from other departments [d]	118,501	—	—	—	—	118,501
At 31 December 2023	3,736,317	71,751	21,465	24,364	56,698	3,910,595
Accumulated depreciation						
At 1 January 2023	—	40,969	17,981	15,852	—	74,802
Depreciation for the year	—	5,414	950	239	—	6,603
Depreciation on disposals	—	(1,863)	—	—	—	(1,863)
At 31 December 2023	—	44,520	18,931	16,091	—	79,542
Net assets						
At 31 December 2023	**3,736,317**	**27,231**	**2,534**	**8,273**	**56,698**	**3,831,053**
At 31 December 2022	3,581,514	24,895	1,835	7,775	69	3,616,088

Note
a Includes assets acquired for less than €10,000 prior to 1 January 2020.
b From 1 January 2023, acquired and developed software assets were reclassified to intangible assets (note 2.2).
c Costs relate to Rosslare Europort Terminal 7 construction.
d The transfer from other departments relates to construction projects that have transferred to the OPW following substantial completion of the project. It also includes transfers of ownership of existing buildings.

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	2023		2022 [a]	
	Number of buildings	€000	Number of buildings	€000
Market value	294	1,236,747	300	1,078,160
Building cost norms	512	705,119	515	709,374
Cost	151	866,545	150	866,073
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
Miscellaneous properties [b]	216	—	219	—
	1,911	**3,736,317**	**1,922**	**3,581,514**

Note [a] Following an internal review, the 2022 comparative values have been restated.

[b] Miscellaneous properties are various categories of land and buildings including secondary properties or carpark land where the overall valuation for the full site is included on the primary asset in the table above.

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023 [a]	7,448	4,024	11,472
Additions	371	28	399
At 31 December 2023	7,819	4,052	11,871
Accumulated amortisation			
At 1 January 2023	6,694	—	6,694
Amortisation	327	—	327
At 31 December 2023	7,021	—	7,021
Net assets			
At 31 December 2023	**798**	**4,052**	**4,850**
At 31 December 2022	754	4,024	4,778

Note [a] From 1 January 2023, acquired and developed software assets were reclassified from property, plant and equipment (note 2.1) to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	147,791	106,175
Petty cash	2	2
	147,793	**106,177**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Engineering spare parts	776	899
Heritage spare parts	1,052	1,087
Building materials	—	65
Stationery	—	40
Miscellaneous stocks	—	10
	1,828	**2,101**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Administration	534	449
IT services and support	2,065	1,431
Flood risk management	15	22
Estate management	26,385	23,823
	28,999	**25,725**

2.6 Accrued income

at 31 December	2023	2022
	€000	€000
Social Insurance Fund	1,356	2,474
Estate management	914	888
Heritage services	353	251
Government publications	22	28
	2,645	**3,641**

2.7 Other debit balances

at 31 December	2023	2022
	€000	€000
Agency balances (note 2.14)	15,998	17,445
Other debit balances	22	310
	16,020	**17,755**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration	284	235
IT services and support	484	96
Flood risk management	524	1,124
Estate management	11,333	12,827
	12,625	**14,282**

2.9 Deferred income

at 31 December	2023	2022
	€000	€000
Government publications	8	6
Estate management	197	256
Heritage services	36	76
	241	**338**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Value added tax	17,806	12,893
Income tax	1,718	1,861
Pay related social insurance	1,344	1,433
Professional services withholding tax	835	856
Pension contributions	413	405
Universal social charge	330	361
Local property tax	9	11
	22,455	17,820
Agency balances (note 2.14)	118,347	35,171
Percent for art scheme	2,965	2,162
Property management	2,795	7,501
Sundry works account	327	804
Miscellaneous heritage	142	189
Other credit balances	175	157
	147,206	**63,804**

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	16,609	66,884
Deferred surrender	—	27,000
Exchequer grant undrawn	(2)	(33,756)
Net Exchequer funding	**16,607**	**60,128**
Represented by:		
Debtors		
Bank and cash	147,793	106,177
Debit balances: suspense	16,020	17,755
	163,813	123,932
Creditors		
Due to the State	(22,455)	(17,820)
Credit balances: suspense	(124,751)	(45,984)
	(147,206)	(63,804)
	16,607	**60,128**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			3,637,713	3,472,849
Disbursements from the Vote				
Estimate provision	Account	646,904		
Deferred surrender	Account	—		
Surplus to be surrendered	Account	(16,609)		
Net vote	Note		630,295	508,297
Expenditure (cash) borne elsewhere	1.1		26,439	25,128
Allied services	1.1		(131,058)	(142,252)
Net programme cost	1		(482,516)	(396,758)
Asset revaluations	2.1		437	(3,716)
Asset transfer from other Departments	2.1		118,501	174,165
Capital asset under development	2.1		56,698	—
Balance at 31 December			**3,856,509**	**3,637,713**

2.13 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	9,773	7,677
Non-capital grant programmes	266	757
Capital grant programmes	11,693	12,182
Capital projects	257,153	125,523
Public private partnership projects	293,367	319,138
Total of legally enforceable commitments	**572,252**	**465,277**

There were commitments outstanding at the end of 2023 in respect of rental of leased properties and associated service charges that have not been included in this account but they are estimated to be €121.454 million in 2024 (2023: €133 million).

In addition, the OPW has a commitment to deliver the National Children's Science Museum. As the project is subject to an arbitration process that is not yet finalised, the estimated value of this commitment has not been included in this account.

b) Non-capital grant programmes	2023 €000	2022 €000
Opening balance	757	750
Adjustment	(27)	—
New grant commitments	228	460
Grants paid in the year	(692)	(453)
Closing balance	**266**	**757**

c) Capital grant programmes	2023 €000	2022 €000
Opening balance	12,182	14,124
Adjustment	—	16
New grant commitments	3,000	1,500
Grants paid in the year	(3,489)	(3,434)
Grants cancelled	—	(24)
Closing balance	**11,693**	**12,182**

d) Major capital projects

Major ongoing projects during 2023 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows.

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years [a]	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
Climate responsive flood risk management	**€000**	**€000**	**€000**	**€000**	**€000**
River Dodder Fluvial Scheme	21,083	705	—	21,788	21,583
Bandon	31,039	592	—	31,631	31,339
Skibbereen	34,296	517	—	34,813	35,296
Clonakilty	30,717	875	—	31,592	32,577
Ennis South	18,224	535	—	18,759	19,724
Douglas	22,414	1,524	—	23,938	23,514
Athlone	15,898	6,441	5,337	27,676	22,698
Clare Galway	11,258	54	—	11,312	11,308
Lower Morell FRS	6,907	3,825	7,000	17,732	16,407
Glashboy [b]	3,400	5,485	29,115	38,000	—
Total	**195,236**	**20,553**	**41,452**	**257,241**	**214,446**
Estate management					
Data centre, Backweston	—	18,082	64,719	82,801	70,364
Distillers Building	880	895	58,500	60,275	39,200
Tom Johnson House	18,592	26,588	8,000	53,180	53,053
Leeson Lane	—	21,086	19,000	40,086	—
Miesian Plaza	21,318	1,517	580	23,415	23,415
Bishops Square	—	10,539	2,000	12,539	—
Clyde House	4,815	6,044	—	10,859	10,500
Total	**45,605**	**84,751**	**152,799**	**283,155**	**196,532**

Note [a] Project commitments in subsequent years refers to the Office's current estimate of capital costs to completion of project. As projects reach completion and/or no future spend is expected by the Office, these projects are/will be removed from the above table.

[b] This project is an addition to the list of major capital commitments in 2023 and applicable expenditure pre 2023 has been included.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2022 to 2023.

Climate Responsive Flood Risk Management

Clonakilty

Decrease in expected total spend: €985,000

The 2022 expected total project spend included the lifetime maintenance for the scheme but this expenditure is not a capital cost attributable to the project.

Ennis South

Decrease in expected total spend: €965,000

The 2022 expected total project spend included the lifetime maintenance for the scheme but this expenditure is not a capital cost attributable to the project.

Athlone

Increase in expected total spend: €4.978 million

The original cost estimate for this project was completed in 2017. In 2023, a review of the project budget took place and the current total project budget is approx. €27 million (the scheme has a benefit of €48 million). The vast majority of the increase is attributable to an increased scope of work incorporated into the final design which could not have been foreseen in the original construction cost estimate, along with cost increases associated with construction inflation.

Lower Morrell FRS

Increase in expected total spend: €1.325 million

A project budget review is ongoing by Kildare County Council and while not finalised, it is estimated that the total project budget will be in the region of €18 million. The vast majority of the increase is attributable to an increased scope of work incorporated into the final design which could not be foreseen in the original construction cost estimate, along with cost increases associated with construction inflation.

Estate management

Backweston data centre

Increase in expected spend: €12.437 million

The increase in cost arises following a revised pre-tender evaluation. This revision allowed for changes to the scope of the project which resulted in higher construction costs, inclusive of VAT and contributions.

Distillers Building

Increase in expected total spend: €21.075 million

The increase in project costs relates to changes in the scope of items that were not included in the original cost estimate, along with cost increases associated with construction inflation.

e) Unitary payments of Public Private Partnership projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Legally enforceable commitments to be met in subsequent years	Expected project total 2023	Expected project total 2022
	€000	€000	€000	€000	€000
Convention Centre Dublin	446,412	24,108	293,367	763,887	765,550

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2022 to 2023.

Convention Centre Dublin

Decrease in expected total spend: €1.663 million

The Public Private Partnership fell short of annual targets for the attraction of international conference delegates during Covid 19. The decrease in total projected project cost in the remaining years is a result of the formalisation of a supplemental agreement providing for deductions in connection with these shortfalls (€1.5 million) and other factors such as annual indexation (€0.1 million).

2.14 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 2023 was €315 million of which the main areas of expenditure were major capital works (€220 million); leasing of accommodation (€18 million), and maintenance works (€77 million).

Agency services account

at 31 December	2023	2022
	€000	€000
Opening balance at 1 January	(17,726)	(12,167)
Payments	315,277	192,274
Receipts	(399,900)	(197,833)
Closing balance [a]	**(102,349)**	**(17,726)**

Note [a] The closing credit balance of €102.349 million is made up of debit agency balances of €15.998 million (note 2.7) and credit agency balances of €118.347 million (note 2.10).

2.15 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	—	6,511

2.16 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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	59,675			
	Supplementary	(350)			
			59,325	58,427	51,878
ii	Travel and subsistence		2,218	2,243	1,950
iii	Training and development and incidental expenses				
	Original	1,281			
	Supplementary	400			
			1,681	1,875	1,485
iv	Postal and telecommunications services				
	Original	1,896			
	Supplementary	200			
			2,096	1,730	1,746
v	Office equipment and external IT services				
	Original	8,881			
	Supplementary	(500)			
			8,381	7,997	7,055
vi	Office premises expenses		1,279	1,292	958
vii	Consultancy and value for money and policy reviews		293	195	172
viii	Government publication services		140	129	101
			75,413	**73,888**	**65,345**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.281 million; outturn €1.875 million

The variance is driven by the effect of increased staff leading to increased demand on training costs coupled with inflationary price increases and unforeseen incidental expenditure.

Programme A Climate Responsive Flood Risk Management

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	15,604			
	Supplementary	1,106			
			16,710	16,760	14,847
A.2	Administration − non pay				
	Original	2,956			
	Supplementary	484			
			3,440	4,138	3,470
A.3	Purchase of plant and machinery		8,770	8,871	8,708
A.4	Hydrometric and hydrological investigation and monitoring				
	Original	1,481			
	Supplementary	400			
			1,881	1,268	1,393
A.5	Flood risk management				
	Original	76,520			
	Supplementary	(19,000)			
			57,520	59,242	54,670
A.6	Arterial drainage maintenance				
	Original	20,843			
	Supplementary	900			
			21,743	21,402	19,804
			110,064	**111,681**	**102,892**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.4 Hydrometric and hydrological investigation and monitoring

Estimate provision €1.481 million; outturn €1.268 million

The variance occurred due to delays in certain procurement processes, subsequent delays in the delivery of these works and unfilled staff vacancies during the year.

A.5 Flood risk management

Estimate provision €76.520 million; outturn €59.242 million

The variance was largely due to schemes not progressing through the planning and construction phases within the anticipated timeframe. Delays with completing surveys and ground investigations during the scheme design stages were also contributory factors.

Programme B Estate management

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay				
	Original	44,071			
	Supplementary	(1,456)			
			42,615	41,667	37,031
B.2	Administration − non pay				
	Original	13,032			
	Supplementary	(384)			
			12,648	11,323	9,997
B.3	President's household staff		1,109	1,018	894
B.4	Grants for works and related services				
	Original	2,250			
	Supplementary	1,500			
			3,750	3,750	3,500
B.5	Purchase of sites and buildings				
	Original	4,480			
	Supplementary	37,000			
			41,480	41,467	130
B.6	New works, alterations and additions				
	Original	120,400			
	Supplementary	9,000			
			129,400	124,404	115,118
B.7	Property maintenance and supplies				
	Original	71,528			
	Supplementary	5,500			
			77,028	73,845	67,711
B.8	Rents and miscellaneous fees				
	Original	108,077			
	Supplementary	1,200			
			109,277	105,540	100,654
B.9	Service charges and utilities				
	Original	12,736			
	Supplementary	6,800			
			19,536	18,676	12,260
B.10	Unitary payments				
	Original	25,000			
	Supplementary	(900)			
			24,100	24,108	23,863
B.11	Heritage services				
	Original	52,339			
	Supplementary	1,799			
			54,138	52,599	49,031

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.12	National recovery and resilience plan				
	Original	33,500			
	Deferred surrender	27,000			
	Supplementary	(19,000)			
			41,500	46,099	17,632
B.13	Brexit adjustment reserve (BAR)				
	Original	2,315			
	Supplementary	(350)			
			1,965	1,376	1,135
			558,546	**545,872**	**438,956**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.4 Grants for works and related services

Estimate provision €2.250 million; outturn €3.750 million

The variance of €1.5 million was agreed to provide further support to Dublin Zoo and Fota Island Wildlife Park in relation to ongoing capital programmes.

B.5 Purchase of sites and buildings

Estimate provision €4.480 million; outturn €41.467 million

The significant variance was a result of the OPW successfully completing negotiations for the purchase of a strategically located office block close to Government Buildings. A significant annual saving under subhead B.8 Rents will be made in future years as the OPW had leased a large portion of the building to meet the accommodation demands of Government departments prior to the purchase.

B.9 Service charges and utilities

Estimate provision €12.736 million; outturn €18.676 million

The variance was driven by energy price increases, the commencement of new leases and the effects of the change in percentage of service charges recovered from the Social Insurance Fund.

B.12 National recovery and resilience plan

Estimate provision €33.5 million plus deferred surrender €27 million; outturn €46.099 million

The variance was driven by the capital construction project of the data centre at Backweston not progressing through the planning and construction phases within the anticipated timeframe.

B.13 Brexit adjustment reserve (BAR)

Estimate provision €2.315 million; outturn €1.376 million

The variance was driven by delays in the recruitment process of architects and site engineers as anticipated. In addition, contract staff were appointed and paid directly from the project subhead rather than subhead B.13.

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
		Estimated provision		Realised	Realised
		€000	€000	€000	€000
1	Rents, licence fees, etc.		3,161	2,997	3,639
2	Heritage - events and conferencing				
	Original	1,005			
	Supplementary	695			
			1,700	1,503	1,208
3	Government publication services				
	Original	340			
	Supplementary	104			
			444	493	507
4	Heritage – general sales				
	Original	400			
	Supplementary	243			
			643	644	465
5	Heritage – admission fees				
	Original	9,000			
	Supplementary	2,713			
			11,713	13,139	10,048
6	Receipts from additional superannuation contributions on public service remuneration				
	Original	2,200			
	Supplementary	417			
			2,617	2,625	2,284
7	Miscellaneous, including fees, interest and disposals etc.				
	Original	1,100			
	Supplementary	328			
			1,428	5,856	15,400
	Total		**21,706**	**27,257**	**33,551**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Rents, licence fees, etc.

Estimate €3.161 million; realised €2.997 million

The variance was driven by accrued income from masts and rental receipts due to legal obstacles of enforcement.

2 Heritage – events and conferencing

Estimate €1.005 million; realised €1.503 million

The variance was driven by conference venues being at almost full capacity since April 2023.

3 Government publication services

Estimate €340,000; realised €493,000

The variance was driven by higher than anticipated sales due to issue of new publications.

4 Heritage – general sales

Estimate €400,000; realised €644,000

The variance was driven by higher than anticipated sales of heritage cards due to increased promotion of these cards through a targeted media campaign.

5 Heritage – admission fees

Estimate €9 million; realised €13.139 million

The variance was driven by higher than expected visitor numbers to fee-paying heritage sites.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.2 million: realised €2.625 million

The variance was driven by the increase in pension related deduction from pay agreements agreed and implemented during the year.

7 Miscellaneous, including fees, interest and disposals etc.

Estimate €1.1 million; realised €5.856 million

The variance was driven by higher than expected sales of state properties during the year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2023	2022
Civil service grades	982	874
OPW specific grades	1,223	1,202
	2,205	**2,076**

5.2 Pay

	2023	2022
	€000	€000
Pay		
Civil service grades	54,679	48,624
OPW specific grades	56,106	52,598
Higher, special or additional duties allowances		
Civil service grades	221	170
OPW specific grades	2,407	2,242
Overtime		
Civil service grades	35	28
OPW specific grades	3,948	3,800
Extra attendance, shift and roster		
OPW specific grades	2,330	2,111
Employer's PRSI		
Civil service grades	4,847	4,188
OPW specific grades	6,674	6,309
Total pay	**131,247**	**120,070**

Note The total pay figure includes pay for 513 temporary and seasonal staff in 2023 (2022: 509 staff).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances				
Civil service grades	45	7	30,409	22,755
OPW specific grades	1,105	8	14,597	10,153
Overtime				
Civil service grades	19	—	5,712	6,813
OPW specific grades	1,042	124	43,566	39,996
Extra attendance, shift and roster				
OPW specific grades	784	3	11,944	10,280
Extra remuneration in more than one category				
Civil service grades	2	—	7,190	8,744
OPW specific grades	1,057	262	51,053	52,672

5.4 OPW staffing by pay band

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

Civil service grades

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	583	559
60,000	69,999	137	104
70,000	79,999	85	59
80,000	89,999	63	72
90,000	99,999	50	29
100,000	109,999	11	13
110,000	119,999	6	9
120,000	129,999	5	1
130,000	139,999	4	2
140,000	149,999	—	1
150,000	159,999	—	—
160,000	169,999	2	1
170,000	179,999	1	1
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

OPW specific grades

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	1,013	1,131
60,000	69,999	98	64
70,000	79,999	27	16
80,000	89,999	15	15
90,000	99,999	3	4
100,000	109,999	4	—

5.5 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 €30,033. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Payroll overpayments

	Number of recipients	2023 €	2022 €
Overpayments	52	163,208	49,855
Recovery plans in place	19	63,942	15,218

5.7 Severance/redundancy

During the year €15,438 was paid to three officers in severance payments, one of which exceeded €10,000.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €	2022 €
Basic pay	**215,194**	**201,843**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the post 2004 superannuation scheme for non-established State employees and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by			Total	Total
	employees	members of the public		2023	2022
	Personal injury	Personal injury	Loss or damage		
Number of cases	18	26	3	47	56
	€000	€000	€000	€000	€000
Office's own legal costs	94	34	—	128	187
Payments to/on behalf of the Office					
Compensation	164	73	4	241	1,151
Legal costs	247	74	—	321	101
Other costs	18	24	4	46	50
2023 Total	**523**	**205**	**8**	**736**	**1,489**
2022 Total	999	479	11	1,489	

Note At 31 December 2023, the following claims are outstanding.

- Personal injury claims: 69 (2022:70)
- Loss or damage claims: 5 (2022:14)

Cumulative costs of cases completed in 2023

	Claims by		Total
	employees	members of the public	
	Personal injury	Personal injury	
Number of cases	6	9	15
	€000	€000	€000
Office's own legal costs	103	24	127
Payments to/on behalf of the Office			
Compensation	904	49	953
Legal costs	267	14	281
Other costs	27	17	44
Total	**1,301**	**104**	**1,405**

6.2 Arbitration and conciliation costs

	2023 €000	2022 €000
Payments to contractors and others	721	1,319

Note There were three cases in 2023 (2022: four). Figures include VAT, legal and professional fees.

6.3 Late payment interest and compensation

	2023 €	2022 €
Total of interest and compensation payments	17,249	40,304

Note The total value of payments made by the OPW in 2023 amounted to €730 million and the total number of reckonable payments were 102,292.

6.4 Ex-gratia payments

	2023 €000	2022 €000
Ex-gratia payments	4,149	1,902

Note Ex-gratia payments paid in the year principally relating to the Office of Government Procurement (OGP) inflation framework. The payments were made following the guidance note issued by the OGP.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €263,000 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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.

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

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

Inventories

Valuation of inventories includes high-volume low-value consumable items given their nature and the need for monitoring and security.

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

Internal audit and Audit Committee

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.

Procurement

The State Laboratory ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €5.6 million in 2023.

The State Laboratory has provided details of five non-competitive contracts in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

The State Laboratory complied with the guidelines for 2023 and did not have any non-compliant contracts.

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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Barbara O'Leary
Accounting Officer
State Laboratory

11 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 14 State Laboratory for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 14 State Laboratory

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Government analytical laboratory and advisory service				
Original	12,847			
Supplementary	537			
		13,384	13,265	11,725
Gross expenditure		**13,384**	**13,265**	**11,725**
Deduct				
B **Appropriations-in-aid**				
Original	1,111			
Supplementary	149			
		1,260	**1,404**	**1,070**
Net expenditure				
Original	11,736			
Supplementary	388			
		12,124	**11,861**	**10,655**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**262,950**	**401,340**

Barbara O'Leary
Accounting Officer
State Laboratory

11 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		7,651	6,516
Non pay		5,614	5,209
Gross expenditure		**13,265**	**11,725**
Deduct			
Appropriations-in-aid		**1,404**	**1,070**
Net expenditure		**11,861**	**10,655**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(706)		
Depreciation	1,001		
Intangible assets (note 2.2)			
Amortisation	20		
		315	(350)
Changes in net current assets			
Decrease in inventories	14		
Decrease in prepayments	230		
Decrease in accrued income	125		
(Decrease) accrued expenses	(54)		
		315	306
Direct expenditure		**12,491**	**10,611**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,819	2,147
Notional rents		1,688	1,688
Net programme cost		**15,998**	**14,446**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	10	10
Vote 12	Superannuation and Retired Allowances	1,796	2,126
Vote 18	National Shared Services Office	13	11
		1,819	**2,147**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	1,807	2,102
Intangible assets	2.2	—	20
Total fixed assets		1,807	2,122
Current assets			
Bank and cash		312	254
Inventories	2.3	296	310
Prepayments	2.4	800	1,030
Accrued income	2.5	53	178
Other debit balances		4	3
Total current assets		**1,465**	**1,775**
Less current liabilities			
Accrued expenses	2.6	268	322
Other credit balances	2.7	300	223
Net Exchequer funding	2.8	16	34
Total current liabilities		**584**	**579**
Net current assets		881	1,196
Net assets		**2,688**	**3,318**
Represented by:			
State funding account	2.9	**2,688**	**3,318**

2.1 Property, plant and equipment [a]

	Equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	14,747	559	15,306
Additions	706	—	706
Disposals	(155)	—	(155)
At 31 December 2023	15,298	559	15,857
Accumulated depreciation			
At 1 January 2023	12,654	550	13,204
Depreciation for the year	999	2	1,001
Depreciation on disposals	(155)	—	(155)
At 31 December 2023	13,498	552	14,050
Net assets			
At 31 December 2023	**1,800**	**7**	**1,807**
At 31 December 2022	2,093	9	2,102

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

[b] From 1 January 2023, software acquisition and development assets are classified as intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023	174	174
At 31 December 2023	174	174
Accumulated amortisation		
At 1 January 2023	154	154
Amortisation for the year	20	20
At 31 December 2023	174	174
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	20	20

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

2.3 Inventories

at 31 December	2023	2022
	€000	€000
Chemicals and laboratory consumables	251	264
Stationery and IT consumables	45	46
	296	**310**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
Laboratory and IT	763	1,018
Administration	37	12
	800	**1,030**

2.5 Accrued income

at 31 December	2023	2022
	€000	€000
Due for services	53	178
	53	**178**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Laboratory and IT	130	146
Administration	138	176
	268	**322**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	111	79
Pay related social insurance	85	62
Universal social charge	24	16
Relevant contracts tax	—	1
Value added tax on intra-EU acquisitions	25	18
	245	176
Payroll deductions held in suspense	55	46
Other credit suspense items	—	1
	300	**223**

2.8 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	263	401
Exchequer grant undrawn	(247)	(367)
Net Exchequer funding	**16**	**34**
Represented by:		
Debtors		
Bank and cash	312	254
Debit balances: suspense	4	3
	316	257
Creditors		
Due to the State	(245)	(176)
Credit balances: suspense	(55)	(47)
	(300)	(223)
	16	**34**

2.9 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			3,318	3,274
Disbursements from the Vote				
Estimate provision	Account	12,124		
Surplus to be surrendered	Account	(263)		
Net vote			11,861	10,655
Expenditure (cash) borne elsewhere	1.1		1,819	2,147
Non cash expenditure – notional rent	1		1,688	1,688
Net programme cost	1		(15,998)	(14,446)
Balance at 31 December			**2,688**	**3,318**

2.10 Commitments

Global commitments	**2023**	**2022**
at 31 December	**€000**	**€000**
Goods and services	530	431
Total	**530**	**431**

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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	7,867			
	Supplementary	(103)			
			7,764	7,651	6,516
ii	Travel and subsistence		35	20	9
iii	Training and development and incidental expenses		375	518	324
iv	Postal and telecommunications services		60	39	47
v	Lab equipment and external IT services		3,027	2,766	3,081
vi	Office premises expenses				
	Original	1,458			
	Supplementary	640			
			2,098	2,248	1,711
vii	Consultancy and VFM and policy reviews		25	23	37
			13,384	**13,265**	**11,725**

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).

iii **Training and development and incidental expenses**

Estimate €375,000; realised €518,000

The increased spend of €143,000 is due to additional recruitment costs and additional training costs to cover the significant recruitment of staff in the year. The number of staff employed at the end of 2023 increased by 24% relative to the end of the previous year.

vi **Office premises expenses**

Estimate €1.458 million; realised €2.248 million

The need for a supplementary estimate of €640,000 arose due to the continued volatility in the costs of electricity and gas. State Laboratory electricity and gas costs are contracted through OGP frameworks. Additional costs of €150,000 were incurred due to unforeseen costs in facilities management in relation to inflation and also due to improvement works being completed.

Note 4 Receipts

4.1 Appropriations-in-aid

			2023		2022
			Estimated	Realised	Realised
			€000	€000	€000
1	Receipts for various analyses, examinations, tests etc.				
	Original	900			
	Supplementary	149			
			1,049	1,162	864
2	Receipts from additional superannuation contributions on public service remuneration		210	242	205
3	Miscellaneous receipts		1	—	1
	Total		**1,260**	**1,404**	**1,070**

Significant variations

The following note outlines the reasons for significant variations in appropriations- in-aid (+/- 5% and €100,000).

1 Receipts for various analyses, examinations, tests etc.

Estimate €1.05 million; realised €1.162 million

A supplementary estimate of €149,000 was included due to better than forecasted cash collections on debtors and an increase in the number of tests completed in the year.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2023**	**2022**
Number of staff at year end	**124**	**100**

5.2 Pay

	2023	2022
	€000	€000
Pay	6,981	5,953
Higher, special or additional duties allowances	3	20
Employer's PRSI	667	543
Total pay	**7,651**	**6,516**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	—	—	—	10,489
Other allowances	4	—	1,317	1,276

Under the terms of the AHCPS 1% PCW restructuring agreement, 14 officers received PCW allowances. The total amount paid was €44,037 (2022: €37,449).

5.4 State Laboratory staffing pay bands

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	58	58
60,000	69,999	12	14
70,000	79,999	26	16
80,000	89,999	6	6
90,000	99,999	3	2
100,000	109,999	2	2
110,000	119,999	1	1
120,000	129,999	1	—

5.5 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€	€
Basic pay		
Ita Kinahan – to 20 May 2022	—	41,615
Barbara O'Leary – from 21 May 2022	125,583	65,158
Allowances	1,259	17,343
	126,842	**124,116**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the Contributory Pension Scheme for Established Civil Servants and its associated Contributory Revised Spouses' and Children's Scheme and her entitlements in that regard do not extend beyond the standard terms of that scheme.

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 2023 for Secret Service.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2023.

A surplus of €593,000 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 4 form part of the account.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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 the 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

7 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 15 Secret Service for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Public Expenditure, National Development Plan Delivery 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. The audit included review of operational controls over the moneys issued 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

22 April 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 15 Secret Service

Appropriation Account 2023

		2023	2022
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
Secret service	2,000	1,407	1,189
	2,000	**1,407**	**1,189**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**593,259**	**811,090**

David Moloney
Accounting Officer
Secret Service

7 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

This note is not applicable in the case of the Secret Service Vote.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Current assets			
Sub-account balances		500	307
PMG balance		277	88
Total current assets		**777**	**395**
Less current liabilities			
Net Exchequer funding	2.1	777	395
Total current liabilities		**777**	**395**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.2	**—**	**—**

2.1 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	593	811
Exchequer grant (un)drawn	184	(416)
Net Exchequer funding	**777**	**395**
Represented by:		
Debtors		
Sub-account balance	500	307
PMG balance	277	88
	777	395
	777	**395**

2.2 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	2,000		
Surplus to be surrendered	Account	(593)		
Net vote			1,407	1,189
Net programme cost			(1,407)	(1,189)
Balance at 31 December			—	—

Note 3 Vote Expenditure

The expenditure outturn was €593,000 (30%) lower than the amount provided. The estimate is necessarily conjectural.

Note 4 Salary of Accounting Officer

The Accounting Officer for Vote 15 Secret Service is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Appropriation Account 2023

Vote 16

Tailte Éireann

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 2023 for the salaries and expenses of Tailte Éireann, including a grant.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €9.314 million is liable for surrender to the Exchequer.

The deferred surrender on the Vote 16 Valuation Office appropriation account for 2022, comprising of savings in 2022 of €590,000 in capital expenditure subhead A.2, were transferred over to Vote 16 Tailte Éireann upon establishment in 2023.

The statement of accounting policies and principles and notes 1 to 6 form part of the account.

Establishment of Tailte Éireann

As part of the Public Service Reform Programme, a Government decision was made to merge the Valuation Office (VO), Ordnance Survey Ireland (OSI) and the Property Registration Authority (PRA). The Tailte Éireann Act 2022 provided for the dissolution of the PRA and OSI and the transfer of the functions of those bodies, along with the functions of the Commissioner of Valuation and the Boundary Surveyor, to Tailte Éireann. The dissolution and transfer took effect on establishment day of Tailte Éireann, 1 March 2023.

Where relevant, and for information purposes only, some comparative figures for 2022 of PRA, VO, and OSI have been included in the notes to the account.

The core business of Tailte Éireann is to provide a system of registration of ownership to land in Ireland, to deliver to stakeholders accurate, up-to-date valuations of commercial and industrial properties and to create and maintain the definitive mapping records and physical infrastructure of the State.

Tailte Éireann has implemented, where relevant, the requirements of the *Code of Practice for the Governance of State Bodies*.

Statement of accounting policies and principles

The standard accounting policies and principles, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	5 years	20%

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 Tailte Éireann.

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

Payroll and human resources were 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 Tailte Éireann and the National Shared Services Office for the provision of shared services for HR and payroll.

I have relied on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls were exercised in the provision of shared services to Tailte Éireann.

In addition, I have relied 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 Tailte Éireann. I have fulfilled my responsibilities in relation to the requirements of the service level agreement between Tailte Éireann and the Department of Justice for the provision of financial shared services.

Financial control environment

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

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 forecast
- a risk management system operates within Tailte Éireann
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Compensations claims

Tailte Éireann operates a registration of 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 National Land Register. In the normal course of its business, Tailte Éireann receive 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. One such claim, arising out of loss suffered due to reliance on the National Land Register, resulted in a payment of €325,000 in 2023.

A counter fraud framework is in place, the aim of which is to minimise exposure to and losses from fraud against the registers. This framework guides the implementation of 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.

Internal audit and Audit Committee

Tailte Éireann 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 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

Tailte Éireann ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

Tailte Éireann has provided details of 17 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

Tailte Éireann complied with the guidelines with the exception of 11 contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €1,231,857 (exclusive of VAT) as set out below.

- Six contracts (2023 value €534,185) have been extended to allow of the completion of a significant project implementation. These arrangements are currently being phased out and will not be further extended.
- Two contracts (2023 value €248,449) relating to Telecoms were extended beyond the contract date. Consolidation of such services continues in 2024 and these contracts will be discontinued.
- One contract (2023 value €132,551) has been extended pending the putting in place of alternative arrangements. This is expected to be concluded in Q2 of 2024.
- One contract (2023 value €237,372) relating to specialist ICT hardware was extended due to risk of delayed lead times.
- One contract (2023 value €61,300) relating to payroll services was extended pending the transfer of all staff to National Shared Services for payroll purposes.

Risk and control framework

Tailte Éireann 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 Tailte Éireann and these have been identified, evaluated and graded according to their significance. Arrangements are in place for the register to be 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 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 Tailte Éireann had procedures to monitor the effectiveness of its risk management and control procedures. Tailte Éireann's monitoring and review of the effectiveness of the system of internal financial control informed by the work of the internal and external auditors and the management responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Liam O'Sullivan
Accounting Officer
Tailte Éireann

27 June 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 16 Tailte Éireann

Opinion on the appropriation account

I have audited the appropriation account for Vote 16 Tailte Éireann for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 16 Tailte Éireann for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Tailte Éireann and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Accounting Officer has presented a statement on internal financial control with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

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 2023.

Seamus McCarthy
Comptroller and Auditor General

28 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 16 Tailte Éireann

Appropriation Account 2023

			2023	
		Estimate provision		Outturn
			€000	€000
Programme expenditure				
A	Provision of mapping, property registration and valuation services within the State			
	Estimate provision	85,924		
	Deferred surrender	590		
			86,514	77,068
Gross expenditure			**86,514**	**77,068**
	Deduct			
A	**Appropriations-in-aid**		**1,820**	**1,688**
Net expenditure				
	Estimate provision	84,104		
	Deferred surrender	590		
			84,694	**75,380**

Surplus

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

	2023
	€
Surplus to be surrendered	**9,314,406**

Liam O'Sullivan
Accounting Officer
Tailte Éireann

27 June 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023
	€000	€000
Programme cost		3,096
Pay		51,654
Non pay		22,318
Gross expenditure		**77,068**
Deduct		
Appropriations-in-aid		1,688
Net expenditure		**75,380**
Changes in net capital assets		
Property, plant and equipment (note 2.1)		
Purchases	(678)	
Depreciation	1,011	
Loss on disposals	18	
Intangible assets (note 2.2)		
Purchases	(5,979)	
Amortisation	1,389	
		(4,239)
Changes in net current assets		
(Increase) in inventories	(170)	
(Increase) in prepayments	(5,166)	
Increase in accrued expenses	690	
Increase in deferred income	183	
		(4,463)
Direct expenditure		**66,678**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		22,365
Notional rent		2,279
Net programme cost		**91,322**

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.

		2023 €000
Vote 12	Superannuation and Retired Allowances	19,591
Vote 13	Office of Public Works	2,577
Vote 18	National Shared Services Office	71
Vote 24	Justice	99
Vote 43	Office of the Government Chief Information Officer	27
		22,365

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000
Fixed assets		
Property, plant and equipment	2.1	2,231
Intangible assets	2.2	13,773
Total fixed assets		**16,004**
Current assets		
Bank and cash	2.3	3,512
Inventories	2.4	170
Prepayments	2.5	5,166
Other debit balances	2.6	135
Total current assets		**8,983**
Less current liabilities		
Accrued expenses	2.7	690
Deferred income		183
Other credit balances	2.8	3,474
Net Exchequer funding	2.9	173
Total current liabilities		**4,520**
Net current assets		4,463
Net assets		**20,467**
Represented by:		
State funding account	2.10	**20,467**

2.1 Property, plant and equipment

	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	—	—	—	—
Transfer of assets[a]	607	18,349	6,170	25,126
Additions	77	601	—	678
Disposals	—	(197)	—	(197)
At 31 December 2023	684	18,753	6,170	25,607
Accumulated depreciation				
At 1 January 2023	—	—	—	—
Transferred depreciation	412	16,401	5,731	22,544
Depreciation for the year	64	861	86	1,011
Depreciation on disposals	—	(179)	—	(179)
At 31 December 2023	476	17,083	5,817	23,376
Net assets				
At 31 December 2023	**208**	**1,670**	**353**	**2,231**

Note [a] Upon the establishment of Tailte Éireann, the cost, accumulated depreciation and net book value of assets were transferred with the transfer of functions of Valuation Office (VO), Ordnance Survey Ireland (OSI) and the Property Registration Authority (PRA) to Tailte Éireann.

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost			
At 1 January 2023	—	—	—
Transfer of assets	49,935	4,537	54,472
Additions	1,172	4,806	5,979
At 31 December 2023	51,107	9,344	60,451
Accumulated amortisation			
At 1 January 2023	—	—	—
Transferred amortisation	45,289	—	45,289
Amortisation for the year	1,389	—	1,389
At 31 December 2023	46,678	—	46,678
Net assets			
At 31 December 2023	**4,429**	**9,344**	**13,773**

Note [a] Upon the establishment of Tailte Éireann, the cost, accumulated amortisation and net book value of assets were transferred with the transfer of functions of Valuation Office (VO), Ordnance Survey Ireland (OSI) and the Property Registration Authority (PRA) to Tailte Éireann.

2.3 Bank and cash

at 31 December	2023
	€000
PMG balance	1,504
Commercial bank and cash balances	2,008
	3,512

The commercial bank account balances represent €905,000 owed to the Exchequer on 31 December 2023 in respect of registration fees collected and €1.068 million in a Danske Bank account used for salaries of certain staff not yet transferred to the National Shared Services Office for payroll purposes. Not included are non-Exchequer balances of €6.7 million held at the Central Bank (2022: €6.28 million) and €244,000 held at Danske Bank (2022: €26,000) in respect of ground rent scheme purchase moneys.

2.4 Inventory

at 31 December	2023
	€000
Stocks of maps for resale	170
	170

2.5 Prepayments

at 31 December	2023
	€000
Software support	4,057
Revaluation programme	1,088
Administration	21
	5,166

2.6 Other debit balances

at 31 December	2023
	€000
Recoupable travel pass expenditure	58
Other debit suspense items	77
	135

2.7 Accrued expenses

at 31 December	2023
	€000
Energy costs	190
IT services and support	127
Administration expenses	310
Legal costs	63
	690

2.8 Other credit balances

at 31 December	2023
	€000
Amounts due to the State	
Income tax	807
Pay related social insurance	493
Professional services withholding tax	415
Value added tax	464
Pension contributions	32
Exchequer and other receipts payable	1,102
	3,313
Payroll deductions held in suspense	161
	3,474

2.9 Net Exchequer funding

at 31 December	2023
	€000
Surplus to be surrendered	9,314
Transfers on establishment from PRA and VO	636
Exchequer grant undrawn	(9,777)
Net Exchequer funding	**173**
Represented by:	
Debtors	
Bank and cash	3,512
Debit balances: suspense	135
	3,647
Creditors	
Due to the State	3,313
Credit balances: suspense	161
	3,474
	173

2.10 State funding account

	Note		2023
		€000	€000
Disbursements from the Vote			
Estimate provision	Account	84,694	
Surplus to be surrendered	Account	(9,314)	
Net vote			75,380
Expenditure (cash) borne elsewhere	1 & 1.1		24,644
Net fixed assets transferred in	2.1 & 2.2		11,765
Net programme cost	1		(91,322)
Balance at 31 December			**20,467**

2.11 Commitments

Global commitments at 31 December	**2023 €000**
Procurement of goods and services	597
Capital projects	1,304
	1,901

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Project Axia	4,537	4,737	1,304	**10,578**	**12,587**

Note [a] Project Axia was previously recorded in the Valuation Office Vote in 2022, until its transfer of functions to Tailte Éireann in 2023. Annual current maintenance and licencing costs were included in the expected costs at end 2022, but these have been excluded from the capital cost and commitment values in 2023 as they are expensed instead.

2.12 Contingent liabilities

Tailte Éireann 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.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

				2023
			Estimate provision	Outturn
			€000	€000
i	Salaries, wages and allowances		54,045	51,654
ii	Travel and subsistence		600	595
iii	Training and development and incidental expenses		2,866	2,670
iv	Postal and telecommunications services		1,391	1,327
v	Office equipment and external IT services			
	Estimate provision	15,369		
	Deferred surrender	590	15,959	16,137
vi	Office premises expenses		2,542	1,471
vii	Consultancy services and other services		200	118
			77,603	**73,972**

Significant variations

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

vi Office premises expenses

Estimate provision €2.542 million; outturn €1.471 million

The underspend of €1.071 million on office premises is due to savings in the office maintenance budget pending the move to a new corporate headquarters and lower than budgeted energy costs in 2023

Programme A Provision of mapping, property registration and valuation services within the State

				2023
		Estimate provision		Outturn
		€000		€000
A.1	Administration − pay		54,045	51,654
A.2	Administration − non pay			
	Estimate provision	22,968		
	Deferred surrender	590	23,558	22,318
A.3	National revaluation projects		1,500	1,370
A.4	National mapping and surveying		6,588	1,108
A.5	Property registration archive and digitisation		180	85
A.6	Compensation costs and other legal fees		643	533
			86,514	**77,068**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.4 National mapping and surveying

Estimate provision €6.588 million; outturn €1.108 million

The underspend of €5.48 million arose because pension costs for former Ordnance Survey staff had been made in the Tailte Éireann Vote in 2023, but were borne in full by Vote 12 Superannuation.

A.6 Compensation costs and other legal fees

Estimate provision €643,000; outturn €533,000

The outturn on this subhead is dependent upon the number of compensation claims settled in the period, which is difficult to predict.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023	
		Estimated	Realised
		€000	€000
1	Valuation receipts	420	126
2	Miscellaneous receipts	20	70
3	Receipts from additional superannuation contributions on public service remuneration	1,380	1,492
	Total	**1,820**	**1,688**

Significant variations

The following outlines the reasons for significant variations in appropriations–in-aid (+/- 5% and €100,000).

1 Valuation receipts

Estimate €420,000; realised €126,000

A shortfall of €294,000 on valuation fee receipts in 2023 was due to the removal of the requirement for local authorities to pay a prescribed fee for revision outcomes.

4.2 Extra receipts payable to the Exchequer

	2023
	€000
Exchequer balance transferred at 1 January	453
Exchequer balance transfer on merger of OSI	3,706
Land Registry and Registry of Deeds fees received	75,055
Mapping fees received	12,396
Ground rent fees received	50
Paid over to Exchequer [a]	(90,861)
Closing balance at 31 December	**799**

Note [a] Receipts collected in respect of Land Registry fees are remitted promptly to the Exchequer. At end December 2023, there were 116,755 applications for registration on hand (2022: 117,276 applications). The fees relating to this work on hand, estimated at €45 million (2022: €49 million) have been paid to the Exchequer. Legal rights are protected from the date of lodgement of an application, rather than on completion of registration.

An online portal www.landdirect.ie is used by customers for lodging applications and conducting searches. Customers lodge monies to their landdirect accounts in advance. There were credit balances of €1,867,787 on the landdirect accounts at the end of the 2023 (2022 €503,090).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023
Number of staff at year end	**898**

5.2 Pay

Remuneration of Tailte Éireann staff	2023 €000
Pay	46,014
Higher, special or additional duties allowances	91
Other allowances	163
Overtime	1,260
Employer's PRSI	4,126
Total pay	**51,654**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €
Higher, special or additional duties allowances	65	1	14,592
Overtime	222	45	24,854
Other allowances	48	—	6,369
Extra remuneration in more than one category	43	14	23,507

5.4 Other remuneration agreements

Four retired civil servants in receipt of a civil service pension were retained on a fee basis at a total cost of €78,710. The payments were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Tailte Éireann staffing by pay band

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

Pay bands (€)		Number of employees
From	To	2023
20,000	59,999	580
60,000	69,999	150
70,000	79,999	96
80,000	89,999	58
90,000	99,999	30
100,000	109,999	—
110,000	119,999	30
120,000	129,999	3
130,000	139,999	1
140,000	149,999	3
150,000	159,999	1
160,000	169,999	1

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officers' remuneration and taxable benefits since the date of their appointment were as follows.

	2023
	€000
Elizabeth Pope (interim Accounting Officer 1 Mar-10 July 2023)	62
Liam O'Sullivan (appointed 10 July 2023)	90
Total	**152**

The value of retirement benefits earned in the period is not included above.

The Accounting Officer is a member of the Single Public Services Pension Scheme and his entitlements to pension benefits do not extend beyond the standard terms of that scheme.

The interim Accounting Officer is a member of the established pre 1995 pension scheme for civil servants and her entitlements to pension benefits do not extend beyond the standard terms of that scheme.

5.7 Staff overpayments

	Number of recipients	2023 €
Overpayments	**89**	272,125
Recovery plans in place	**27**	98,091

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by Tailte Éireann in the year

	Claims by employees (personal injury)	S.120 and related claims	Other claims	Total 2023
Number of cases	1	13	11	26
	€000	**€000**	**€000**	**€000**
Tailte Éireann's own legal costs	4	—	21	25
Payments by/on behalf of Tailte Éireann				
Compensation	14	385	142	541
Legal costs	—	—	—	—
Other costs	—	—	—	—
Total	**18**	**385**	**163**	**566**

Note [a] In 2023, S120 claims included the payment of €325,000 in settlement of a claim made in respect of loss suffered due to reliance on the land register.

Cumulative costs of cases completed in 2023

	Claims by employees (personal injury)	S.120 and related claims [a]	Other claims	Total
Number of cases	**1**	**—**	**25**	**26**
	€000	**€000**	**€000**	**€000**
Tailte Éireann's own legal costs	4	—	—	7
Payments by/on behalf of Tailte Éireann				—
Compensation	14	—	—	399
Legal costs	—	—	—	—
Other costs	—	—	—	—
Total	**18**	**—**	**—**	**406**

6.2 Fraud and suspected fraud

In accordance with Registration of Title legislation, where a loss is suffered as a result of fraud, wherever so arising, this may give rise to a claim for compensation. Tailte Éireann continue to manage a very small number of cases of suspected fraudulent applications for registration.

6.3 Interest in An Post GeoDirectory

Tailte Éireann owns 49 shares in An Post GeoDirectory DAC at €1.25 per share, a total investment of €61. An Post GeoDirectory DAC was incorporated in Ireland in 1995. A minority interest (49%) of An Post GeoDirectory DAC profit after taxation is attributable to the State. All dividends payable from An Post GeoDirectory DAC are payable directly to the Exchequer and not retained by Tailte Éireann.

Appropriation Account 2023

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 2023 for the salaries and expenses of the Public Appointments Service.

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

A surplus of €628,000 is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 6 form part of the account.

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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation* *
Software licences	Licence term 2-10 years	50%-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 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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.

Procurement

The Public Appointments Service ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €7.58 million in 2023.

The Public Appointments Service has provided details of six non-competitive contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Public Appointments Service complied with the guidelines with the exception of three contracts to the value of €322,454 (exclusive of VAT) as set out below:

- One supplier (expenditure value €63,877) was initially engaged on the recommendation of the Office of Public Works, for the duration of building works, primarily to ensure access to Chapter House when required. On the advice of An Garda Síochána, it was decided to continue the service due to the significant rise in anti-social behaviour in the area. A competitive procurement process has just completed, and a new supplier will be in place in quarter two 2024.

- In one case, the request for tenders to seek a new provider was cancelled and re-advertised as the value was underestimated. The contract was extended by six months for business continuity (value €231,267).

- One supplier (value €27,310) was selected by One Learning to deliver people management training and the Public Appointments Service used them on an interim basis to meet training requirements. A competition is currently in progress to seek a new supplier.

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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Margaret McCabe
Accounting Officer
Public Appointments Service

12 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 17 Public Appointments Service for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

31 May 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 17 Public Appointments Service

Appropriation Account 2023

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A Civil and public service – redeployment/recruitment/ selection				
	Original	21,323		
	Supplementary	282		
		21,605	21,084	19,578
Gross expenditure			**21,605**	**21,084**	**19,578**
Deduct				
B **Appropriations-in-aid**				
	Original	176		
	Supplementary	130		
		306	**413**	**301**
Net expenditure				
	Original	21,147		
	Supplementary	152		
		21,299	**20,671**	**19,277**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**627,569**	**685,604**

Margaret McCabe
Accounting Officer
Public Appointments Service

12 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		13,505	11,564
Non pay		7,579	8,014
Gross expenditure		**21,084**	**19,578**
Deduct			
Appropriations-in-aid		413	301
Net expenditure		**20,671**	**19,277**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(320)		
Depreciation	133		
Intangible assets (note 2.2)			
Purchases	(54)		
Amortisation	13		
		(228)	76
Changes in net current assets			
(Increase)/decrease in prepayments	(117)		
(Increase)/decrease in accrued income	97		
Increase/(decrease) in accrued expenses	(59)		
		(79)	223
Direct expenditure		**20,364**	**19,576**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		3,642	3,374
Net programme cost		**24,006**	**22,950**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	60	62
Vote 12	Superannuation and Retired Allowances	1,468	1,354
Vote 13	Office of Public Works	2,052	1,887
Vote 18	National Shared Services Office	32	28
Vote 43	Office of the Government Chief Information Officer	30	43
		3,642	**3,374**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	520	332
Intangible assets	2.2	69	28
Total fixed assets		**589**	**360**
Current assets			
Bank and cash	2.3	845	346
Prepayments	2.4	506	389
Accrued income	2.5	33	131
Other debit balances	2.6	280	465
Total current assets		**1,664**	**1,331**
Less current liabilities			
Accrued expenses	2.7	157	216
Other credit balances	2.8	610	495
Net Exchequer funding	2.9	515	316
Total current liabilities		**1,282**	**1,027**
Net current assets		382	304
Net assets		**971**	**664**
Represented by:			
State funding account	2.10	**971**	**664**

2.1 Property, plant and equipment [a]

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	1,297	242	1,539
Additions	320	—	320
Disposals	(217)	—	(217)
At 31 December 2023	1,400	242	1,642
Accumulated depreciation			
At 1 January 2023	1,107	99	1,206
Depreciation for the year	108	25	133
Depreciation on disposals	(217)	—	(217)
At 31 December 2023	998	124	1,122
Net assets			
At 31 December 2023	**402**	**118**	**520**
At 31 December 2022	190	142	332

Note [a] Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021

[b] On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023	3,826	3,826
Additions	54	54
Disposals	—	—
At 31 December 2023	3,880	3,880
Accumulated Amortisation		
At 1 January 2023	3,798	3,798
Amortisation for the year	13	13
Amortisation of disposals	—	—
At 31 December 2023	3,811	3,811
Net assets		
At 31 December 2023	69	69
At 31 December 2022	28	28

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	844	345
Commercial bank account balance	—	—
Petty cash	1	1
	845	**346**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
IT services and supports	432	367
Specific programme costs	63	5
Administration expenses	11	17
	506	**389**

2.5 Accrued income

at 31 December	2023	2022
	€000	€000
Administration expenses	33	29
Due for services	—	102
	33	**131**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Salary suspense	—	256
Advances to OPW	90	95
Recoupable travel pass scheme	3	2
Other debit suspense items	187	112
	280	**465**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
IT services and supports	3	6
Specific programme costs	84	48
Administration expenses	70	162
	157	**216**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	244	221
Pay related social insurance	164	140
Professional services withholding tax	60	30
Value added tax	55	31
Local property tax	1	1
	524	423
Payroll deductions held in suspense	86	72
	610	**495**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	628	686
Deferred surrender	—	—
Exchequer grant undrawn	(113)	(370)
Net Exchequer funding	**515**	**316**
Represented by:		
Debtors		
Bank and cash	845	346
Debit balances: suspense	280	465
	1,125	811
Creditors		
Due to the State	(524)	(423)
Credit balances: suspense	(86)	(72)
	(610)	(495)
	515	**316**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			664	963
Disbursements from the Vote				
Estimate provision	Account	21,299		
Surplus to be surrendered	Account	(628)		
Net vote			20,671	19,277
Expenditure (cash) borne elsewhere	1.1		3,642	3,374
Net programme cost	1		(24,006)	(22,950)
Balance at 31 December			**971**	**664**

2.11 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	484	376
Capital projects	36	—
Total of legally enforceable commitments	**520**	**376**

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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	13,166			
	Supplementary	584			
			13,750	13,505	11,564
ii	Travel and subsistence	40	40	11	3
iii	Training and development and incidental expenses				
	Original	410			
	Supplementary	90			
			500	507	416
iv	Postal and telecommunications services				
	Original	90			
	Supplementary	15			
			105	106	102
v	Office equipment and external IT services				
	Original	3,202			
	Supplementary	(1,170)			
			2,032	2,006	1,552
vi	Office premises expenses				
	Original	449			
	Supplementary	161			
			610	580	1,707
vii	Recruitment costs – research and corporate governance				
	Original	120			
	Supplementary	158			
			278	266	153
viii	Recruitment costs – advertising and testing				
	Original	1,534			
	Supplementary	256			
			1,790	1,691	1,830

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
ix	Recruitment costs – interview boards				
		Original	2,312		
		Supplementary	188		
			2,500	2,412	2,251
			21,605	**21,084**	**19,578**

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
			Estimated	Realised	Realised
			€000	€000	€000
1	Appropriations in aid				
		Original	25		
		Supplementary	130		
			155	198	100
2	Receipts from additional superannuation contributions on public service remuneration		150	215	201
3	Miscellaneous		1	—	—
	Total		**306**	**413**	**301**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**295**	**272**

5.2 Pay

	2023 €000	2022 €000
Pay	12,131	10,453
Higher, special or additional duties allowances	143	110
Overtime	18	5
Employer's PRSI	1,213	996
Total pay	**13,505**	**11,564**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	57	4	14,531	14,413
Overtime	52	—	1,770	389
Extra remuneration in more than one category	10	2	12,523	11,770

5.4 Public Appointments Service staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	224	189
60,000	69,999	10	11
70,000	79,999	14	13
80,000	89,999	6	11
90,000	99,999	3	0
100,000	109,999	5	4
110,000	119,999	1	1
160,000	169,999	1	—

5.5 Other remuneration arrangements

130 retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €828,688. The payments were made consistent with the principles of the Public Service (Single Scheme and other Provision) Act 2012.

A total of €35,055 was paid as fees to four members of the Board of the Public Appointments Service in 2023, as indicated in the following table.

Member	**Annual fees**	
	2023	**2022**
	€	**€**
Margaret McCabe, Chief Executive (from 11 July 2022)	—	—
Tom Moran, Chairman	11,970	11,970
Dr Eddie Molloy	7,695	7,695
Anne Marie Taylor	7,695	7,695
Mary Connaughton	7,695	7,695
Yvonne Cooke [a]	—	—
Colin Menton [a]	—	—
Fiona Quinn [a]	—	—
Anne Marie Hoey [a]	—	—
Total	**35,055**	**35,055**

Note [a] Serving public servants, who do not receive Board membership fees under the ‘one person, one salary’ principle.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	19	19,079	16,251
Recovery plans in place	4	1,297	2,719

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay		
Shirley Comerford (to 8 July 2022)	—	102
Margaret McCabe (from 11 July 2022)*	163	53
	163	155

The value of retirement benefits earned in the period is not included above. The current Chief Executive Officer is a member of the pre-1995 superannuation scheme for established civil servants, and her pension entitlements earned in the year do not extend beyond the standard terms of that scheme.

* The Chief Executive Officer (CEO) was in receipt of Higher Duty Allowance arrears due from 2022 when she was appointed as interim CEO with effect from 11 July 2022.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Costs paid by the service in the year

	Employees	Claims by Members of the public	2023 Total	2022 Total
Number of cases	—	2	2	—
	€000	**€000**	**€000**	**€000**
Payment on behalf of service:				
Compensation	—	—	—	—
Legal costs	—	53	53	1
Other costs	—	—	—	—
2023 total	**—**	**53**	**53**	**1**
2022 Total	—	1	1	—

Note [a] At 31 December 2023, nine litigation cases were outstanding

[b] The amounts above are the final payments for the two cases which were finalised in 2023, there were no costs associated with either of these cases in prior years.

Appropriation Account 2023

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 2023 for the salaries and expenses of the National Shared Services Office.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €4.91 million is liable for surrender to the Exchequer.

During the accounting period ending 31 December 2023, the National Shared Services Office operated as a separate civil service office under the aegis of the Department of Public Expenditure, National Development Plan Delivery 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account, except for the following.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences and externally acquired software	Licence term 5 years	20%
Internally developed software	10 years	10%

Basis of charge for services

The National Shared Services Office applies a service charge for HR services and pensions administration. The service charge for 2023 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 under development

Capital expenditure in respect of the development of a Financial Management Shared Services (FMSS) system by the National Shared Service Office are included as part of note 2.2 Intangible assets. Staff, client service partner and overhead costs incurred as part of the development of the system are not capitalised.

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an 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.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 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

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €35.399 million in 2023.

The Office has provided details of two non-competitive contracts to the value of €5,022,616 in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €59,952 (exclusive of VAT). The contract was awarded for IT hardware that relied on a non-compliant procurement process. This contract will continue until its expiration in 2024.

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 National Shared Services 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 and 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

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 National Shared Services 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 Engagements (ISAE 3402) *Assurance Reports on Controls at a Service Organisation.*

HR Services, Payroll Services and Finance Shared Services achieved ISAE Type II certification in 2024 based on testing performed in 2023. This provides me with the assurance that the control objectives were achieved and operated effectively throughout the period under review.

Overpayments

Overpayments to client staff in 2023, in respect of which the root cause was attributable to the National Shared Services Office, were made in 960 cases (2022: 911 cases) with an estimated value of €1,510,435 (2022: €1,034,151). This amounts to 23% in 2023 (2022: 25%) of the financial value of all overpayments and 19% in 2023 (2022: 20%) of the volume of all overpayment cases.

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

Non-compliance with Public Financial Procedures regarding supplementary estimates

While the National Shared Services Office has operated within its overall Voted allocation and returned an overall surplus of €4.9 million to be surrendered, it exceeded the expenditure allocation on a number of subheads by a combined amount of €7.5 million. This is driven largely by subhead A.2, where the level of expenditure to the end of 2023 was €6.6 million above the agreed estimate. The funding movement required to subhead A.2 was underestimated when a technical supplementary estimate was approved because the allocation of certain expenditure to subheads was not completed at that time.

No financial loss has occurred and the expenditure was appropriate in the overall context of the Office's core operations

The National Shared Services Office has updated its internal financial control procedures to ensure this error does not reoccur.

The National Shared Services 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.

No other weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Bernie Kelly
Accounting Officer
National Shared Services Office

16 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 18 National Shared Services Office for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Unsanctioned excess expenditure

The use of any savings or underspending emerging on a Vote subhead to increase expenditure on another subhead in the Vote is only permissible where the funding has been transferred through a supplementary estimate, or – usually for smaller amounts – where the Department of Public Expenditure, National Development Plan Delivery and Reform has expressly sanctioned the transfer. This is based on the principle that the Exchequer has first claim on any savings on a vote subhead.

The Accounting Officer has disclosed in the statement on internal financial control that excess expenditure occurred on a number of the Vote 18 sub-heads in 2023. The most significant excesses relative to the amounts approved by Dáil Éireann were in respect of non-pay administration costs: a €5.442 million (215%) excess on asset and equipment expenses; a €1.861 million (or 9.7%) excess on professional, consultancy and other services; and a €100,000 (12.2%) excess on premises and accommodation expenses.

The excess spending on these subheads was funded from savings on other subheads. In particular, there was a saving of €12.166 million (74%) on the amount provided for subhead A.3 Financial Shared Services project, arising from delays in the project.

Additional spending of €1.401 million on professional, consultancy and other services was approved when a supplementary estimate for Vote 18 was approved in November 2023. The excess spending on that subhead referred to above (€1.861 million) was over and above the spending level approved through the supplementary estimate.

The sanction of the Department of Public Expenditure, National Development Plan Delivery and Reform to transfer the savings between subheads was not sought in the manner provided for in the Department's *Public Financial Procedures* guidelines.

The Accounting Officer has stated that the National Shared Services Office underestimated the amount of funding reallocation required when the supplementary estimate was presented for approval. She has also stated that the National Shared Services Office has updated its internal financial control procedures to ensure that this kind of excess spending does not recur.

Seamus McCarthy
Comptroller and Auditor General

19 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 18 National Shared Services Office

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	NSSO function				
	Original	43,626			
	Deferred surrender	1,200			
	Supplementary	(1,099)			
			43,727	38,246	30,757
B	HR shared services		10,857	10,337	9,909
C	Payroll shared services				
	Original	13,760			
	Supplementary	500			
			14,260	14,254	13,477
D	Finance shared services				
	Original	10,524			
	Supplementary	600			
			11,124	11,380	11,060
Gross expenditure					
	Original	78,767			
	Deferred surrender	1,200			
	Supplementary	1			
			79,968	**74,217**	**65,203**
	Deduct				
E	**Appropriations-in-aid**		**6,579**	**6,938**	**6,634**
Net expenditure					
	Original	72,188			
	Deferred surrender	1,200			
	Supplementary	1			
			73,389	**67,279**	**58,569**

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. €1.2 million of unspent allocations in respect of the capital elements of subhead A.3 was carried forward to 2024.

	2023	2022
	€	€
Surplus	6,109,695	8,523,412
Deferred surrender	(1,200,000)	(1,200,000)
Surplus to be surrendered	**4,909,695**	**7,323,412**

Bernie Kelly
Accounting Officer
National Shared Services Office

11 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		4,260	5,675
Pay		38,154	35,157
Non pay		31,803	24,371
Gross expenditure		**74,217**	**65,203**
Deduct			
Appropriations-in-aid		**6,938**	**6,634**
Net expenditure		**67,279**	**58,569**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(4,486)		
Depreciation	351		
Intangible assets (note 2.2)			
Purchases	(1,913)		
Amortisation	3,360		
		(2,688)	(1,224)
Changes in net current assets			
(Increase)/decrease in prepayments	783		
Increase/(decrease) in accrued expenses	(69)		
		714	(341)
Direct expenditure		**65,305**	**57,004**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(20,172)	(10,224)
Notional rents		1,758	1,758
Net programme cost		**46,891**	**48,538**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	—	63
Vote 9	Office of the Revenue Commissioners	81	43
Vote 12	Superannuation and Retired Allowances	518	1,077
Vote 13	Office of Public Works	1,830	2,022
Vote 43	Office of the Government Chief Information Officer	1,053	1,001
Apportioned cost of shared services for other Votes		(23,654)	(14,430)
Net cost of shared services provided to other Votes		**(20,172)**	**(10,224)**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	5,023	888
Intangible assets	2.2	27,119	28,566
Total fixed assets		**32,142**	**29,454**
Current assets			
Bank and cash	2.3	5,799	3,406
Prepayments	2.4	5,178	5,961
Other debit balances	2.5	639	670
Net Exchequer funding	2.9	—	292
Total current assets		**11,616**	**10,329**
Less current liabilities			
Accrued expenses	2.6	1,173	1,242
Other credit balances	2.7	1,829	1,962
Client funding/advance balances	2.8	3,751	2,406
Net Exchequer funding	2.9	858	—
Total current liabilities		**7,611**	**5,610**
Net current assets		4,005	4,719
Net assets		**36,147**	**34,173**
Represented by:			
State funding account	2.10	**36,147**	**34,173**

2.1 Property, plant and equipment [a]

	Furniture and fittings €000	Office and IT equipment €000	Assets under development €000	Total €000
Cost or valuation				
At 1 January 2023	31	5,513	—	5,544
Additions	—	1,015	3,471	4,486
At 31 December 2023	31	6,528	3,471	10,030
Accumulated depreciation				
At 1 January 2023	30	4,626	—	4,656
Adjustment [b]	—	51	—	51
Depreciation for the year	1	299	—	300
At 31 December 2023	31	4,976	—	5,007
Net assets at 31 December 2023	—	**1,552**	**3,471**	**5,023**
At 31 December 2022	1	887	—	888

Note
[a] With effect from 1 January 2023, software acquisition and development assets were reclassified as intangible assets (note 2.2).
[b] The adjustment relates to the restatement of the useful file of an asset reclassified as hardware on 1 January 2023.

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	54,143	1,072	55,215
Additions	—	1,913	1,913
Transfers	1,292	(1,292)	—
At 31 December 2023	55,435	1,693	57,128
Accumulated amortisation			
At 1 January 2023	26,649	—	26,649
Amortisation	3,360	—	3,360
At 31 December 2023	30,009	—	30,009
Net assets			
At 31 December 2023	**25,426**	**1,693**	**27,119**
At 31 December 2022	27,494	1,072	28,566

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	2,048	1,001
Client funded bank balances	3,751	2,405
	5,799	**3,406**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
IT services and support	4,197	4,943
Finance shared services IT services and support	854	912
Other prepayments	127	106
	5,178	**5,961**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable HRMS	574	585
Travel pass scheme expenditure	55	60
Office of Public Works	1	15
Other debit suspense items	9	10
	639	**670**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Finance shared services IT services and support	493	515
IT services and support	213	494
Bank charges	77	75
Other accruals	263	110
Facilities	59	41
FMSS project	68	7
	1,173	**1,242**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Professional services withholding tax	535	679
Income tax	403	418
Pay related social insurance	410	402
Pension contributions	130	121
Value added tax	117	110
Universal social charge	86	86
Local property tax	3	3
	1,684	1,819
Payroll deductions held in suspense	145	143
	1,829	**1,962**

2.8 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 €3.751 million held on behalf of clients as at 31 December 2023 (2022: €2.406 million), consists of €3.553 million (2022: €1.291 million) lodged by clients to cover funding for salaries over the new year period, and €198,000 (2022: €1.114 million) representing amounts due to individuals and third party organisations.

The National Shared Services Office processed total gross salary and travel and subsistence payments of €6.7 billion in 2023 (2022: €6.3 billion).

2.9 Net Exchequer funding

at 31 December	**2023**	**2022**
	€000	**€000**
Surplus to be surrendered	4,910	7,323
Deferred surrender	1,200	1,200
Exchequer grant undrawn	(5,252)	(8,815)
Net Exchequer funding	**858**	**(292)**
Represented by:		
Debtors		
Bank and cash	5,799	3,406
Debit balances: suspense	639	670
	6,438	4,076
Creditors		
Due to the State	(1,684)	(1,819)
Client funding/advance balances	(3,751)	(2,406)
Credit balances: suspense	(145)	(143)
	(5,580)	(4,368)
	858	**(292)**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			34,173	32,608
Disbursements from the Vote				
Estimate provision	Account	73,389		
Deferred surrender	Account	(1,200)		
Surplus to be surrendered	Account	(4,910)		
Net vote			67,279	58,569
Expenditure (cash) borne elsewhere	1.1		(20,172)	(10,224)
Non cash expenditure – notional rent			1,758	1,758
Net programme cost	1		(46,891)	(48,538)
Balance at 31 December			**36,147**	**34,173**

2.11 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	6,837	3,277
Capital projects	—	10,362
Total of legally enforceable commitments	**6,837**	**13,639**

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Project					
Financial Management Shared Services	34,131	1,680	—	35,811	44,493
	34,131	**1,680**	**—**	**35,811**	**44,493**

Significant variations

An explanation is provided below where projected project costs have varied by more than €500,000 compared to 2022.

Financial Management Shared Services (FMSS)

Decrease in expected total spend: €8.68 million

The reduction in total expected spend over the lifetime of the project is because a new contract for the system implementer is currently being procured. The reduction in expected total spend during the lifetime of the project is due to the de-committal of previously planned expenditure. This planned expenditure will not be incurred under this contract but is expected to be incurred with a new provider following a procurement process. It is expected that the overall spend will be in excess of €44 million.

2.12 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	69	71

Note 3 Vote Expenditure

Analysis of administration expenditure

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

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	40,494			
	Supplementary	(1,400)			
			39,094	38,154	35,157
ii	Travel and subsistence		200	130	73
iii	Training and development		535	555	722
iv	Professional, consultancy and other services				
	Original	17,841			
	Supplementary	1,401			
			19,242	21,103	19,131
v	Operating expenses		440	440	763
vi	Asset and equipment expenses		2,529	7,971	2,831
vii	Premises and accommodation expenses		820	920	467
viii	Communication and marketing expenses		682	684	384
			63,542	**69,957**	**59,528**

Significant variations

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

vi Asset and equipment expenses

Estimate provision €2.529 million; outturn €7.971 million

The excess of expenditure of €5.442 million was due to additional expenditure to improve reporting performance in Financial Shared Services operations, other essential improvements to critical ICT operations and inflationary pressures across a number of large contracts.

Programme A National Shared Services Office function

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	12,801			
	Supplementary	(1,900)			
			10,901	10,955	9,864
A.2	Administration − non pay				
	Original	15,599			
	Supplementary	801			
			16,400	23,031	15,218
A.3	Financial Management Shared Services project				
	Estimate provision	15,226			
	Deferred surrender	1,200			
			16,426	4,260	5,675
			43,727	**38,246**	**30,757**

Significant variations

The following outlines the reasons for significant variations (+/-5% and €100,000).

A.3 Financial Management Shared Services project

Estimate provision €16.426 million; outturn €4.26 million

The Financial Management Shared Services (FMSS) project delivery timelines were extended from mid-2023. This resulted in an under spend on programme expenditure of €12.166 million.

Programme B HR shared services

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	10,682	10,287	9,772
B.2	Administration − non pay	175	50	137
		10,857	**10,337**	**9,909**

Programme C Payroll shared services

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
.					
C.1	Administration – pay				
	Original	12,790			
	Supplementary	500			
			13,290	13,162	12,292
C.2	Administration − non pay		970	1,092	1,185
			14,260	**14,254**	**13,477**

Programme D Finance shared services

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration – pay		4,221	3,750	3,229
D.2	Administration − non pay				
	Original	6,303			
	Supplementary	600	6,903	7,630	7,831
			11,124	**11,380**	**11,060**

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	HR services levy	5,919	6,019	5,718
2	Miscellaneous	200	294	342
3	Receipts from additional superannuation contributions on remuneration	460	625	574
	Total	**6,579**	**6,938**	**6,634**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

3 Receipts from additional superannuation contributions on remuneration

Estimate €460,000; realised €625,000

Receipts from additional superannuation contributions on public service remuneration were €165,000 ahead of profile mainly as a result of increased staffing.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	797	829

5.2 Pay

	2023 €000	2022 €000
Pay	34,489	31,956
Higher, special or additional duties allowances	45	36
Other allowances	13	21
Overtime	856	889
Employer's PRSI	3,414	3,123
Total pay	**38,817**	**36,025**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	16	—	8,881	7,659
Other allowances	19	—	6,221	7,120
Overtime	397	10	11,698	30,837
Extra remuneration in more than one category	13	1	12,448	9,456

5.4 Office staffing by pay band

The number of NSSO employees whose total employee benefits (including basic pay, allowances, overtime, excluding employer PRSI and employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upward to €189,999 are as follows.

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	688	649
60,000	69,999	44	27
70,000	79,999	21	20
80,000	89,999	20	16
90,000	99,999	6	10
100,000	109,999	4	4
110,000	119,999	4	3
120,000	129,999	3	—
130,000	139,999	—	—
140,000	149,000	—	—
150,000	159,999	—	1
160,000	169,999	1	1
170,000	179,999	2	1
180,000	189,999	1	1

5.5 Payroll overpayments

at 31 December	**Number of recipients**	**2023 €**	**2022 €**
Overpayments	25	49,475	47,222
Recovery plans in place	10	13,688	16,011

Four overpayment recovery plans to the value of €13,897 were transferred to other departments during 2023 (2022: three individuals to a value of €706).

5.6 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Hilary Murphy Fagan (to 28 Sept 2023)		
Basic pay	144	183
Payment in lieu of leave untaken	27	—
Bernie Kelly (from 29 Sept 2023)	46	—
	217	**183**

Following an open recruitment campaign, the new CEO was appointed to the role on 29 September 2023.

The value of retirement benefits earned in the period is not included above. The current Accounting Officer is a member of the superannuation scheme for non-established State employees and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Deferred surrender

	2023	2022
	€000	€000
Description of subhead		
A.3 Financial Management Shared Services project	1,200	1,200

6.2 Financial Management Shared Services programme

The cumulative spend to date on the Financial Management Shared Services (FMSS) programme amounted to €77.297 million (inclusive of VAT) as at 31 December 2023 (2022: €73.037 million). The approved budget for the FMSS project is €115 million.

€38.164 million of the spend to end 2023 is categorised as capital expenditure. The balance of €39.133 million is categorised as current expenditure and relates to staff, client service partner and other operational costs.

6.3 Compensation and legal costs

Payments/costs paid by the Office in the year

	Claims by employees		2023 Total	2022 Total
	Personal injuries[a]	Employment policies		
Number of cases	2	1	3	—
	€000	€000	€000	€000
Office's own legal costs	—	34	34	—
Payments by/on behalf of Office				
Compensation	6	—	6	—
Legal costs	9	—	9	—
Other costs	1	—	1	—
2023 Total	**16**	34	**50**	—
2022 Total	—	—		—

Note [a] There are two personal injures cases with no costs incurred in one case to date. As at 31 December 2023, there is one outstanding personal injury claim.

Cumulative costs of cases completed in 2023

	Claims by employees		Total
	Personal injuries	Employment policies	
Number of cases	1	1	2
	€000	€000	€000
Office's own legal costs	—	34	34
Payments by/on behalf of Office			
Compensation	6	—	6
Legal costs	9	—	9
Other costs	3	—	3
Total	**18**	34	**52**

Appropriation Account 2023

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 2023 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Office of the Protected Disclosures Commissioner, 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.216 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 the Office of the Protected Disclosures Commissioner

The Protected Disclosures (Amendment) Act 2022 provided for the establishment of the Office of the Protected Disclosures Commissioner. This Office was established on 1 January 2023.

For the purposes of providing meaningful comparison of the outturn for the key programmes between the current and prior year, the outturn figures for the Office of the Protected Disclosures Commissioner have been incorporated into this account under Programme A.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term (3 years)	33%
Acquired/developed software	5 years	20%

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 HR, finance and payroll shared service.

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

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability, and in particular the following.

- 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.

Procurement

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Office has provided details of two non-competitive contracts in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of one contract in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €27,750 (exclusive of VAT).

The contract was in respect of legal services on a judicial review challenge against the Standards in Public Office Commission (SIPO). The Office had engaged in a tendering process which put a suitably qualified panel of counsel in place. The appointment was outside the Office's legal services panel. As the judicial review case is ongoing, further expenditure will be incurred. The Office will continue to raise awareness of appropriate procurement channels and processes in order to avoid reoccurrence.

Internal audit and Audit Committee

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 March 2023. 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

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.

Internal financial control issue

No weakness in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

11 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 19 Office of the Ombudsman for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 May 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 19 Office of the Ombudsman

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Ombudsman function/Office of the Commission for Public Service Appointments/Office of the Protected Disclosures Commissioner	8,287	7,931	7,473
B	Standards in Public Office Commission	2,086	1,537	1,444
C	Office of the Information Commissioner/Office of the Commissioner for Environmental Information	3,524	3,260	2,517
Gross expenditure		**13,897**	**12,728**	**11,434**
	Deduct			
D	**Appropriations-in-aid**	**476**	**523**	**470**
Net expenditure		**13,421**	**12,205**	**10,964**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**1,216,389**	**1,323,783**

Elaine Cassidy
Accounting Officer
Office of the Ombudsman

11 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		10,505	9,647
Non pay		2,223	1,787
Gross expenditure		**12,728**	**11,434**
Deduct			
Appropriations-in-aid		**523**	**470**
Net expenditure		**12,205**	**10,964**
Changes in capital assets [a]			
Property, plant and equipment (note 2.1)			
Depreciation	6		
Intangible assets (note 2.2)			
Purchases [b]	(354)		
Amortisation	130		
		(218)	43
Changes in net current assets			
Decrease in inventories	—		
Decrease in prepayments	121		
Increase in accrued income	(4)		
Increase in accrued expenses	224		
		341	(202)
Direct expenditure		**12,328**	**10,805**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		4,759	4,176
Net programme cost		**17,087**	**14,981**

Note [a] Changes in capital assets of €43,000 in 2022 consist of €118,000 purchases and €161,000 depreciation.

[b] Purchases includes an amount of €6,181 in relation to an intangible asset under development capitalised in 2022 which was paid in 2023.

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	2,114	1,881
Vote 13	Office of Public Works	1,966	2,109
Vote 18	National Shared Services Office	536	145
Vote 43	Office of the Government Chief Information Officer	103	—
		4,759	**4,176**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	—	7
Intangible assets	2.2	500	282
Total fixed assets		**500**	**289**
Current assets			
Prepayments	2.3	562	683
Bank and cash		386	97
Other debit balances		36	7
Accrued income		4	—
Total current assets		**988**	**787**
Less current liabilities			
Accrued expenses		302	78
Other credit balances	2.4	403	362
Net Exchequer funding	2.5	19	(258)
Total current liabilities		**724**	**182**
Net current assets		264	605
Net assets		**764**	**894**
Represented by:			
State funding account	2.6	**764**	**894**

2.1 Property, plant and equipment

	Office and IT equipment	Total
	€000	€000
Cost or valuation		
At 1 January 2023	595	595
Disposals	(45)	(45)
Adjustments[b]	(22)	(22)
At 31 December 2023	528	528
Accumulated depreciation		
At 1 January 2023	588	588
Depreciation for the year	6	6
Depreciation on disposals	(45)	(45)
Adjustments[b]	(21)	(21)
At 31 December 2023	528	528
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	7	7

Note [a] On 1 January 2023, the cost, accumulated depreciation and net book value of assets representing software acquisition and development were transferred from Property, plant and equipment to Intangible assets (note 2.2).

[b] The adjustment relates to the removal of individual items with a value of under €10,000 from the asset register as per the guidance in circular 21/2020.

2.2 Intangible assets

	Acquired and developed software	Intangible assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	1,947	36	1,983
Additions	94	254	348
Transfers	38	(38)	—
Disposals	(31)	—	(31)
At 31 December 2023	2,048	252	2,300
Accumulated amortisation			
At 1 January 2023	1,701	—	1,701
Amortisation for the year[b]	130	—	130
Amortisation of disposals	(31)	—	(31)
At 31 December 2023	1,800	—	1,800
Net assets			
At 31 December 2023	**248**	**252**	**500**
At 31 December 2022	246	36	282

Note [a] The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were transferred from Property, plant and equipment.

2.3 Prepayments

At 31 December	2023	2022
	€000	€000
Software licences	392	518
Other prepayments	170	165
Balance at 31 December	**562**	**683**

2.4 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	167	165
Pay related social insurance	95	90
VAT	8	—
Professional services withholding tax	45	24
Pension contributions	34	32
	349	311
Payroll deductions held in suspense	36	34
Other credit suspense items	18	17
	403	**362**

2.5 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	1,216	1,324
Exchequer grant undrawn	(1,197)	(1,582)
Net Exchequer funding	**19**	**(258)**
Represented by:		
Debtors		
Bank and cash	386	97
Debit balances: suspense	36	7
	422	104
Creditors		
Due to the State	(349)	(311)
Credit balances: suspense	(54)	(51)
	(403)	(362)
	19	**(258)**

2.6 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			894	729
Disbursements from the Vote				
Estimate provision	Account	13,421		
Surplus to be surrendered	Account	(1,216)		
Net vote			12,205	10,964
Expenditure (cash) borne elsewhere	1.1		4,759	4,176
Capital asset adjustment [a]	2.1		(1)	—
Asset capitalised 2022[b]	2.2		(6)	6
Net programme cost	1		(17,087)	(14,981)
Balance at 31 December			**764**	**894**

Note [a] This adjustment relates to the removal of individual assets with a value under €10,000 from the asset register as required by Department of Public Expenditure, National Development Plan Delivery and Reform circular 1/2022.

[b] The adjustment relates to an amount of €6,181 paid in 2023 for an intangible asset under development capitalised in 2022.

2.7 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	344	184
Capital projects	333	208
	677	**392**

2.8 Matured Liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	52	—

2.9 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 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.

		2023		2022
		Estimate provision	Outturn	Outturn restated [a]
		€000	€000	€000
i	Salaries, wages, pensions and allowances	11,336	10,505	9,647
ii	Travel and subsistence	62	20	10
iii	Training and development	250	124	106
iv	Professional, consultancy and other services	676	849	476
v	Operating expenses	100	121	112
vi	Premises and accommodation expenses	60	134	93
vii	Asset and equipment expenses	1,319	864	921
viii	Communication expenses	94	111	69
		13,897	**12,728**	**11,434**

Note [a] In 2023, there was a change to the administration subheads for this Vote to facilitate the single cross-government chart of accounts. The comparative figures for 2022 have been restated to correspond with the new subheads.

Significant variations

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

iii Training and development

Estimate provision €250,000; outturn €124,000

The savings of €126,000 were due to a review of the Office's training needs which are set out in a new training and development plan.

iv Professional, consultancy and other services

Estimate provision €676,000; outturn €849,000

The excess of €173,000 was due to higher than anticipated legal costs and settlements which fell due at the end of 2023. By their nature, it is difficult to estimate the timing and amount of legal settlements.

vii Asset and equipment expenses

Estimate provision €1.319 million; outturn €864,000

The saving of €455,000 relates to certain IT projects which had to be rescheduled mainly due to a shortage of skilled staff on the supplier's side. In addition, due to the in-house staff resources required to engage with OGCIO on the systems transfer project, it was necessary to defer a number of IT projects to 2024.

Programme A Ombudsman function/Office of the Commission for Public Service Appointments/ Office of the Protected Disclosures Commissioner

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	7,210	6,896	6,530
A.2	Administration − non pay	1,077	1,035	943
		8,287	**7,931**	**7,473**

Programme B Standards in Public Office Commission

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration − pay	1,465	1,052	1,065
B.2	Administration − non pay	621	485	379
		2,086	**1,537**	**1,444**

Programme C Office of the Information Commissioner/Office of the Commissioner for Environmental Information

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration − pay	2,661	2,557	2,052
C.2	Administration − non pay	863	703	465
		3,524	**3,260**	**2,517**

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriation in aid	50	40	73
2	Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	75	79	69
3	Receipts from additional superannuation contributions on public service remuneration	350	368	328
4	Miscellaneous	1	36	—
	Total	**476**	**523**	**470**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**148**	**149**

5.2 Pay

	2023 €000	2022 €000
Pay (including pensions)	9,607	8,865
Higher, special or additional duties allowances	32	22
Overtime and extra attendance	12	3
Employer's PRSI	854	757
Total pay	**10,505**	**9,647**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties	5	—	9,678	12,046
Overtime and extra attendance	11	—	7,226	1,589
Extra remuneration in more than one category	3	1	12,179	6,477

5.4 Office staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	85	86
60,000	69,999	14	11
70,000	79,999	22	16
80,000	89,999	15	17
90,000	99,999	12	10
100,000	109,999	1	2
110,000	119,999	3	3
120,000	129,999	1	—
160,000	169,999	—	1
170,000	179,999	1	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €12,416. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Payroll overpayments

at 31 December	**Number of recipients**	**2023**	**2022**
		€	**€**
Overpayments	10	40,349	5,183
Recovery plans in place	2	15,406	178

5.7 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	**176**	**168**

The Accounting Officer's salary is at Assistant Secretary grade.

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

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Office in the year

In respect of statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings not relating to claims by employees or members of the public.

	2023	2022
Number of cases	30	19
	€000	**€000**
Office's own legal costs	325	160
Payments to/on behalf of the Office		
Compensation	—	—
Legal costs	242	99
Other costs	—	—
Total	**567**	**259**

Cumulative costs of cases completed in 2023

In respect of statutory legal challenges, appeals, judicial reviews, prosecutions and other legal proceedings not relating to claims by employees or members of the public.

Number of cases	7
	€000
Office's own legal costs	385
Payments to/on behalf of the Office	
Compensation	—
Legal costs	100
Other costs	—
Total	**485**

6.2 Write-offs

	2023 €000	2022 €000
Suspense account balance re: travel pass	—	7

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €10.273 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.

Governance arrangements

An Garda Síochána has adopted the *Code of Practice for the Governance of State Bodies*, and in accordance with provision 2.6 of the code, the Accounting Officer will submit a comprehensive report to the Minister for Justice annually. The annual report of An Garda Síochána for 2023 will be submitted to the Minister for Justice by the end of 2024.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

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).

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. New builds paid by the Vote are transferred to the Office of Public Works on completion.

The operating cost statement at note 1 does not include a computed notional rent amount in respect of properties occupied by An Garda Síochána but owned by the Minister for 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.

Inventory

Inventory includes certain high-volume, low-value consumable items, given their nature and need for monitoring and security.

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 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
- software licences: 50%-20% per annum
- acquired/developed software: 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 the Department 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.

Financial control environment

A control environment comprising the following elements is in place.

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

- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within 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

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.

Procurement

An Garda Síochána ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contractor/managed services, amounted to a total of €392.4 million in 2023.

An Garda Síochána has provided details of 105 non-competitive contracts in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

An Garda Síochána complied with the guidelines with the exception of 47 contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €5,924,621 (exclusive of VAT) as set out below.

- Nine cases to a value of €637,950 for various facilities services were procured without competitive procurement. These services will be reviewed with the aim to tender and put contracts in place where necessary.
- Five cases to a value of €859,153 for various equipment provisions were procured without competitive procurement. These services will be reviewed with the aim to tender and put contracts in place where necessary.
- Two cases to a value of €580,900 for uniforms/accessories were procured without competitive procurement. These items will be reviewed and tendered for future supply.

- One case to a value of €101,612 in respect of ICT Services/equipment where no contract was in place.
- One case to a value of €92,363 in respect of premises hire where no contract was in place
- The other 29 cases with a value of €3,652,643 related to a variety of purchases without competitive procurement.

The above procurements have been included in the 40/2002 annual return referenced above.

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, unpaid maternity leave and family friendly application to the Payroll Shared Service Centre. To 31 December 2023, recovery plans have been agreed in respect of 73% of identified overpaid Garda members and staff salaries.

Recovery plans have been agreed in respect of 4% of identified overpaid Garda pensions. 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.

Computer Aided Dispatch (CAD) system

The new Garda SAFE (CAD2) system was rolled out nationally during 2023. It greatly enhances both operator and management decision support, introduces additional governance and accountability rules, and captures supporting rationale and background information in relation to decisions made.

Review of effectiveness

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.

Internal financial control issues

Travel and subsistence claims

An Garda Síochána, with the support of an external Financial and Tax Advisory Service analysed and quantified the value of the historical tax liability and made an unprompted voluntary qualifying disclosure to Revenue in December 2023. The total payment amounted to €7,499,999. This includes a disputed payment which we continue to engage with Revenue on. This disclosure, which stemmed from a review of travel and subsistence claims has necessitated some changes to the management of and control environment involving travel and subsistence claims, with other areas being reviewed also. There remains ongoing engagement with Revenue to conclude matters.

Inventory

In 2023, An Garda Síochána has taken steps to address identified weaknesses in relation to stock issues which followed from the lack of availability of personnel. Additional resources have been hired including the establishment of a Head of Procurement and Services position, and the recruiting of additional staff directly into stores. This will enable a focus on improving the warehouse management team.

Full stock takes have also been performed, and progress made in relation to the reintroduction of cycle counting to the stores, expected in 2024. This will contribute to enhanced accuracy, complimented by parallel projects on stock management (procedures and process for movement in and out) and planning.

It is noted that inventory is understated in the statement of financial position due to some stock being valued net of VAT. A review of inventory valuation will be completed in order to ensure the correct value is disclosed in the account.

Non-public duty receipts

Weaknesses were identified in relation to the invoicing and collection of non-public duty fees. An Garda Síochána will seek to formalise procedures in regard to the billing and receipting of non-public duty invoices.

No other weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

JA Harris
Accounting Officer
An Garda Síochána

27 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 20 Garda Síochána for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of 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.

Basis of recognition of charges in respect of Rosslare Terminal 7

Without qualifying my opinion, I draw attention to note 2.12 to the appropriation account which deals with commitments of the Vote at the end of 2023. This discloses that €17.5 million was charged to Vote 20 in 2023 in respect of An Garda Síochána's share of the costs of developing a new border control facility (Terminal 7) at Rosslare Europort. The charges were recorded against subhead A.12 capital building programme expenses on the direct instructions of the Department of Public Expenditure, National Development Plan Delivery and Reform.

In my view, €10.9 million of the charge is not compliant with the *Public Financial Procedures* guidelines published by the Department, or with the accounting policies issued by the Department for the 2023 appropriation accounts.

Chapter 3 of my report on the accounts of the public services for 2023 explains the basis upon which the charges are recognised in the 2023 appropriation account for Vote 20.

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 appendix to this report.

Unprompted voluntary disclosure to Revenue

The Accounting Officer has disclosed in the statement on internal financial control the circumstances giving rise to a payment of €7.5 million to Revenue, on foot of a review of the payment of travel and subsistence claims.

Inadequate stock controls

The Accounting Officer has disclosed in the statement on internal financial control that the controls over stocks, including stock valuation, did not operate effectively in 2023, and that steps have been taken to rectify these matters.

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 2023.

Cost of policing non-public duty events

Chapter 6 of my report on the accounts of the public services for 2023 reviews the policies and procedures in place in An Garda Síochána in relation to the costs of policing non-public duty events.

Seamus McCarthy
Comptroller and Auditor General

27 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 20 Garda Síochána

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Working with communities to protect and serve				
Original	2,249,610			
Supplementary	74,725			
		2,324,335	2,303,541	2,153,194
Gross expenditure		**2,324,335**	**2,303,541**	**2,153,194**
Deduct				
B **Appropriations-in-aid**				
Original	104,206			
Supplementary	26,182			
		130,388	**134,867**	**130,515**
Net expenditure				
Original	2,145,404			
Supplementary	48,543			
		2,193,947	**2,168,674**	**2,022,679**

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. €15,000,000 of unspent allocations in respect of the capital elements of subhead A.12 was carried forward to 2024.

	2023	2022
	€	€
Surplus	25,273,481	12,646,237
Deferred surrender	(15,000,000)	—
Surplus to be surrendered	**10,273,481**	**12,646,237**

JA Harris
Accounting Officer
An Garda Síochána

27 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		627,172	607,416
Pay		1,415,334	1,320,139
Non pay		261,035	225,639
Gross expenditure		**2,303,541**	**2,153,194**
Deduct			
Appropriations-in-aid		**134,867**	**130,515**
Net expenditure		**2,168,674**	**2,022,679**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(45,221)		
Depreciation	19,866		
Loss on disposal	1,617		
Intangible assets (note 2.2)			
Purchases	(1,663)		
Amortisation	7,036		
		(18,365)	(38,424)
Changes in net current assets			
Increase in inventories	(516)		
Increase in prepayments	(5,591)		
Increase in accrued income	(2,304)		
Increase in accrued expenses	7,227		
		(1,184)	(11,263)
Direct expenditure		**2,149,125**	**1,972,992**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		20,759	23,576
Net programme cost		**2,169,884**	**1,996,568**

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 services provided to other Votes.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	21	21
Vote 13	Office of Public Works	19,737	20,681
Vote 18	National Shared Services Office	2,571	2,562
Vote 24	Justice – Financial Shared Services Centre [a]	3,018	2,753
Cost of services provided to other Votes		(4,588)	(2,441)
		20,759	**23,576**

Note [a] The costs of superannuation payments made to civilian staff are included in Vote 24 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 outlined below. The costs involved are not reflected in the table.

- 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 2023 without payment. Air Corps support was also provided without charge in relation to the operation of the Garda fixed-wing aircraft and pilot costs of Garda helicopters.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	79,273	55,178
Intangible assets	2.2	6,734	12,107
Total fixed assets		**86,007**	**67,285**
Current assets			
Bank and cash	2.3	111,217	54,762
Inventories	2.4	28,815	28,299
Prepayments	2.5	31,570	25,980
Accrued income	2.6	3,614	1,310
Other debit balances	2.7	22,496	20,974
Total current assets		**197,712**	**131,325**
Less current liabilities			
Accrued expenses	2.8	16,541	8,958
Other credit balances	2.9	114,830	75,596
Net Exchequer funding	2.10	18,883	140
Total current liabilities		**150,254**	**84,694**
Net current assets		47,458	46,631
Net assets		**133,465**	**113,916**
Represented by:			
State funding account	2.11	**133,465**	**113,916**

2.1 Property, plant and equipment

	Aircraft and boats	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development [c]	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023 [a]	22,134	96,857	111,819	5,974	—	236,784
Additions	—	14,408	3,536	33	27,601	45,578
Disposals	(90)	(4,081)	(17,039)	(1,993)	—	(23,203)
Adjustments [b]	(4,591)	4,591	—	—	—	—
At 31 December 2023	17,453	111,775	98,316	4,014	27,601	259,159
Accumulated depreciation						
At 1 January 2023 [a]	17,360	67,054	93,545	3,647	—	181,606
Depreciation for the year	586	12,599	6,315	366	—	19,866
Depreciation on disposals	(81)	(3,995)	(16,216)	(1,294)	—	(21,586)
Adjustments [b]	(4,591)	4,591	—	—	—	—
At 31 December 2023	13,274	80,249	83,644	2,719	—	179,886
Net assets						
At 31 December 2023	**4,179**	**31,526**	**14,672**	**1,295**	**27,601**	**79,273**
At 31 December 2022	4,774	29,803	18,274	2,327	—	55,178

Note [a] With effect from 1 January 2023, software acquisition and development assets have been reclassified to intangible assets (note 2.2). Cost or valuation include assets acquired for less than €10,000 prior to 1 January 2021

[b] Correction of aircraft and boat disposals of €4.591 million incorrectly deducted from vehicles and equipment in 2022, resulting in a presentation adjustment in 2023.

[c] The value of additions in 2023 does not include capital expenditure totalling €6.501 million incurred on Walter Scott House, Military Road. The value of the related assets is recorded as property, plant and equipment additions in the statement of financial position of Vote 13 Office of Public Works.

2.2 Intangible assets

	Acquired and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023 [a]	88,515	88,515
Additions	1,663	1,663
At 31 December 2023	90,178	90,178
Accumulated amortisation		
At 1 January 2023 [a]	76,408	76,408
Amortisation for the year	7,036	7,036
At 31 December 2023	83,444	83,444
Net assets		
At 31 December 2023	**6,734**	**6,734**
At 31 December 2022	12,107	12,107

Note [a] With effect from 1 January 2023, software acquisition and development assets have been reclassified from property plant and equipment (office and IT equipment).

2.3 Bank

at 31 December	2023	2022
	€000	€000
PMG balances	105,488	47,693
Commercial bank account balance [a]	5,729	7,069
	111,217	**54,762**

Note [a] An Garda Síochána maintains 86 divisional/unit imprest commercial bank accounts, which will be reduced in line with the rollout of the operating model. This is the move from a district policing model to a divisional model.

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Stationery	550	462
Telecommunications stock	2,560	2,048
Clothing	20,174	21,060
Technical Bureau supplies	137	114
United Nations service stock	212	198
Armoury	4,304	3,549
Miscellaneous	878	868
	28,815	**28,299**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
National digital radio payments	8,854	8,240
ICT payments	16,381	10,861
Telecoms	5,774	6,405
Other	561	474
	31,570	**25,980**

2.6 Accrued income

at 31 December	2023	2022
	€000	€000
Due for services	3,614	1,310
	3,614	**1,310**

2.7 Other debit balances

at 31 December	2023	2022
	€000	€000
Imprests	799	768
Payroll suspense account (Paypath)	20,788	19,335
Cycle to Work scheme	691	650
Other debit suspense items	218	221
	22,496	**20,974**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
ICT	2,517	1,467
Purchase of vehicles	—	2
Specialist equipment	4	18
Travel and subsistence	1,747	1,581
Fuel and maintenance	1,304	298
Station services	1,693	1,563
Storage and training	909	866
Communication and other equipment	4,861	883
ICT equipment	150	97
Clothing	350	563
College	336	233
Other	2,670	1,387
	16,541	**8,958**

2.9 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	62,534	38,230
Pay related social insurance	30,408	15,903
Professional services withholding tax	640	1,378
Value added tax	867	308
Road Traffic Act fines	9,500	1,050
Tax on pension contributions refunds	14	—
An Garda Síochána Superannuation Scheme	997	1,131
Garda division account balances	3,698	7,069
OPW	1,304	2,935
	109,962	68,004
Payroll deductions held in suspense	4,600	4,533
Garda reward fund (note 5.7)	130	481
Other credit suspense items	138	2,578
	114,830	**75,596**

2.10 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	10,273	12,646
Deferred surrender	15,000	—
Exchequer grant undrawn	(6,390)	(12,506)
Net Exchequer funding	**18,883**	**140**
Represented by:		
Debtors		
Bank and cash	111,217	54,762
Debit balances: suspense	22,496	20,974
	133,713	75,736
Creditors		
Due to the State	(109,962)	(68,004)
Credit balances: suspense	(4,868)	(7,592)
	(114,830)	(75,596)
	18,883	**140**

2.11 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			113,916	238,394
Disbursements from the Vote				
Estimate provision	Account	2,193,947		
Deferred surrender	Account	(15,000)		
Surplus to be surrendered	Account	(10,273)		
Net vote			2,168,674	2,022,679
Expenditure (cash) borne elsewhere	1.1		20,759	23,576
Transfer of assets			—	(174,165)
Net programme cost	1		(2,169,884)	(1,996,568)
Balance at 31 December			**133,465**	**113,916**

2.12 Commitments

a) Global commitments

at 31 December	2023 €000	2022 €000
Procurement of goods and services	17,660	17,686
Capital projects	31,285	2,900
Total of legally enforceable commitments	**48,945**	**20,586**

Note The commitments in relation to the procurement of goods and services at the end of 2023 amounted to €17.66 million. The Go Safe Contract commitment was €4.865 million, which consists of contracts in place until April 2024. Other commitments include clothing €2.484 million, telecommunications €2.899 million, ICT €5.256 million, and the balance of €2.156 million across other subheads.

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Walter Scott House, Military Road	90,186	6,501	—	96,687	93,086
Terminal 7, Rosslare Europort[a]	—	17,537	10,240	27,777	—
Bailieborough Station[b]	—	2,955	7,815	10,770	—
Fixed wing aircraft[c]	—	10,500	10,500	21,000	—
Helicopter[c]	—	10,920	2,730	13,650	—
	90,186	**48,413**	**31,285**	**169,884**	**93,086**

Note
[a] An Garda Síochána is co-funding, through Vote 20, the construction of a new border facility (Terminal 7) at Rosslare Harbour. The Office of Public Works is delivering the project on an agency basis. An Garda Síochána's agreed share of the total project cost is 11.77%. The commitments figure represents the costs to be borne by Vote 20 until completion of the project (expected to be October 2025). The entire asset will be included in the statement of financial position for Vote 13 Office of Public Works.

[b] A new station is being constructed in Bailieborough. Works are expected to complete in 2024/2025.

[c] An Garda Síochána is updating its aircraft fleet with the purchase of a new fixed wing aircraft and helicopter. Expected delivery is in 2025. The expected spend noted above excludes any taxes on importation of the aircraft fleet, for which derogation is currently being sought with the Revenue Commissioners.

Significant variation

Walter Scott House, Military Road

Increase in expected total spend: €3.601 million

The increase in expected project spend was due to the retention payment after substantial completion with additional works including upgrades to the Armouries and PEMS stores.

2.13 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	—	3
Total	—	**3**

2.14 Contingent liabilities

An Garda Síochána is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. In addition, a disclosure on some travel and subsistence payments has been made to the Revenue Commissioners as disclosed in the statement on internal financial control. Communication remains ongoing, and the final outcome 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.

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	1,364,886			
	Supplementary	49,157			
			1,414,043	1,415,334	1,320,139
ii	Travel and subsistence				
	Original	20,019			
	Supplementary	2,245			
			22,264	22,028	17,733
iii	Vehicle towing and storage and other operational and incidental expenses				
	Original	23,627			
	Supplementary	10,275			
			33,902	35,613	28,222
iv	Postal and telecommunications services				
	Original	56,847			
	Supplementary	1,976			
			58,823	58,754	52,391
v	Office equipment and external IT services				
	Original	104,753			
	Supplementary	(1,843)			
			102,910	103,626	90,721
vi	Maintenance of Garda premises		5,592	5,254	5,878
vii	Consultancy services and value for money and policy reviews		936	1,142	926

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
viii	Station services				
	Original	26,501			
	Supplementary	8,817			
			35,318	34,495	29,642
ix	Garda Reserve				
	Original	1,395			
	Supplementary	(1,250)			
			145	123	126
			1,673,933	**1,676,369**	**1,545,778**

Significant variations

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

iii Vehicle towing and storage and other operational and incidental expenses

Estimate provision €23.627million; outturn €35.613 million

The increase of €11.986 million is due to both an increase in miscellaneous costs (€6.3 million) in areas such as facilities, advertising and costs associated with Operation Fáilteach, and an increase in the costs of expenses of persons detained due to translation and medical costs (€6.1million).

viii Station services

Estimate provision €26.501 million; outturn €34.495 million

The increase of €7.994 million is due primarily to an increase in expenditure on utilities (€6.7 million). There was also an increase of €1.6million in cleaning costs.

ix Garda Reserve

Estimate provision €1.395 million; outturn €123,000

The shortfall in expenditure of €1.272 million on the Garda Reserve was due to recruitment targets not being achieved and not all members of the Garda Reserve worked sufficient hours to be eligible for the relevant allowance payment. At 31 December 2023, there were 351 members of the Garda Reserve.

Programme A Working with communities to protect and serve

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	1,364,886			
	Supplementary	49,157			
			1,414,043	1,415,334	1,320,139
A.2	Administration − non pay				
	Original	239,670			
	Supplementary	20,220			
			259,890	261,035	225,639
A.3	Clothing and accessories				
	Original	20,000			
	Supplementary	(9,500)			
			10,500	10,612	21,554
A.4	St. Paul's Garda Medical Aid Society		124	124	124
A.5	Transport				
	Original	30,554			
	Supplementary	1,749			
			32,303	36,367	38,751
A.6	Communications and other equipment				
	Original	34,440			
	Supplementary	(3,679)			
			30,761	29,232	26,833
A.7	Aircraft		23,100	22,821	1,738
A.8	Superannuation, etc.		428,464	426,283	403,772
A.9	Witnesses' expenses				
	Original	1,805			
	Supplementary	995			
			2,800	2,724	2,305
A.10	Compensation				
	Original	16,620			
	Supplementary	1,380			
			18,000	15,650	19,617
A.11	Witness security programme				
	Original	1,198			
	Supplementary	(1,048)			
			150	150	600

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.12	Capital building programme				
	Original	50,000			
	Supplementary	16,637			
			66,637	47,248	64,720
A.13	Garda College				
	Original	38,749			
	Supplementary	(1,186)			
			37,563	35,961	27,402
			2,324,335	**2,303,541**	**2,153,194**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

A.3 Clothing and accessories

Estimate provision €20 million; outturn €10.612 million

The decrease in expenditure of €9.388 million was due to the timing for the purchase of new body armour changing and a reduction in the requirement for personal protective equipment in 2023.

A.5 Transport

Estimate provision €30.554 million; outturn €36.367 million

The increase in expenditure of €5.813 million was due to additional capital investment in the Garda fleet and an increase in the cost of the provision of vehicles (€4.9 million) and the increase in fuel costs during 2023 (€0.9 million).

A.6 Communications and other equipment

Estimate provision €34.440 million; outturn €29.232 million

The shortfall in expenditure of €5.208 million was primarily due to lower than anticipated spend on operational equipment (€4.3 million) and CCTV Equipment (€0.7 million).

A.9 Witnesses' expenses

Estimate provision €1.805 million; outturn €2.724 million

The increase in expenditure of €919,000 was due to the nature of this demand-led operational subhead, which makes it difficult to predict the level and timing of expenditure.

A.10 Compensation

Estimate provision €16.620 million; outturn €15.650 million

The shortfall in expenditure of €970,000 was due to the unpredictable nature and amounts of compensation awarded.

A.11 Witness security programme

Estimate provision €1.198 million; outturn €150,000

The shortfall in expenditure of €1.048 million 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 €50 million; outturn €47.248 million

The shortfall in expenditure of €2.752 million was due to the timing of payments on infrastructural projects.

A.13 Garda College

Estimate provision €38.749 million; outturn €35.961 million

The underspend of €2.788 million was due to savings in non-pay items. The savings reflect the impact on activity in the College of a lower than anticipated intake of recruits in 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023			2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Contribution to the Garda Síochána spouses' and children's pension schemes				
	Original	11,278			
	Supplementary	1,454			
			12,732	13,096	12,862
2	Contribution to the Garda Síochána pensions scheme				
	Original	21,528			
	Supplementary	3,576			
			25,104	25,405	25,125
3	Garda College receipts				
	Original	600			
	Supplementary	42			
			642	670	441
4	Firearm fees				
	Original	3,000			
	Supplementary	667			
			3,667	3,854	9,945
5	Safety cameras – certain receipts from fixed charges				
	Original	14,500			
	Supplementary	(1,447)			
			13,053	12,993	14,754
6	Receipts from additional superannuation contributions on public service remuneration				
	Original	41,300			
	Supplementary	8,736			
			50,036	50,587	48,726
7	Miscellaneous receipts (note 4.2)				
	Original	12,000			
	Supplementary	13,154			
			25,154	28,262	18,662
	Total		**130,388**	**134,867**	**130,515**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Contribution to the Garda Síochána spouses' and children's pension schemes

Estimate €11.278 million; realised €13.096 million

The increase of €1.818 million is linked to the overall increase in 2023 payroll costs which resulted in higher contributions.

2 Contribution to the Garda Síochána pensions scheme

Estimate €21.528 million; realised €25.405 million

The increase of €3.877 million was due to the overall increase in 2023 payroll costs which resulted in higher contributions.

4 Firearm fees

Estimate €3.0 million; realised €3.854 million

The increase of €854,000 was due to the timing of the receipts.

5 Safety cameras – certain receipts from fixed charges

Estimate €14.5 million; realised €12.993 million

The decrease of €1.507 million was due to a reduction in the cost of providing the service.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate €41.3 million; realised €50.587 million

The increase of €9.287 million was due to higher than expected contributions and the increase in payroll expenditure resulting in an increase in additional superannuation contributions.

7 Miscellaneous receipts

Estimate €12.0 million; realised €28.262 million

The increase of €16.262 million was due to the nature of some receipts accounted for within this subhead and the unpredictability of the timing and value of the receipts. See note 4.2.

4.2 Analysis of miscellaneous receipts

	2023 €000	2022 €000
Payments for non-public duty services rendered by Gardaí	8,442	5,482
Repayments of car advances	1	2
Recovery in respect of damage to official vehicles and other Garda property	9	6
Proceeds of sales of used vehicles, old stores, forfeited and unclaimed property	5,440	3,159
Fees for accident and malicious damage reports	474	446
Contribution for living quarters	47	48
Recoupment of witnesses' expenses	4	2
Recoupment of salaries	16	13
Percentage charge to insurance companies for collection of insurance premiums	128	126
EU receipts	5,403	1,365
Taxi licence fees	329	248
Road Traffic Act – fees charged for motoring offences	3,211	3,027
Fingerprint fees for employment and visa purposes	95	71
Garda masts	1,162	1,745
Carrier liability	1,774	1,104
Age cards	51	117
Unclassified items	1,675	1,659
Repayments of overpayments of salary	1	42
	28,262	**18,662**

4.3 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	1,050	1,450
Collected [a]	18,750	4,950
Transferred to the Exchequer	(10,300)	(5,350)
Balance at 31 December	**9,500**	**1,050**

Note [a] Included in this figure is a once off payover from the Garda Reward fund of €350,000

4.4 Fixed charge notice receipts

Total receipts from fixed charge notices in 2023 were €31.393 million (2022: €19.704 million). Of this, €12.993 million (2022: €14.754 million) was retained as appropriations in aid to fund the Go-Safe contract. The balance of €18.4 million was payable to the Exchequer, as indicated in the previous note.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents (FTE) at year end	2023	2022
Garda members	13,957	14,091
Student Gardaí	446	119
Garda staff	3,255	3,126
	17,658	**17,336**

5.2 Pay [a]

	2023 €000	2022 €000
Pay	920,756	890,452
Higher, special or additional duties allowances	584	429
Other allowances	215,077	208,677
Overtime	183,802	129,787
Employer's PRSI	123,802	113,080
Total pay	**1,444,021**	**1,342,425**

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 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	146	14	55,006	44,123
Overtime and extra attendance	15,488	7,231	80,194	64,832
Shift and roster allowances	14,665	11,159	90,217	76,301
Miscellaneous	15,080	499	32,946	35,667
Foreign service allowances	6	4	75,139	77,564
Extra remuneration in more than one category	14,645	13,187	103,908	83,028

5.4 An Garda Síochána staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	4,197	5,058
60,000	69,999	1,366	2,016
70,000	79,999	3,069	4,595
80,000	89,999	3,735	3,110
90,000	99,999	2,312	1,514
100,000	109,999	1,366	762
110,000	119,999	667	304
120,000	129,999	307	118
130,000	139,999	117	48
140,000	149,999	45	13
150,000	159,999	15	3
160,000	169,999	11	1
170,000	179,999	4	6
180,000	189,999	2	1
190,000	199,999	—	—
200,000	209,999	—	1
210,000	259,999	—	—
260,000	269,999	—	—
270,000	279,999	—	—
280,000	289,999	—	—
290,000	299,999	—	—
300,000	309,999	—	1
310,000	319,999	1	—

5.5 Other remuneration arrangements

In 2023, six retired civil servants in receipt of civil service pensions were re-engaged on various duties at a total cost of €15,086. 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.

5.6 Payroll overpayments

	Number of recipients	2023 €000	2022 €000
Payroll overpayments	1,843	2,286	1,835
Recovery plans in place	1,337	1,759	1,301
Pension overpayments	451	999	880
Recovery plans in place	18	136	155

Note The figures above are cumulative and include overpayments still outstanding from previous years.

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.

	2023 €000	2022 €000
Balance brought forward on 1 January	481	479
Receipts	56	47
Payments	(407)	(45)
Balance on 31 December	**130**	**481**

5.8 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	290	281
Benefit in kind	22	22
Allowances	1	1
	313	**304**

The benefit in kind amount relates to the provision of accommodation. It is not a paid allowance and does not increase the overall gross pay. The calculated value for the purpose of deducting tax, specified above, is in accordance with Revenue requirements.

The Accounting Officer does not receive any pension benefits as part of his remuneration package.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2023	2023	2022
		€000	€000	€000
Disclosures Tribunal [a]	2017	5,059	121	747

Note [a] The Disclosures Tribunal was established to investigate protected disclosures made under the Protected Disclosures 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.

6.2 Statement of losses (Garda vehicles, etc.)

A total of 421 accidents involving Garda vehicles were reported in 2023 (2022: 516). Damage to official vehicles and other costs amounted to €860,006. Compensation totalling €69,045 was recovered.

6.3 Fraud and suspected fraud

There were no detected/alleged fraud instances in 2023 (2022: two).

6.4 Deferred surrender

Deferred surrender comprises savings in 2023 of €15 million in capital expenditure in subhead A.12 that were carried over to 2024.

6.5 Compensation and legal costs

Payments/costs paid by An Garda Síochána in the year

	Claims by Garda members [b]		Civil claims by members of the public and employees		Total 2023	Total 2022
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty [c]	Arising from actions of Gardaí in performance of duties [d]	Arising from accidents involving Garda vehicles [d]		
Number of cases	192	70	203	250	715	701
	€000	**€000**	**€000**	**€000**	**€000**	**€000**
An Garda Síochána's own legal costs	—	166	379	168	713	719
Payments by/on behalf of An Garda Síochána						
Compensation	5,292	1,459	1,571	1,198	9,520	11,479
Legal costs	1,999	353	2,391	498	5,241	7,514
Other costs [a]	50	73	87	112	322	202
2023 Total	**7,341**	**2,051**	**4,428**	**1,976**	**15,796**	**19,914**
2022 Total	**9,570**	**1,407**	**7,177**	**1,760**	**19,914**	

Note
[a] Other costs awarded relate to agency fees, investigator fees, medical fees etc.
[b] Compensation payments amounting to €66,455 (2022: €77,757) 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.
[d] This includes claims by employees of An Garda Síochána.

At 31 December 2023

- 1,122 claims outstanding under the Garda Síochána Compensation Acts (2022: 1,520).
- 234 civil claims outstanding relating to accidents involving Garda vehicles (2022: 277).
- 5,271 civil claims other than those involving Garda vehicles outstanding (2022: 4,465).

Cumulative costs of cases completed in 2023

	Claims by Garda members		Civil claims by members of the public and employees		Total
	Under Garda Síochána Acts 1941-1945	Through SCA for injuries while on duty	Arising from actions of Gardaí in performance of duties	Arising from accidents involving Garda vehicles	
Number of cases	88	22	300	201	611
	€000	€000	€000	€000	€000
An Garda Síochána's own legal costs	—	128	263	210	601
Payments by/on behalf of An Garda Síochána					
Compensation	3,689	616	1,656	1,592	7,553
Legal costs	1,999	258	2,832	420	5,509
Other costs	—	39	71	99	209
Total	**5,688**	**1,041**	**4,822**	**2,321**	**13,872**

6.6 EU funding

Funds were received for four (2022: four) EU funded projects in 2023. The funds received in the year are as follows.

	2023 €000	2022 €000
Atlas 2020	—	80
Internal Security Fund	1,422	2,052
Project Inspector	—	27
CEPOL	—	67
EPRIS Pilot	74	—
Underserved	28	—
GEMS	9	—
	1,533	**2,226**

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 2021 to 2027 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.

Project Inspector: will develop a shared intelligence platform and a novel 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. This data will originate from the outputs of free and commercial digital forensic tools complemented by online resource gathering. Using both structured and unstructured data's as input, the development platform will facilitate the ingestion and homogenisation of this data with increased levels of automation, allowing for interoperability between outputs from multiple data formats.

CEPOL: an agency of the European Union dedicated to develop, implement and coordinate training for law enforcement officials.

EPRIS (European Police Records Index System) Pilot is a follow on project to EPRIS ADEP (Automation of Data Exchange Processes) 2.0 and builds upon the work done under the EPRIS-ADEP Pilot project. It demonstrates the feasibility of ADEP Technology by providing a system for the localisation of relevant decentralised data using already existing Europol infrastructure, in particular EON and SIENA. The software supports the concept of 'privacy by design', serving robust data protection.

UNDERSERVED Cyber Threat Reporting Platform is a project to develop a threat reporting platform for use by sections vulnerable to cyber-attack, but without the means to mitigate. The focus will be on the humanitarian sector. UNDERSERVED will pull together a system which will conduct automated file analysis and produce comprehensive and sophisticated threat reports that can be shared with the community at risk and with law enforcement.

GEMS (Gaming Ecosystem as a Multi-layered Security Threat) is an inter-disciplinary, mixed method and cross-sectoral project bringing together experts from academia, AI, policy and law enforcement to pioneer innovative solutions and avert the spread of extremism within the gaming community. It will equip law enforcement with a training curriculum and an AI tool, designed to detect and prevent extremist content in online gaming. It will also establish a cross-sectoral network against gaming-related extremism and promote public awareness.

6.7 Support for representative associations

Included in subhead A.1 is a total of €242,465 (2022: €263,557) 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 2023 of €282,020 (2022: €252,706) as follows.

Representative associations	2023	2022
	€	€
Grant to Association of Garda Superintendents	58,000	58,000
Grant to Association of Chief Superintendents	58,000	58,000
Contributions towards cost incurred by staff representative bodies and other welfare organisations for postal, telecommunications and accommodation services.	166,020	136,706

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided by capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.349 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

Valuation of land and buildings

The Minister for Justice owns thirteen prisons and places of detention, as well as property at the Irish Prison Service College in Portlaoise, property adjacent to the Headquarters building in Longford, and two sites in Dublin: one small site adjacent to Cloverhill Prison, and lands acquired for prison development at Thornton Hall, Kilsallaghan, County Dublin.

In note 2.1 property, plant and equipment, land is valued at existing use value or market value (if not in use), while prison buildings are valued at average replacement cost per cell. The most recent revaluations took place in 2020 with updated revaluations taking place every five years, while an independent valuation was conducted in 2021 in respect of the lands at Thornton Hall. The availability of a portion of that land has been communicated to the Land Development Agency and other relevant bodies. The current valuation is based on the existing use and zoning, and takes into account the quality of the agricultural land, location and road frontage. It specifically does not take into account any increased value based on any potential rezoning of the land for an alternative use and so the valuation will be kept under review.

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.

Intangible assets

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

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

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

The Department of Justice 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 plan is approved by the Audit Committee and it takes account of this analysis. The plan aims to cover the key controls on a rolling basis over a reasonable timeframe. A dedicated audit team has been assigned to work on Prison Service audit issues in 2023, and this provides a greater focus on 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.

Procurement

The Irish Prison Service ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Irish Prison Service has provided details of eight 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Irish Prison Service complied with the guidelines with the exception of one contract (in excess of €25,000), totalling €76,121 (ex. VAT) in 2023. The contract, in respect of the provision of managed print services, was extended pending the completion of the relevant tender process, which concluded in December 2023.

The above contract has been included in the 40/2002 annual return referenced above.

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 greatest extent possible, to mitigate those risks.

A risk register is in place for each prison and directorate, and for the Irish Prison Service at a corporate level which identifies the key risks at each level and these are evaluated and graded according to their significance. The corporate risk register is reviewed and updated by the Risk Management Committee (Directors Leadership 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 to relevant management and the Risk Management Committee, when appropriate, in a timely fashion. 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 that 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 responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Arising from the recommendations in recent audit reports, the Prison Service is continually reviewing and strengthening financial and other controls and processes in areas such as ICT project management, banking, GDPR compliance and the business continuity/disaster recovery processes. The Prison Service has decreased the number of commercial bank accounts (non vote related) from 20 at the end of 2022 to 12 at the end of 2023 due to ongoing reform and modernisation of systems and processes.

Oonagh McPhillips
Accounting Officer
Prisons

26 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 21 Prisons for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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.

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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 21 Prisons

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Administration and provision of safe, secure, humane and rehabilitative custody for people who are sent to prison			
	Original	421,583		
	Deferred surrender	3,205		
	Supplementary	20,277		
		445,065	443,783	412,631
Gross expenditure			**445,065**	**443,783**	**412,631**
	Deduct			
B	**Appropriations-in-aid**			
	Original	10,031		
	Supplementary	1,555		
		11,586	**11,653**	**11,142**
Net expenditure				
	Original	411,552		
	Deferred surrender	3,205		
	Supplementary	18,722		
		433,479	**432,130**	**401,489**

Surplus

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

	2023	2022
	€	€
Surplus	1,348,624	5,809,263
Deferred surrender	—	(3,205,000)
Surplus to be surrendered	**1,348,624**	**2,604,263**

Oonagh McPhillips
Accounting Officer
Prisons

26 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		109,386	103,586
Pay		309,124	289,622
Non pay		25,273	19,423
Gross expenditure		**443,783**	**412,631**
Deduct			
Appropriations-in-aid		**11,653**	**11,142**
Net expenditure		**432,130**	**401,489**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(26,619)		
Depreciation	4,915		
Disposals cash	37		
Gain on disposals	(21)		
		(21,688)	(23,717)
Changes in net current assets			
Increase in inventories	(621)		
Increase in prepayments	(1,362)		
Increase in accrued income	(65)		
Increase in accrued expenses	3,921		
		1,873	70
Direct expenditure		**412,315**	**377,842**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		87,867	79,734
Net programme cost		**500,182**	**457,576**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	340	369
Vote 12	Superannuation and Retired Allowances	86,242	78,128
Vote 13	Office of Public Works	145	145
Vote 18	National Shared Services Office	335	329
Vote 24	Justice (Financial Shared Service Centre)	779	738
Vote 43	Office of the Government Chief Information Officer	26	25
		87,867	**79,734**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	1,432,323	1,410,635
Intangible assets	2.2	—	—
Total fixed assets		**1,432,323**	**1,410,635**
Current assets			
Bank and cash	2.3	11,632	20,042
Inventories	2.4	2,370	1,749
Prepayments	2.5	5,720	4,358
Other debit balances	2.6	657	588
Accrued income	2.7	176	111
Total current assets		**20,555**	**26,848**
Less current liabilities			
Accrued expenses	2.8	7,632	3,711
Other credit balances	2.9	12,136	17,365
Net Exchequer funding	2.10	153	3,265
Total current liabilities		**19,921**	**24,341**
Net current assets		634	2,507
Net assets		**1,432,957**	**1,413,142**
Represented by:			
State funding account	2.11	**1,432,957**	**1,413,142**

2.1 Property, plant and equipment [a]

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023 [b]	1,328,839	13,510	81,838	753	70,215	1,495,155
Additions	11,084	2,507	5,621	—	7,407	26,619
Disposals	—	(374)	(876)	(42)	—	(1,292)
Brought into use	70,665	—	—	—	(70,665)	—
At 31 December 2023	1,410,588	15,643	86,583	711	6,957	1,520,482
Accumulated depreciation						
At 1 January 2023	—	10,341	73,469	710	—	84,520
Depreciation for the year	—	1,336	3,568	11	—	4,915
Depreciation on disposals	—	(374)	(861)	(41)	—	(1,276)
At 31 December 2023	—	11,303	76,176	680	—	88,159
Net assets						
At 31 December 2023	**1,410,588**	**4,340**	**10,407**	**31**	**6,957**	**1,432,323**
At 31 December 2022	1,328,839	3,169	8,369	43	70,215	1,410,635

Note [a] Cost or valuation includes assets acquired for less than €10,000 prior to 1 January 2021

[b] With effect from 1 January 2023, software acquisition and development assets have been reclassified property, plant and equipment to intangible assets (note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023	91	91
Additions	—	—
At 31 December 2023	91	91
Accumulated amortisation		
At 1 January 2023	91	91
Amortisation for the year	—	—
At 31 December 2023	91	91
Net assets		
At 31 December 2023	—	—
At 31 December 2022	—	—

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	11,583	19,880
Commercial bank account balances	49	162
	11,632	**20,042**

Non-Vote bank accounts

The Irish Prison Service holds 12 commercial bank accounts. Moneys in these accounts are managed separately to voted funds and relate to prison shops, the Prisoner Assist Programme Fund and for prisoners' personal funds. With the exception of gratuity payments to individual prisoners, which originate from the Vote, no monies due to or paid from the Vote are transmitted through these bank accounts. The amount held at the end of 2023 is €4,027,523 and is not included in the account (2022: €3,949,155). See also note 6.6.

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Uniforms and clothing	2,137	1,692
Miscellaneous	233	57
	2,370	**1,749**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Department administration (mainly ICT - system maintenance and support including licencing)	3,122	2,770
A.3 Buildings and equipment (includes ICT system maintenance and support and building rental costs)	1,292	582
A.4 Prisoner services (mainly resettlement services costs)	357	304
A.5 Operational services (mainly communication services provided by Tetra and other security services)	889	596
A.6 Educational services	60	106
	5,720	**4,358**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Prison imprest accounts	392	392
Other debit suspense items	265	196
	657	**588**

2.7 Accrued income

at 31 December	2023	2022
	€000	€000
Payroll related receipts	171	96
Work training receipts	1	15
Other receipts	4	—
	176	**111**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
Prisoner services	3,415	1,781
Buildings and equipment	2,065	521
Office equipment and external IT services	1,146	506
Training, development and incidental expenses	548	435
Travel and subsistence	53	175
Postal and telecommunications services	151	21
Operational services	64	182
Educational services	65	67
Compensation	125	23
	7,632	**3,711**

2.9 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	5,905	9,012
Pay related social insurance	2,931	4,425
Professional services withholding tax	60	105
Value added tax	1,609	1,331
Registered contractors tax	—	17
Tax deducted from pension contribution refunds	—	5
	10,505	14,895
Vote related bank account balances	49	162
Payroll deductions held in suspense	667	935
Other credit suspense items	915	1,373
	12,136	**17,365**

2.10 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	1,349	2,604
Deferred surrender	—	3,205
Exchequer grant undrawn	(1,196)	(2,544)
Net Exchequer funding	**153**	**3,265**
Represented by:		
Debtors		
Bank and cash	11,632	20,042
Debit balances: suspense	657	588
	12,289	20,630
Creditors		
Due to the State	(10,505)	(14,895)
Vote related bank account balances	(49)	(162)
Credit balances: suspense	(1,582)	(2,308)
	(12,136)	(17,365)
	153	**3,265**

2.11 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			1,413,142	1,389,495
Disbursements from the Vote				
Estimate provision	Account	433,479		
Surplus to be surrendered	Account	(1,349)		
Net vote			432,130	401,489
Expenditure (cash) borne elsewhere	1.1		87,867	79,734
Net programme cost	1		(500,182)	(457,576)
Balance at 31 December			**1,432,957**	**1,413,142**

2.12 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Capital projects	3,111	3,529
Total of legally enforceable commitments	**3,111**	**3,529**

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Limerick Prison [a]	65,853	1,140	—	66,993	68,100

Note [a] The redevelopment of Limerick Prison concluded and was capitalised in 2023 at a total cost of €66.993 million, which includes an extension to a current wing of the prison, a new female facility and a number of other related works. There are no other major contracts signed at end 2023 for capital projects.

2.13 Matured liabilities

There were no matured liabilities un-discharged at year end 2023 or in the previous year.

2.14 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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	299,229			
	Supplementary	10,921			
			310,150	309,124	289,622
ii	Travel and subsistence				
	Original	2,316			
	Supplementary	817			
			3,133	2,880	2,272
iii	Training and development and incidental expenses				
	Original	4,615			
	Supplementary	1,000			
			5,615	5,461	4,084
iv	Postal and telecommunications services				
	Original	1,800			
	Supplementary	110			
			1,910	2,059	1,600
v	Office equipment and external IT services				
	Original	11,697			
	Supplementary	2,433			
			14,130	14,873	11,467
vi	Consultancy services and value for money and policy reviews				
	Original	100			
	Supplementary	(100)			
			—	—	—
			334,938	**334,397**	**309,045**

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 €2.316 million; outturn €2.880 million

The excess of €564,000 compared with the original allocation is mainly due to increases in prisoner numbers and therefore an increased demand for prison escorts.

v Office equipment and external IT services

Estimate provision €11.697 million; outturn €14.873 million

The excess of €3.176 million is related to additional costs associated with managing the increasing demand and costs associated with ICT services, licensing, cyber security and software development.

vi Consultancy services and value for money and policy reviews

Estimate provision €100,000; outturn nil

The saving of €100,000 arose 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

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	299,229			
	Supplementary	10,921			
			310,150	309,124	289,622
A.2	Administration − non pay				
	Original	20,528			
	Supplementary	4,260			
			24,788	25,273	19,423
A.3	Buildings and equipment				
	Original	50,238			
	Deferred surrender	3,205			
	Supplementary	1,600			
			55,043	55,053	52,293
A.4	Prisoner services				
	Original	31,909			
	Supplementary	7,540			
			39,449	40,056	34,838
A.5	Operational services				
	Original	7,021			
	Supplementary	1,129			
			8,150	7,843	6,623
A.6	Educational services		1,559	1,455	1,433
A.7	Compensation				
	Original	10,873			
	Supplementary	(5,173)			
			5,700	4,700	8,129
A.8	Social disadvantage measures (dormant accounts funded)		226	279	270
			445,065	**443,783**	**412,631**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.4 Prisoner services

Estimate provision €31.909 million; outturn €40.056 million

The excess of €8.147 million compared with the original allocation is mainly due to increases in prisoner numbers and related costs associated with prisoner catering and medical costs, as well as general inflationary increases.

A.5 Operational services

Estimate provision €7.021 million; outturn €7.843 million

The excess of €822,000 is primarily due to growing prisoner numbers impacting on operational and security costs.

A.6 Educational services

Estimate provision €1.559 million; outturn €1.455 million

The saving of €105,000 mainly arose due to personnel capacity constraints within the prisons in 2023.

A.7 Compensation

Estimate provision €10.873 million; outturn €4.700 million

The saving of €6.173 million arose due to a less than expected throughput of claims in relation to compensation cases. This is a demand led cost item managed by the State Claims Agency and the expenditure varies depending on the final quantum, number and timing of awards.

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Dormant account receipts		226	279	270
2	Receipts from additional superannuation contributions on public service remuneration				
	Original	9,500			
	Supplementary	1,500			
			11,000	10,956	10,521
3	Miscellaneous				
	Original	305			
	Supplementary	55			
			360	418	351
	Total		**11,586**	**11,653**	**11,142**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

2 Receipts from additional superannuation contributions on public service remuneration

Estimate €9.500 million; realised €10.956 million

The excess of €1.456 million in income is due to extra superannuation payments arising from increased salary costs related to the Public Service Pay Agreement.

3 Miscellaneous

Estimate €305,000; realised €418,000

The excess of €113,000 is due mainly to greater than expected Illness benefit payments from the Department of Social Protection, and miscellaneous receipts at prison level.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	3,547	3,493

5.2 Pay

	2023	2022
	€000	€000
Pay	183,716	176,439
Higher, special or additional duties allowances	466	415
Other allowances	44,412	42,417
Extra attendance and overtime	53,426	45,455
Employer's PRSI	27,104	24,896
Total pay	**309,124**	**289,622**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	86	5	19,880	13,870
Extra attendance and overtime	3,229	2,435	94,119	77,138
Shift and roster allowances	2,987	1,751	20,529	30,061
Miscellaneous	3,462	72	16,701	13,560
Extra remuneration in more than one category	3,255	2,998	113,649	96,253

5.4 Irish Prison Service staffing by pay band

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

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	746	845
60,000	69,999	354	411
70,000	79,999	490	486
80,000	89,999	598	864
90,000	99,999	704	578
100,000	109,999	397	217
110,000	119,999	139	51
120,000	129,999	43	24
130,000	139,999	24	9
140,000	149,999	8	4
150,000	159,999	7	2
160,000	169,999	3	—
170,000	179,999	1	—
180,000	189,999	1	1
190,000	199,999	1	1
200,000	209,999	1	—

5.5 Other remuneration arrangements

A total of €145,440 was paid to 31 retired civil servants in receipt of civil service pensions who were employed on various duties. Payments ranged from €520 to €16,114. A total of €38,790 was paid to seven retired members of An Garda Síochána, who were employed by the Irish Prison Service on specific duties during 2023.

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.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	290	661,494	538,571
Recovery plans in place	164	253,524	230,163

There were no individuals with overpayment recovery plans who transferred to other departments in 2023. 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.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 21 Prisons is also the Accounting Officer for Vote 24 Justice. Her remuneration and benefits are disclosed in the appropriation account for Vote 24.

Note 6 Miscellaneous

6.1 Prison population

The estimated daily average number of prisoners in 2023 was 4,582 (2022: 4,120).

6.2 Compensation and legal costs

Payments/costs paid by the Irish Prison Service in the year

	Claims by				Total 2023	Total 2022
	employees (for injuries while on duty and other issues)		prisoners (for injuries and other actions involving prisoners)	members of the public		
	Civil claims	Criminal Injuries Compensation Tribunal				
Number of cases	84	75	299	20	478	551
	€000	**€000**	**€000**	**€000**	**€000**	**€000**
Irish Prison Service's own legal costs	123	—	655	74	852	782
Payments by/on behalf of the Irish Prison Service						
Compensation	418	1,201	534	73	2,226	4,462
Legal costs	299	—	855	134	1,288	1,666
Other costs	99	—	49	19	167	287
2023 total	**939**	**1,201**	**2,093**	**300**	**4,533**	**7,197**
2022 total	1,669	1,729	3,408	391	7,197	

Note

At 31 December 2023, the State Claims Agency recorded 713 active claims as outstanding (2022: 1,056). Legal costs incurred by the Irish Prison Service in relation to 8 non-compensation cases and other minor legal costs amounted to €162,397 (2022: €909,969).

The outstanding claims recorded by the State Claims Agency include 340 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 from this scheme are paid from the Irish Prison Service Vote.

The amount of €2.093 million paid in compensation and legal costs from the table above, in respect of claims by prisoners includes €197,892 (2022: €1.201 million) in compensation and plaintiff legal costs and €225,909 (2022: €430,805) for legal and other fees, for in-cell sanitation cases. The total costs relating to in cell sanitation cases amounted to €12.065 million at the end of 2023 (2022: €11.213 million). The State Claims Agency has estimated that the final cost of in-cell sanitation cases is likely to be in the region of €15 million to €20 million.

At 31 December 2023, the Irish Prison Service has €194,396 (2022: nil) in outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2023

	Claims by			Total
	prison staff	prisoners	members of the public	
Number of cases	33	326	15	374
	€000	**€000**	**€000**	**€000**
Irish Prison Service's own legal costs	132	3,050	140	3,322
Payments by/on behalf of the Irish Prison Service				
Compensation	557	693	123	1,373
Legal costs	237	1,355	110	1,702
Other costs	58	219	22	299
Total	**984**	**5,317**	**395**	**6,696**

6.3 Prisoner funeral expenses

Ex-gratia payments totalling €9,035 (2022: €21,721) were made towards the funeral expenses of three prisoners who died in prison.

6.4 Cash losses

A number of cash losses totalling €1,266 (2022: €453) were identified across three prisons during 2023.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred in 2023 was €7,713 (2022: €3,839).

6.6 Other financial operations within the Irish Prison Service

Separate to the income and expenditure reflected in the appropriation account, a number of other financial operations arise within the Irish Prison Service in order for it carry out its functions. These operations relate to the management of prisoner funds, the operation of prison based shops, the operation of the prisoner assist programme fund (in the process of being phased out) and the operation of staff Voluntary Mess Committees. These operations require additional bank accounts and the details are as follows.

- **Prisoners' personal funds account** - A bank account is maintained centrally for prisoners' personal funds. The balance as at 31 December 2023 was €1,771,323 (2022: €1,693,517). This represents prisoner funds balances as at the year end and includes the liability for prisoner shop purchases for the month of December (€800,000 approximately).

- **Prisoner funds account** - There are two bank accounts for the receipt of external funds for prisoners. The balances as at 31 December 2023 were €159,753 (2022: €207,930) and €77,747 (2022:€0).

- **Prison shop operation** - Each prison has a shop ('tuck shop') where prisoners can purchase items such as confectionary and toiletry products. The items are paid for from prisoner funds. In recent years there has been reform and modernisation of the shop operation which when completed will result in the replacement of eleven locally managed shop bank accounts with one central bank account. As at the 31 December 2023 there is one remaining local bank account in operation. The balances as at 31 December 2023 were €1,842,786 (2022: €1,145,139) and €25,088 (2022: €442,779). The value of stock on hand was €444,050 (2022: €402,868).

- **Prisoner Assist Programme Fund (PAPF)** - The PAPF is used to fund prisoner hardship and related initiatives, and is in the process of being phased out. Four locally managed PAPF bank accounts have been closed up to 2023. The balances in the remaining bank accounts at 31 December 2023 was €150,826 (2022: €459,790).

- **Voluntary mess committees (VMCs)** – VMC's are operating in eight prisons to coordinate the administration and operation of canteen facilities for prison staff provided through prisoner training kitchens. They operate as separate and independent entities from the Irish Prison Service. An independent review of the operation of the VMCs concluded in April 2022 and on foot of the review's recommendations, a further assignment aimed at developing an optimal model for the provision of staff meals in prisons, has been commissioned to explore a wide range of financial and non-financial issues. This exercise has reached an advanced stage and is expected to be completed shortly.

Appropriation Account 2023

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 2023 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 other 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €1.459 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 2023. 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

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

Valuation of land and buildings

Buildings are valued every five years on the basis of depreciated replacement cost. This 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. Land and buildings not in use but required for future development are valued at market value.

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 from the Financial Shared Service Centre, Killarney that the appropriate controls are exercised in the provision of shared services to the Courts Service.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. This includes the following elements.

- 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

The Courts Service has an Audit and Risk Committee which 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 to the Courts Service Board. It also reviews and approves the internal audit annual work programme.

Finance Committee

The Courts Service has a Finance Committee which is a sub-committee of the Courts Service Board. The role of the Committee is to provide oversight and scrutiny on financial matters of the Courts Service on behalf of the Board. The Committee is authorised by the Board to investigate any activity within its terms of reference and carry out prescribed duties on behalf of the Board and the Accounting Officer as appropriate. These include the approval and monitoring of the annual budget, approval of contracts above specified thresholds, value for money and financial risks. The Committee is also responsible for reviewing the annual appropriation account.

Internal audit

The Courts Service has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter that 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 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

The Courts Service ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €107.334 million in 2023.

The Courts Service has provided details of 23 non-competitive contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Courts Service complied with the guidelines with the exception of 10 contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €2.569 million (exclusive of VAT) as set out below.

- One contract with a value of €1,694,284 relating to interpretation services. This contract could not be re-tendered earlier as the OGP framework is subject to legal challenges. A new contract was signed in November 2023.
- Two instances with a value of €362,369 for services relating to the Fines (Payment and Recovery) Act 2014, beyond the expiry of the original contract. The Courts Service are awaiting recommendations of a Department of Justice working group regarding the future process for the payment of fines.
- One contract with a value of €187,479 relating to supply and installation of furniture not readily available from existing frameworks. This contract was awarded following a compliant below threshold procurement and was extended to complete additional priority works. A specification is currently being drafted for the future Supply and Installation of these items in Q1 2024.
- Two contracts with a value of €110,447 relating to provisions of legal advice and provision of drafting and legal services to Court Rules. Tender Documents are with the OGP for publication.
- One instance with a value of €110,201 for costs of telephony services, this is a legacy arrangement which pre-dates the establishment of the Courts Service. Alternative solutions are being explored to address this matter.
- One instance with a value of €40,091 for replacing obsolete franking machines and the purchase of consumables. A contract is now in place.
- One instance with a value of €34,443 for the provision of meals for Juries and catering services. There were additional Jury sittings in 2023 to deal with the back log of cases. A procurement for catering services is scheduled for 2024.
- One instance with a value of €29,849 for costs of the provision of security / footfall management for the North Midlands and Western Region. There is now a contract in place for these services.

The above contracts have been included in the 40/2002 annual return referenced above.

Governance

Good governance is fundamental to the effective operation of the Service. The Courts Service's *Corporate Governance Framework* 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 and updated in February 2023. The Courts Service also has an oversight agreement in place with the Department of Justice.

The *Governance Framework* reflects and is developed in the context of the Courts Service legislative framework under the Courts Service Act, 1998, in addition to the *Code of Practice for the Governance of State Bodies*, developments in the *Civil Service Renewal Plan* and the *Civil Service Code of Standards and Behaviour.*

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 and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated 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 the controls and 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, on a timely basis. 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 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.

Internal financial control issues

No weakness in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account, or that resulted in, or may result in a material loss.

The Service continually reviews and implemented recommendations arising from the Comptroller and Auditor General and internal audit to strengthen the control environment, particularly in the areas of procurement and contract management, record management and ICT security and infrastructure. This is a continuous process and the system, and its effectiveness is kept under ongoing review.

Angela Denning
Accounting Officer
Courts Service

20 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 22 Courts Service for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

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 2023.

Seamus McCarthy
Comptroller and Auditor General

23 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 22 Courts Service

Appropriation Account 2023

		2023		2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Manage the courts and support the judiciary				
Original	179,593			
Deferred surrender	1,850			
Supplementary	2,081			
		183,524	183,500	163,564
Gross expenditure		**183,524**	**183,500**	**163,564**
Deduct				
B **Appropriations-in-aid**				
Original	34,633			
Supplementary	2,080			
		36,713	**38,148**	**35,836**
Net expenditure				
Original	144,960			
Deferred surrender	1,850			
Supplementary	1			
		146,811	**145,352**	**127,728**

Surplus

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

	2023	2022
	€	€
Surplus	1,458,888	5,254,040
Deferred surrender	—	(1,850,000)
Surplus to be surrendered	**1,458,888**	**3,404,040**

Angela Denning
Accounting Officer
Courts Service

20 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		48,649	43,853
Pay		70,338	62,952
Non pay		64,513	56,759
Gross expenditure		**183,500**	**163,564**
Deduct			
Appropriations-in-aid		**38,148**	**35,836**
Net expenditure		**145,352**	**127,728**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(5,258)		
Depreciation	10,020		
Intangible assets (note 2.2)			
Purchases	(2,180)		
Amortisation	2,299		
		4,881	5,481
Changes in net current assets			
Decrease in inventories	488		
Increase in prepayments	(1,430)		
Decrease in accrued income	223		
Increase in accrued expenses	2,305		
		1,586	(427)
Direct expenditure		**151,819**	**132,782**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		71,213	34,016
Notional rents [a]		3,605	3,605
Net programme cost		**226,637**	**170,403**

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.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	214	270
Vote 12	Superannuation and Retired Allowances	19,314	20,263
Vote 13	Office of Public Works	1,572	721
Vote 18	National Shared Services Office	144	132
Vote 20	Garda Síochána	233	224
Vote 24	Justice – Financial Shared Services Centre	408	341
Vote 43	Office of the Government Chief Information Officer	129	—
Central Fund – Judicial salaries and pensions [a]		49,199	12,065
		71,213	**34,016**

Note [a] The Central Fund – Judicial salaries and pensions amount for 2023 includes both judicial salaries and pensions. Judicial salaries are not reflected in the 2022 amount.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	336,794	345,313
Intangible assets	2.2	6,039	6,158
Total fixed assets		**342,833**	**351,471**
Current assets			
Bank and cash	2.3	(398)	3,802
Inventories	2.4	—	488
Prepayments	2.5	4,642	3,212
Accrued income	2.6	652	875
Other debit balances	2.7	3,568	2,726
Total current assets		**8,464**	**11,103**
Less current liabilities			
Accrued expenses	2.8	4,105	2,245
Other credit balances	2.9	2,621	4,820
Net Exchequer funding	2.10	549	1,708
Total current liabilities		**7,275**	**8,773**
Net current assets		1,189	2,330
Net assets		**344,022**	**353,801**
Represented by:			
State funding account	2.11	**344,022**	**353,801**

2.1 Property, plant and equipment [a]

	Buildings [b,c]	Office and IT equipment [a]	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000
Cost or valuation					
At 1 January 2023	424,575	52,739	30,908	3,418	511,640
Additions	1,403	595	45	2,770	4,813
Revaluations	(4,862)	—	—	—	(4,862)
Brought into use	581	—	—	(581)	—
Disposals	—	(2)	—	—	(2)
At 31 December 2023	421,697	53,332	30,953	5,607	511,589
Accumulated depreciation					
At 1 January 2023	87,081	48,752	30,494	—	166,327
Depreciation for the year	8,387	1,508	125	—	10,020
Depreciation on revaluations	(1,550)	—	—	—	(1,550)
Depreciation on disposals	—	(2)	—	—	(2)
At 31 December 2023	93,918	50,258	30,619	—	174,795
Net assets					
At 31 December 2023	**327,779**	**3,074**	**334**	**5,607**	**336,794**
At 31 December 2022	337,494	3,987	414	3,418	345,313

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

[b] Section 26 of the Courts Service Act 1998 provides for the transfer to the Courts Service of legal title in respect of certain land and buildings.

[c] The Courts Service currently owns 44 buildings and six sites. All properties have been valued and are reflected in the table above. Of the 50 buildings/sites, 35 have valuations dating within the past five years, 14 were valued seven or more years ago and one is a 2023 purchase. Two of the properties with older valuations are in the process of being transferred to local authorities, and 12 are due to be revalued in 2024.

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	10,596	2,036	12,632
Additions	89	2,091	2,180
Brought Into use	1,977	(1,977)	—
At 31 December 2023	12,662	2,150	14,812
Accumulated amortisation			
At 1 January 2023	6,474	—	6,474
Amortisation for the year	2,299	—	2,299
At 31 December 2023	8,773	—	8,773
Net assets			
At 31 December 2023	**3,889**	**2,150**	**6,039**
At 31 December 2022	4,122	2,036	6,158

Note [a] At 1 January 2023, acquired and developed software assets were reclassified from property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	(2,535)	1,993
Commercial bank account balance [a]	2,137	1,809
	(398)	**3,802**

Note [a] Represents the Exchequer-related balances of the bank accounts held by the Courts Service at 31 December each year.

A separate sum of €13.942 million (2022: €10.935 million) is not included in the account balance. This principally consists of non-Exchequer funding relating to lodgements of maintenance payments under family law, bail money lodgements and court poor box receipts.

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Stationery	—	134
IT consumables	—	342
Miscellaneous	—	12
	—	**488**

Note [a] Commencing in 2023, high-volume, low-value items are fully expensed in the year, and are no longer classified as stock items.

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
A.2 Administration – non pay	4,434	2,674
A.3 Courthouse (capital works)	208	538
	4,642	**3,212**

2.6 Accrued income

at 31 December	2023	2022
	€000	€000
Fees	650	873
Miscellaneous	2	2
	652	**875**

2.7 Other debit balances

at 31 December	2023	2022
	€000	€000
Advances to OPW	3,311	2,504
Recoupment of salaries	74	48
Other debit suspense items	145	138
Imprests	38	36
	3,568	**2,726**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
A.2 Administration – non pay	4,105	2,235
A.3 Courthouse (capital works)	—	10
	4,105	**2,245**

2.9 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	1,046	996
Professional services withholding tax	132	200
Value added tax	177	95
Pay related social insurance	642	603
Fines	3	836
Funds for surrender to the Exchequer [a]	353	1,809
	2,353	**4,539**
Payroll deductions held in suspense	267	280
Other credit suspense items	1	1
	2,621	**4,820**

Note [a] This balance represents the balances of the Exchequer-related bank accounts held by the Courts Service at 31 December each year.

2.10 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	1,459	3,404
Deferred surrender	—	1,850
Exchequer grant undrawn	(910)	(3,546)
Net Exchequer funding	**549**	**1,708**
Represented by:		
Debtors		
Bank and cash	(398)	3,802
Debit balances: suspense	3,568	2,726
	3,170	6,528
Creditors		
Due to the State	(2,353)	(4,539)
Credit balances: suspense	(268)	(281)
	(2,621)	(4,820)
	549	**1,708**

2.11 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			353,801	346,160
Disbursements from the Vote				
Estimate provision	Account	146,811		
Surplus to be surrendered	Account	(1,459)		
Net vote			145,352	127,728
Expenditure (cash) borne elsewhere	1.1		71,213	34,016
Non cash items				
Notional rent	1		3,605	3,605
Revaluations			(3,312)	12,698
Other			—	(3)
Net programme cost	1		(226,637)	(170,403)
Balance at 31 December			**344,022**	**353,801**

2.12 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services		
Other goods and services [a]	29,955	23,361
ICT	44,216	46,107
Leases	25,743	26,722
Refurbishment of Roscommon temporary courthouse [b]	—	1,068
Refurbishment of Washington St courthouse [c]	—	4,021
Public private partnership projects	577,230	608,672
Total of legally enforceable commitments	**677,144**	**709,951**

Note [a] The increase in other goods and commitments in 2023 is due to the Service entering into 13 new contracts which included interpreting, digital audio recording transcripts and security services amongst others.

[b] This commitment relates to repayments for the refurbishment of the temporary courthouse in Roscommon. Agreement was reached in 2023 with the supplier to repay the outstanding balance.

[c] This commitment relates to repayments due to Cork City Council in respect of a loan taken out by the Council to fund the refurbishment of the courthouse at Washington Street, Cork. The loan was fully settled in 2023.

b) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Refurbishment of Cork Courthouse	21,325	3,675	—	25,000	25,000
	21,325	**3,675**	—	**25,000**	**25,000**

c) Capital cost of public private partnership project

Projects	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Legally enforceable commitments to be met in subsequent years	Project total 2023	Project total 2022
	€000	€000	€000	€000	€000
Criminal Courts Complex	299,993	22,470	281,107	603,570	598,247
PPP bundle	100,622	14,744	296,123	411,489	411,040
	400,615	**37,214**	**577,230**	**1,015,059**	**1,009,287**

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2022 to 2023.

Criminal Courts Complex

Increase in projected total spend: €5.323 million

The main movement in the project's total costs is due to the update of inflation for the current year, which also impacts future years.

2.13 Matured liabilities

There were no matured liabilities not discharged at year end (2022: nil).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	69,439			
	Supplementary	1,200			
			70,639	70,338	62,952
ii	Travel and subsistence				
	Original	3,242			
	Supplementary	600			
			3,842	3,541	3,027
iii	Training and development and incidental expenses				
	Original	14,480			
	Supplementary	1,160			
			15,640	16,373	13,493
iv	Postal and telecommunications services				
	Original	3,353			
	Supplementary	(450)			
			2,903	3,242	3,451
v	Office equipment and external IT services				
	Original	17,244			
	Supplementary	4,910			
			22,154	22,071	18,850
vi	Office premises expenses				
	Original	21,456			
	Supplementary	(639)			
			20,817	19,082	17,806
vii	Consultancy services and value for money and policy reviews				
	Original	100			
	Supplementary	150			
			250	204	132
			136,245	**134,851**	**119,711**

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).

v Office equipment and external IT services

Estimate provision: €17.244 million: outturn: €22.071 million.

The increase in expenditure of €4.827 million was due to the expanded investment in ICT modernisation, increasing the number of technology enabled court rooms and delivering further online services as part of the modernisation programme. This was in addition to commencing the development of an eProbate solution as part of the Government's *Housing for All* initiative.

vii Consultancy and other services

Estimate provision: €100,000: outturn: €204,000.

The overspend of €104,000 was due to expenditure incurred as part of the investment management tender, which was not factored into the original budget.

Programme A Manage the Courts and Support the Judiciary

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	69,439			
	Supplementary	1,200			
			70,639	70,338	62,952
A.2	Administration − non pay				
	Original	59,875			
	Supplementary	5,731			
			65,606	64,513	56,759
A.3	Courthouse (capital works)				
	Original	11,539			
	Deferred surrender	1,850			
	Supplementary	(3,350)			
			10,039	11,435	6,837
A.4	PPP costs				
	Original	*38,740*			
	Supplementary	(1,500)			
			37,240	37,214	37,016
			183,524	**183,500**	**163,564**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Courthouse (capital works)

Estimate provision: €13.389 million: outturn: €11.435 million.

The underspend of €1.954 million was due to delays in two large value projects: the Dublin Family Courts and Sustainability Pathfinder projects which were expected to commence in 2023 but fell behind schedule.

Note 4 Receipts

4.1 Appropriations-in-aid

			2023		2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Fees				
	Original	31,693			
	Supplementary	2,100			
			33,793	34,164	33,476
2	Miscellaneous				
	Original	1,442			
	Supplementary	(330)			
			1,112	2,209	694
3	Receipts from additional superannuation contributions on public service remuneration				
	Original	1,498			
	Supplementary	310			
			1,808	1,775	1,666
	Total		**36,713**	**38,148**	**35,836**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Fees

Estimate €31.693 million; realised €34.164 million

2023 fee receipts were higher than the original estimate by €2.471 million (8%) primarily due to an increase in the volume of licensing applications.

2 Miscellaneous

Estimate €1.442 million; realised €2.209 million

The additional receipts of €767,000 were mainly due to Department of Social Protection receipts, related to prior years, which had not been recognised in the relevant year.

3 Receipts from additional superannuation contributions on public service remuneration

Estimate: €1.498 million, realised: €1.775 million

2023 receipts were higher than the original estimate by €277,000 (18%) due to the increase in staff numbers.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Road Traffic Act fines [a]	4,807	5,593
Other fines [a]	2,824	3,783
Refunds [b]	(11)	(26)
Other receipts [c]	526	691
Transferred to the Exchequer	(8,146)	(10,041)
Balance at 31 December	**—**	**—**

Note [a] The reduction for Road Traffic Act fines and other fines is due to recoupment of costs incurred in 2022, relating to the Fines Act, not recouped until 2023, with a total value of €650,000 in addition to costs recouped in 2023 of €680,000.

[b] Refunds relate to refunds of fines due to successful appeals.

[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 2023 receipts reported above relate to funds lodged in 2016. The balance of these funds as at 31 December 2023 is €5.393 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 2023.

	2023 €000	2022 €000
Balance at 1 January	—	—
Revenue Commissioners		
Revenue fines [a]	528	556
Excise duty [b]	2,375	2,380
Department of the Environment, Climate and Communications	38	29
Department of Agriculture, Food and the Marine	11	—
Total transferred	(2,952)	(2,965)
Balance at 31 December	**—**	**—**

Note [a] Monies collected relate to court fines imposed where the prosecutor is the Revenue Commissioners

[b] Monies 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.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	1,269	1,224

5.2 Pay

	2023 €000	2022 €000
Pay	63,067	56,771
Higher, special or additional duties allowances	662	315
Other allowances	791	809
Overtime	298	311
Employer's PRSI	5,520	4,746
Total pay	**70,338**	**62,952**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	187	10	78,080	25,868
Other allowances	203	11	23,501	22,782
Overtime	141	10	30,955	31,589
Extra remuneration in more than one category	84	17	35,585	35,555

5.4 Courts Service staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	937	866
60,000	69,999	63	65
70,000	79,999	86	61
80,000	89,999	48	41
90,000	99,999	34	36
100,000	109,999	17	14
110,000	119,999	8	5
120,000	129,999	3	1
130,000	139,999	—	3
140,000	149,999	2	1
150,000	159,999	11	12
160,000	169,999	3	4
170,000	179,999	4	1
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	1	—
210,000	219,999	—	1
220,000	229,999	1	—

5.5 Other remuneration arrangements

There were no staff on secondment from the Courts Service in 2023.

Six retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €49,093. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Salary overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	110	319,497	260,298
Recovery plans in place	40	137,256	49,711

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**227**	**212**

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

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Court Service in the year

	Claims by				2023	2022
	Employees		Members of the public		Total	Total
	Personal injury	Other	Personal injury	Other		
Number of cases	7	7	4	19	37	46
	€000	€000	€000	€000	€000	€000
Court Service's own legal costs	—	77	—	55	132	233
Payments by/on behalf of the Courts Service						
Compensation	—	—	—	46	46	71
Legal costs	17	9	40	296	362	460
2023 Total	**17**	**86**	**40**	**397**	**540**	**764**
2022 Total	1	133	57	573	764	

Cumulative costs of cases completed in 2023

	Claims by				
	employees		members of the public		
	Personal Injuries	Other	Personal Injuries	Other	Total
Number of cases	—	1	1	3	4
	€000	€000	€000	€000	€000
Court Service's own legal costs	—	52	—	23	75
Payments by/on behalf of the Courts Service					
Compensation	—	—	—	3	3
Legal costs	—	—	23	304	327
2023 Total	—	**52**	**23**	**330**	**405**

6.2 Fraud and suspected fraud

The Courts Service has no instances of fraud or suspected fraud in 2023.

6.3 Prompt payment interest

The amount of prompt payment interest and compensation incurred in 2023 was €20,106.

Appropriation Account 2023

Vote 23

An Coimisiún Toghcháin

Introduction

As Accounting Officer for An Coimisiún Toghcháin, I am required to prepare the appropriation account for Vote 23, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2023 for the salaries and expenses of An Coimisiún Toghcháin.

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

A surplus of €2.677 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.

Establishment of the Vote

Vote 23 was established for An Coimisiún Toghcháin on 1 March 2023.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Developed software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Authority.

This responsibility was 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. Developing and 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 functions are provided to An Coimisiún on a shared services basis by the National Shared Services Office (Vote 18) through the Department of Housing, Local Government and Heritage (Vote 34).

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office provided to the Department of Housing, Local Government and Heritage that the appropriate controls are exercised in the provision of shared services to An Coimisiún.

Financial control environment

A control environment comprising the following elements were in place.

- Financial responsibilities were assigned at management level with corresponding accountability.
- Reporting arrangements were established at all levels where responsibility for financial management has been assigned.
- Formal procedures were established for reporting significant control failures and ensuring appropriate corrective action.
- An Audit and Risk Committee was established in October 2023, and will advise me in discharging my responsibilities for the internal financial control system.
- Procedures for key business processes were documented as they were developed, the remaining documented processes are under development.
- There were systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there was an appropriate budgeting system with an annual budget which was kept under review by senior management
- there were regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operated within the Authority
- there were systems aimed at ensuring the security of the ICT systems
- there were appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit and Risk Committee

An Coimisiún Toghcháin was established on 9 February 2023 and the Vote established on 1 March 2023. An Audit and Risk Committee was established and met twice in 2023. The terms of reference of the Committee were agreed and a process was put in place to procure an internal audit function. This process commenced in early 2024. Once in place, the internal audit function will prepare an audit plan which will be reviewed by me and by the Audit and Risk Committee. Procedures will be put in place to ensure that the reports of the internal audit function are followed up.

Procurement

An Coimisiún ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €1.665 million in 2023. There were no instances of non-competitive or non-compliant contracts in excess of €25,000 (exclusive of VAT).

Risk and control framework

An Coimisiún 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 this 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 responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures are being established for monitoring control processes. Control deficiencies are communicated to those responsible for taking corrective action and to the Management Team and the Audit and Risk Committee, where relevant, in a timely way. Key risks and related controls were identified and processes put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

An Coimisiún has put in place procedures to monitor the effectiveness of its risk management and control procedures. An Coimisiún's monitoring and review of the effectiveness of the system of internal financial control is informed by the senior management within an Coimisiún responsible for the development and maintenance of the internal financial control framework and will be informed by the work of the internal and external auditors from 2024 onwards.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Art O'Leary
Accounting Officer
An Coimisiún Toghcháin

27 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 23 An Coimisiún Toghcháin

Opinion on the appropriation account

I have audited the appropriation account for Vote 23 An Coimisiún Toghcháin for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion,

- the appropriation account properly presents the receipts and expenditure of Vote 23 An Coimisiún Toghcháin for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of An Coimisiún Toghcháin 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

28 August 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 23 An Coimisiún Toghcháin

Appropriation Account 2023

			2023
		Estimate provision	Outturn
		€000	€000
Programme expenditure			
A	Manage the functions of An Coimisiún Toghcháin	5,734	3,059
Gross expenditure		**5,734**	**3,059**
	Deduct		
B	**Appropriations-in-aid**	**53**	**56**
Net expenditure		**5,681**	**3,003**

Surplus

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

	2023
	€
Surplus to be surrendered	**2,677,331**

Art O'Leary
Accounting Officer
An Coimisiún Toghcháin

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023
	€000	€000
Programme cost		43
Pay		1,326
Non pay		1,690
Gross expenditure		**3,059**
Deduct		
Appropriations-in-aid		**(56)**
Net expenditure		**3,003**
Changes in capital assets (note 2.1)		
Purchases	(12)	
Depreciation	1	
		(11)
Changes in net current assets		
Increase in prepayments	(9)	
Increase in accrued expenses	46	
		37
Direct expenditure		**3,029**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		149
Net programme cost		**3,178**

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.

		2023
		€000
Vote 13	Office of Public Works	116
Vote 43	Office of the Government Chief Information Officer	33
		149

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000
Fixed assets		
Property, plant and equipment	2.1	11
Intangible assets		—
Total fixed assets		**11**
Current assets		
Bank and cash	2.2	62
Prepayments	2.3	9
Other debit balance	2.4	13
Total current assets		**84**
Less current liabilities		
Accrued expenses	2.5	46
Other credit balances	2.6	66
Net Exchequer funding	2.7	9
Total current liabilities		**121**
Net current assets		(37)
Net assets		**(26)**
Represented by:		
State funding account	2.8	**(26)**

2.1 Property, plant and equipment

	Furniture and fittings	Total
	€000	€000
Cost or valuation		
At 1 January 2023	—	—
Additions	12	12
At 31 December 2023	12	12
Accumulated depreciation		
At 1 January 2023	—	—
Depreciation for the year	1	1
At 31 December 2023	1	1
Net assets		
At 31 December 2023	**11**	**11**
At 31 December 2022	—	—

2.2 Bank and cash

at 31 December	2023
	€000
PMG balances	62
	62

2.3 Prepayments

at 31 December	2023
	€000
Software support	1
Administration	8
	9

2.4 Other debit balances

at 31 December	2023
	€000
Other debit balances	13
	13

2.5 Accrued expenses

at 31 December	2023
	€000
Administration expenses	14
ICT and telecommunications	18
Due for services	14
	46

2.6 Other credit balances

at 31 December	2023
	€000
Amounts due to the State	
Income tax	32
Pay related social insurance	17
Professional services withholding tax	4
Universal social charge	7
	60
Payroll deductions held in suspense	6
	66

2.7 Net Exchequer funding

at 31 December	2023
	€000
Surplus to be surrendered	2,678
Exchequer grant undrawn	2,669
Net Exchequer funding	**9**
Represented by:	
Debtors	
Bank and cash	62
Debit balances: suspense	13
	75
Creditors	
Due to the State	(60)
Credit balances: suspense	(6)
	(66)
	9

2.8 State funding account

	Note		2023
		€000	€000
Balance at 1 January			—
Disbursements from the Vote			
Estimate provision	Account	5,681	
Surplus to be surrendered	Account	2,678	
Net vote			3,003
Expenditure (cash) borne elsewhere	1.1		149
Net programme cost	1		(3,178)
Balance at 31 December			**(26)**

2.9 Commitments

Global commitments	**2023**
at 31 December	**€000**
Procurement of goods and services	**1,934**

Note 3 Vote Expenditure

Analysis of administration expenditure

		2023	
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	2,109	1,326
ii	Travel and subsistence	90	25
iii	Training and development and incidental expenses	310	140
iv	Postal and telecommunications services	65	7
v	Research, education and public engagement	800	253
vi	Office premises expenses	630	239
vi	Office equipment and external IT services	675	80
vii	Consultancy and other services	890	44
viii	Referendum function	10	902
		5,579	**3,016**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €2.109 million; outturn €1.326 million

Expenditure was €783,000 lower than the estimate. An Coimisiún Toghcháin was established on 9 February 2023. Capacity and capability building commenced after establishment and recruitment of staff commenced. The original estimate provided for approximately 31 full time equivalents, and there were 20 full time equivalents on the payroll of An Coimisiún at 31 December 2023. A further five had scheduled start dates in January and several recruitment campaigns are underway.

iii Training and development and incidental expenses

Estimate provision €310,000; outturn €140,000

Expenditure was €170,000 lower than the estimate. The in-year establishment date and the subsequent recruitment campaigns meant that a full year of training and development did not take place. It is expected that this will change in 2024 and beyond.

v Research, education and public engagement

Estimate provision €800,000; outturn €253,000

Expenditure was €547,000 lower than the estimate as the draft research programme was not published until November 2023 and work across the public engagement programme and education programme only commenced towards the end of 2023.

vi Office premises expenses

Estimate provision €630,000; outturn €239,000

Expenditure was €391,000 lower than the estimate as permanent office premises were arranged by the OPW for An Coimisiún and were made available on 22 December 2023. During 2023 the OPW provided temporary accommodation for An Coimisiún on a no-charge basis. As a result, An Coimisiún did not have any ongoing operating cost such as utilities in 2023. The expenditure incurred in 2023 provided for fit out costs of the permanent accommodation.

vi Office equipment and external IT services

Estimate provision €675,000; outturn €80,000

Expenditure was €595,000 lower than the estimate due to the estimated ICT equipment and infrastructure costs not arising in 2023 as the premises were not available until the end of December 2023.

vii Consultancy and other services

Estimate provision €890,000; outturn €44,000

Expenditure was €846,000 lower than the estimate as the estimate provided for legal costs in relation to a regulatory environment. These parts of the Electoral Reform Act were not commenced and these legal costs did not materialise.

viii Referendum function

Estimate provision €10,000; outturn €902,000

Expenditure was €892,000 higher than the estimate. The estimate provision was allocated to facilitate additional budget allocation as and when required. Referendums announced in March 2023 were originally to be held in autumn 2023, and work commenced on preparation of an information campaign in 2023.

Programme A - Manage the functions of An Coimisiún Toghcháin

		2023	
		Estimate provision	Outturn
		€000	€000
A.1	Administration − pay	2,109	1,326
A.2	Administration − non pay	3,470	1,690
A.3	An Coimisiún Toghcháin	155	43
		5,734	**3,059**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.3 An Coimisiún Toghcháin

Estimate provision €155,000; outturn €43,000

Expenditure was €112,000 lower than the estimate because while provision was made for the Chairperson's salary for 2023, this was not required until 2024.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023	
		Estimated	Realised
		€000	€000
1.	Receipts from additional superannuation contributions on public service remuneration	53	56
		53	**56**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023
Number of staff at 31 December	20

5.2 Pay

	2023 €000
Pay	1,225
Other allowances	1
Overtime	1
Employer's PRSI	99
Total pay	**1,326**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €
Other allowances	1	—	887
Overtime	4	—	812

5.4 An Coimisiún Toghcháin staffing by pay bands

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

Pay bands (€)		Number of employees
From	To	2023
20,000	59,999	11
60,000	69,999	1
70,000	79,999	2
80,000	89,999	—
90,000	99,999	1
100,000	109,999	—
110,000	119,999	1
120,000	129,999	1
130,000	139,999	—
140,000	149,999	—
150,000	159,999	—
160,000	169,999	—
170,000	179,999	—
180,000	189,999	—
190,000	199,999	—
200,000	209,999	—
210,000	219,999	1

5.5 Remuneration and benefits of Accounting Officer

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

	2023
	€000
Basic pay	215

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and the entitlements to retirement benefits did not extend beyond the standard terms of that scheme.

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €30.075 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

Intangible assets

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Developed software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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 Service 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. In particular,

- 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

The Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter. Its work is informed by an 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 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 and by the Audit Committee. I am satisfied that these procedures are 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 procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of 47 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 24 contracts (in excess of €25,000), totalling €7,138,714 (ex. VAT) in 2023 as set out below.

- Ten contracts with a combined value of €1,976,693 for the provision of services (€1,916,311) and goods (€60,382) had previously been awarded under competitive processes but were extended while revised arrangements were being put in place. Compliant contracts are now in place for these services and goods.
- Nine contracts with a value of €4,182,370 for the provision of services were extended pending the completion of current tender processes or necessary preparations being made to drawdown from arrangements that are already in place, or to go to market as soon as possible.
- Three contracts with a value of €835,797 for the provision of services were extended to allow for transition to new systems. These contracts will be replaced or will cease following the establishment of these new systems.
- One contract with a value of €80,386 for the provision of services was a direct award in order to meet increased demand for essential translation services arising from a significant increase in international protection applications.
- One contract with a value of €63,468 for the provision of services was extended to finalise a move to a new site. This contract will cease once this move is complete in 2024.

The above contracts have been included in the 40/2002 annual return referenced above.

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. The risks are managed at a business unit level but also at a functional and departmental level. 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 by the Risk Committee and the Management Board on a quarterly basis. The risks identified at a business and functional level are monitored quarterly and feed into the departmental risk register. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk registers detail the controls and actions needed to mitigate the risks and assign responsibility for the operation of the controls to specific staff.

A Data Protection Officer with responsibility for overseeing the Department's data protection strategy and implementation, including compliance with the General Data Protection Regulation is in place and is supported by a Data Protection Support and Compliance Office.

The internal audit unit carry out quality assurance audits in line with the requirements of the *Public Spending Code*. The reports provide assurance over the procedures being applied by 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 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

The Department 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 Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

Cyber security

The Department continues to strengthen security around infrastructure and systems and operates a comprehensive set of perimeter and internal defensive measures to protect its systems under the Cyber Resilience programme. This multi-faceted and comprehensive programme of work, established in 2022 and run throughout 2023, is expected to complete in 2024. The programme incorporates strategic and operational security works alongside a programme to raise user awareness in this space.

ICT strategy

The Chief Information Officer oversees the implementation of the *IMT Strategy 2021 - 2024*, which supports and facilitates the Department in achieving the goals and objectives set out in the *Statement of Strategy* and accompanying *Justice Plan*. The key focus of the IMT strategy is to enhance the delivery of modern, secure digital services to the Department and the agencies on the shared service through digitalisation.

Five strategic programmes have been established to deliver the aims of the strategy

- Lotus Notes Migration Programme
- PowerApps Programme
- Cyber Resilience Programme
- Immigration Services Modernisation
- International Protection Modernisation

These programmes are supported by the structures and governance established at the outset of the strategy implementation and report into the Department's Project, Programme and Portfolio (P3) Oversight Committee.

An update of the ICT strategy will be undertaken over the coming months.

Oonagh McPhillips
Accounting Officer
Department of Justice

5 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 24 Justice for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

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 2023.

Seamus McCarthy
Comptroller and Auditor General

9 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 24 Justice

Appropriation Account 2023

		2023		2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Criminal justice pillar				
Original	329,404			
Supplementary	21,167			
		350,571	337,470	332,925
B Civil justice pillar				
Original	217,313			
Supplementary	1,933			
		219,246	213,691	168,915
Gross expenditure				
Original	546,717			
Supplementary	23,100			
		569,817	**551,161**	**501,840**
Deduct				
Appropriations-in-aid				
Original	93,995			
Supplementary	23,099			
		117,094	**129,913**	**103,485**
Net expenditure				
Original	452,722			
Supplementary	1			
		452,723	**421,248**	**398,355**

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. €1.4 million of unspent allocations was carried forward to 2024: €1.004 million in respect of the capital elements of subhead A.21 Forensic Science Ireland; and €396,000 in respect of the capital allocations of administrative expenditure heading v Office equipment and external IT services.

	2023	2022
	€	€
Surplus	31,475,594	29,658,052
Deferred surrender	(1,400,000)	—
Surplus to be surrendered	**30,075,594**	**29,658,052**

Oonagh McPhillips
Accounting Officer
Department of Justice

5 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		372,734	356,685
Pay		102,702	89,708
Non pay		75,725	55,447
Gross expenditure		**551,161**	**501,840**
Deduct			
Appropriations-in-aid		**129,913**	**103,485**
Net expenditure		**421,248**	**398,355**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(10,357)		
Depreciation	3,113		
Disposals cash	1		
Loss on disposals	52		
Intangible assets (note 2.2)			
Purchases	(2,078)		
Amortisation	3,459		
		(5,810)	(33,176)
Changes in net current assets			
Increase in inventories	(484)		
Increase in prepayments	(3,075)		
Decrease in accrued income	2,438		
Increase in accrued expenses	5,850		
Increase in deferred income	11,666		
		16,395	(4,526)
Direct expenditure		**431,833**	**360,653**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		61,966	57,275
Notional rents		5,122	5,122
Net programme cost		**498,921**	**423,050**

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.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	400	400
Vote 12	Superannuation and Retired Allowances	54,894	52,285
Vote 13	Office of Public Works	10,997	8,600
Vote 18	National Shared Services Office	292	241
Vote 20	Garda Síochána	236	234
Vote 43	Office of the Government Chief Information Officer	409	308
Central Fund – Ministerial pensions		167	199
Cost of shared services provided to other Votes		(5,429)	(4,992)
		61,966	**57,275**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	121,564	114,373
Intangible assets	2.2	8,066	9,447
Total fixed assets		**129,630**	**123,820**
Current assets			
Bank and cash	2.3	23,996	22,903
Inventories	2.4	2,110	1,626
Prepayments	2.5	14,001	10,926
Accrued income	2.6	587	3,025
Other debit balances	2.7	1,004	523
Total current assets		**41,698**	**39,003**
Less current liabilities			
Accrued expenses	2.8	13,181	7,331
Deferred income	2.9	11,880	214
Other credit balances	2.10	12,297	23,850
Net Exchequer funding	2.11	12,703	(424)
Total current liabilities		**50,061**	**30,971**
Net current liabilities		(8,363)	8,032
Net assets		**121,267**	**131,852**
Represented by:			
State funding account	2.12	**121,267**	**131,852**

2.1 Property, plant and equipment [a]

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023 [b, c]	6,901	2,513	30,777	2,744	101,256	144,191
Additions	118	273	7,973	—	1,993	10,357
Transfer out [d]	—	(78)	—	—	—	(78)
Disposals	—	(51)	(3,498)	(523)	—	(4,072)
At 31 December 2023	7,019	2,657	35,252	2,221	103,249	150,398
Accumulated depreciation						
At 1 January 2023[c]	1,998	1,827	23,455	2,538	—	29,818
Depreciation for the year	140	249	2,682	42	—	3,113
Depreciation on transfer out [d]	—	(78)	—	—		(78)
Depreciation on disposals	—	(51)	(3,452)	(516)	—	(4,019)
At 31 December 2023	2,138	1,947	22,685	2,064	—	28,834
Net assets						
At 31 December 2023	**4,881**	**710**	**12,567**	**157**	**103,249**	**121,564**
At 31 December 2022	4,903	686	7,322	206	101,256	114,373

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] Cost or valuation include assets acquired for less than €10,000 prior to 1 January 2021.

[c] On 1 January 2023, acquired and developed software assets were reclassified from property, plant and equipment to intangible assets (note 2.2)

[d] Motor vehicles with an original cost of €78,000 were transferred from the Department to An Garda Síochána.

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	88,677	328	89,005
Additions	1,494	584	2,078
Transfers	912	(912)	—
Disposals	(4,348)	—	(4,348)
At 31 December 2023	**86,735**	**—**	**86,735**
Accumulated amortisation			
At 1 January 2023	79,558	—	79,558
Amortisation for the year	3,459	—	3,459
Amortisation of disposals	(4,348)	—	(4,348)
At 31 December 2023	78,669	—	78,669
Net assets			
At 31 December 2023	**8,066**	**—**	**8,066**
At 31 December 2022	9,119	328	9,447

Note [a] With effect from 1 January 2023, acquired and developed software assets were reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	14,601	12,771
Commercial bank account balances	9,395	10,132
	23,996	**22,903**

Note The commercial bank account balances include bank balances with a value of €747,000 for a number of agencies in Vote 24 who also prepare separate financial statements.

2.4 Inventories

at 31 December	2023 €000	2022 €000
Forensic consumables	1,249	732
IT consumables	115	99
Residence permits/travel documents	673	677
Miscellaneous	19	62
Equipment/clothing	54	56
	2,110	**1,626**

2.5 Prepayments

at 31 December	2023 €000	2022 €000
Department administration (mainly ICT system maintenance and support including licencing)	9,612	6,237
Forensic Science Ireland (maintenance of scientific equipment etc.)	2,829	2,074
Garda Síochána Ombudsman Commission	674	454
Insolvency Service of Ireland (mainly ICT system maintenance)	336	370
Criminal Asset Bureau	265	259
Property Services Regulatory Authority (various administrative costs including ICT systems maintenance and support including licencing)	146	120
Private Security Authority (various administrative costs)	67	13
Youth justice interventions (2023 boundary extension payments made in Q4 2022)	—	1,305
Other subheads (various costs including ICT support and maintenance)	72	94
	14,001	**10,926**

2.6 Accrued income

at 31 December	2023 €000	2022 €000
Immigration registration fees	—	1,675
Visa fees	—	498
Private Security Authority fees	200	283
Legal Services Regulatory Authority levy on professional bodies	—	200
Other accrued income	387	369
	587	**3,025**

2.7 Other debit balances

at 31 December	2023	2022
	€000	€000
Imprests	53	53
Recoupable travel pass scheme expenditure	246	204
Criminal Assets Bureau receivership	235	195
Other debit suspense items	470	71
	1,004	**523**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
Criminal legal aid schemes	5,634	4,990
Training and development and incidental expenses	1,961	335
Commissions and special inquiries	1,341	38
Coroners Service	1,173	239
Compensation for personal injuries criminal	669	85
Postal and telecommunications services	574	278
Office equipment and external IT services	544	285
Forensic Science Ireland	267	330
Office premises expenses	218	88
Criminal Assets Bureau	149	106
Other subheads	651	557
	13,181	**7,331**

2.9 Deferred income

at 31 December	2023	2022
	€000	€000
Immigration registration fees	4,925	—
Nationality and citizenship certificate fees	5,976	—
Visa fees	741	—
Film censorship fees	234	207
Insolvency Service Ireland fees	3	—
Miscellaneous receipts	1	7
	11,880	**214**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	2,768	2,466
Pay related social insurance	1,806	1,535
Professional services withholding tax	2,971	2,160
Value added tax	502	578
Balances in departmental accounts	1,741	10,132
	9,788	16,871
Payroll deductions held in suspense	678	687
ESF advance of social inclusion project funding 2014–2020	1,374	1,374
Extra receipts payable to the Exchequer	37	37
Advances to the Office of Public Works	371	4,672
Other credit suspense items	49	209
	12,297	**23,850**

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	30,075	29,658
Deferred surrender	1,400	—
Exchequer grant undrawn	(18,772)	(30,082)
Net Exchequer funding	**12,703**	**(424)**
Represented by:		
Debtors		
Bank and cash	23,996	22,903
Debit balances: suspense	1,004	523
	25,000	23,426
Creditors		
Due to the State	(9,788)	(16,871)
Credit balances: suspense	(2,509)	(6,979)
	(12,297)	(23,850)
	12,703	**(424)**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			131,852	94,151
Disbursements from the Vote				
Estimate provision	Account	452,723		
Deferred surrender	Account	(1,400)		
Surplus to surrender	Account	(30,075)		
Net vote			421,248	398,355
Expenditure (cash) borne elsewhere	1.1		61,966	57,275
Non cash expenditure – notional rent	1		5,122	5,122
Net programme cost	1		(498,921)	(423,050)
Capital asset transfer	2.1		—	(1)
Balance at 31 December			**121,267**	**131,852**

2.13 Commitments

a) Global commitments	**2023**	**2022**
at 31 December	**€000**	**€000**
Procurement of goods and services	10,431	14,290
Capital projects	383	6,453
Total of legally enforceable commitments	**10,814**	**20,743**

b) Major capital projects

	Cumulative expenditure to 31 December 2022	**Expenditure in 2023**	**Project commitments in subsequent years[a]**	**Expected total spend lifetime of project 2023**	**Expected total spend lifetime of project 2022**
	€000	**€000**	**€000**	**€000**	**€000**
Forensic Science Ireland	**101,091**	**1,699**	—	**102,790**	**106,600**

Note [a] Commitments in 2023 and subsequent years are dependent on ongoing negotiations between the contractor and the OPW, the outcome of which at this stage is not known.

2.14 Matured liabilities

There were no matured liabilities un-discharged at year end 2023 or in the previous year.

2.15 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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		97,666	97,720	84,908
ii	Travel and subsistence		1,265	986	1,052
iii	Training and development and incidental expenses				
	Original	12,154			
	Supplementary	7,100			
			19,254	17,488	17,295
iv	Postal and telecommunications services				
	Original	2,486			
	Supplementary	4,300			
			6,786	8,097	3,951
v	Office equipment and external IT services		33,045	35,272	20,389
vi	Office premises expenses				
	Original	4,655			
	Supplementary	1,500			
			6,155	5,897	4,288
vii	Consultancy services and value for money and policy reviews		68	116	126
viii	Research		1,786	621	1,485
ix	Financial shared services [a]		7,160	7,398	6,805
x	Justice and policing transformation programme				
	Original	10,000			
	Supplementary	(3,000)			
			7,000	4,832	4,856
			180,185	**178,427**	**145,155**

Note [a] Financial shared services centre pay costs of €4,982,193 (2022: €4,800,331) are included in the costs of financial shared services. This cost is charged to Programme A – Criminal Justice Pillar, sub-head A.1 Administration – pay.

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €12.154 million; outturn €17.488 million

The excess expenditure of €5.334 million compared with the original allocation of €12.154 million was mainly due to higher administrative costs and legal fees (€5.5 million) as well as the contracted services delivery of an extensive audit work programme, including a number of Data Protection/GDPR compliance audits. This is partly offset by an underspend in other areas within the subhead such as staff training and development (€120,000).

iv Postal and telecommunications services

Estimate provision €2.486 million; outturn €8.097 million

The excess expenditure of €5.611 million compared with the original allocation of €2.486 million was mainly due to increased spend on Cyber Resilience (€4.3 million). Administrative costs and fees (€1.3 million) include a contract service centre for Immigration Service Delivery.

vi Office premises expenses

Estimate provision €4.655 million; outturn €5.897 million

The excess expenditure of €1.242 million compared with the original allocation of €4.655 million was mainly due to additional costs relating to the International Protection Office modernisation project, as well as increased costs associated with various visa offices.

viii Research

Estimate provision €1.786 million; outturn €621,000

The saving of €1.165 million compared with the original allocation of €1.786 million was primarily due to a delay in the commencement of a number of research projects in 2022.

x Justice and policing transformation programme

Estimate provision €10 million; outturn €4.832 million

The saving of €5.168 million compared with the original allocation was mainly due to less expenditure than expected in relation to the Department of Justice aspect of the project, including the Immigration Service Delivery Modernisation Programme, which incurred less expenditure than planned, as the Department's focus remained on humanitarian priorities.

Programme A Criminal Justice Pillar

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration – pay		32,006	34,523	32,820
A.2	Administration − non pay				
	Original	22,784			
	Supplementary	3,267			
			26,051	26,160	19,641
A.3	Office of the Inspector of Prisons		2,394	1,466	1,289
A.4	Garda Síochána Ombudsman Commission				
	Original	16,670			
	Supplementary	(740)			
			15,930	16,121	13,449
A.5	Garda Síochána Inspectorate		1,420	1,240	1,118
A.6	Criminal Assets Bureau				
	Original	11,223			
	Supplementary	(600)			
			10,623	10,784	9,830
A.7	Probation Service– salaries, wages and allowances				
	Original	27,014			
	Supplementary	(500)			
			26,514	26,432	24,330
A.8	Probation Service – operating expenses		4,785	4,983	4,305
A.9	Probation Service – services to offenders		18,532	18,531	17,503
A.10	Community Service Order Scheme				
	Original	3,257			
	Supplementary	(500)			
			2,757	2,731	2,524
A.11	Youth Justice Interventions		23,814	24,068	22,817
A.12	Victims of crime including sexual crimes and domestic abuse				
	Original	5,809			
	Supplementary	300			
			6,109	6,069	5,421
A.13	Mental Health (Criminal Law) Review Board		439	293	265

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.14	Compensation for personal injuries criminally inflicted		13,016	7,527	6,319
A.15	Legal aid – criminal				
	Original	73,000			
	Supplementary	22,000			
			95,000	89,205	76,653
A.16	Legal aid – custody issues				
	Original	4,630			
	Supplementary	1,000			
			5,630	6,281	4,716
A.17	Parole Board		2,200	2,168	1,470
A.18	Crime prevention measures		1,197	1,290	1,071
A.19	Private Security Authority		4,220	4,280	4,012
A.20	Domestic, sexual and gender based violence – awareness raising and training		6,098	6,183	4,109
A.21	Forensic Science Ireland				
	Original	31,063			
	Supplementary	(2,000)			
			29,063	28,059	56,920
A.22	Office of the State Pathologist				
	Original	1,553			
	Supplementary	100			
			1,653	1,767	1,499
A.23	Commissions and special inquiries		8,353	4,673	10,096
A.24	Social disadvantage measure (dormant accounts funded)		9,674	9,441	9,125
A.25	Community Safety Innovation Fund				
	Original	3,000			
	Supplementary	(600)			
			2,400	2,864	1,623
A.26	Domestic, Sexual and Gender Based Violence (DSGBV) Agency		450	153	—
A.27	Irish Passenger Information Unit (IPIU)				
	Original	793			
	Supplementary	(560)			
			233	168	—
A.28	Appellate Bodies (Criminal Justice)		10	10	—
			350,571	**337,470**	**332,925**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Office of the Inspector of Prisons

Estimate provision €2.394 million; outturn €1.466 million

The saving of € 928,000 compared with the original estimate provision was as a result of delays in filling a number of vacancies, which impacted other planned work including an awareness campaign and staff training.

A.5 Garda Síochána Inspectorate

Estimate provision €1.420 million; outturn €1.240 million

The saving of €180,000 compared with the original estimate provision was as a result of costs associated with the delay in enactment of the Policing Security and Safety Bill.

A.10 Community Service Order Scheme

Estimate provision €3.257 million; outturn €2.731 million

The saving of €526,000 compared with the original estimate provision was primarily due to timing delays associated with filling staff vacancies at various grades, resulting in a saving in the pay budget.

A.13 Mental Health (Criminal Law) Review Board

Estimate provision €439,000; outturn €293,000

The saving of €146,000 compared with the original estimate provision arose due to lower than anticipated workload in 2023.

A.14 Compensation for personal injuries criminally inflicted

Estimate provision €13.016 million; outturn €7.527 million

The saving of €5.489 million compared with the original estimate was mainly due to three large awards, which have been made by the Tribunal totalling approximately €8.1 million but had not being accepted by the applicants before end 2023.

In all of these cases, the Tribunal has indicated that due to the nature of the injuries experienced by the applicants concerned and its effect on their mental capacity, they should first be made wards of court before the funds are disbursed. The timing of this is not within the Tribunal's control. Once awards are accepted and ward of court proceedings are finalised in the cases, payments will issue to the applicants concerned.

The wards of courts system has been replaced by a new assisted decision-making capacity regime.

A.15 Legal aid – criminal

Estimate provision €73 million; outturn €89.205 million

The excess expenditure of €16.205 million compared to the original budget allocation of €73 million, reflect increasing demand. Under the Criminal Justice (Legal Aid) Act 1962, the Courts are responsible for granting legal aid. Consequently, predicting the cost of the Criminal Legal Aid Scheme and other ad hoc legal aid schemes are difficult because the schemes are demand-led.

The Department is closely monitoring expenditure in this area and is drafting a new Criminal Legal Aid Bill to update and strengthen the system of granting legal aid.

A.16 Legal aid – custody issues

Estimate provision €4.630 million; outturn €6.281 million

The overrun of €1.651 million relative to the estimate provision was due to higher than expected demand. The cost of the Scheme is challenging to predict since the demand determines the expenditure.

A.21 Forensic Science Ireland

Estimate provision €31.063 million; outturn €28.059 million

The saving of €3.004 million compared with the original estimate comprises an underspend on pay of €1.008 million, arising from delays in filling staff vacancies. In addition, there was an underspend on capital of €2.235 million, of which €1.4 million is carried into 2024 under the capital carryover provision. The underspends are partly offset by an overspend on non-pay expenditure of €318,000.

A.22 Office of the State Pathologist

Estimate provision €1.553 million; outturn €1.767 million

The excess expenditure of €214,000 compared to the original budget allocation was partly due to the requirement to engage a locum pathologist while the deputy state pathologist undertook additional professional development. In addition, c. 70% of the Office's case load was outside the greater Dublin area thus increasing travel and associated costs of the Office.

A.23 Commissions and special inquiries

Estimate provision €8.353 million; outturn €4.673 million

The saving of €3.680 million compared with the original estimate is mainly due to third party legal costs, the timing and quantum of which can be difficult to predict with accuracy.

A.26 Domestic, Sexual and Gender Based Violence (DSGBV) Agency

Estimate provision €450,000; outturn €153,000

The saving of €297,000 compared with the original estimate is mainly due to the planned recruitment of staff for Cuan, the Domestic, Sexual and Gender Based Violence Agency, not progressing as quickly as planned during 2023. Cuan was established with effect from 1 January 2024. In addition, there were timing delays in progressing ICT systems and equipment.

A.27 Irish Passenger Information Unit (IPIU)

Estimate provision €793,000; outturn €168,000

The saving of €625,000 compared with the original estimate is due to legal and policy changes at EU level, resulting in some aspects of the modernisation programme progressing slower than expected. These matters have since been addressed.

Programme B Civil Justice Pillar

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		70,716	68,179	56,888
B.2	Administration − non pay				
	Original	44,779			
	Supplementary	6,633			
			51,412	49,565	35,806
B.3	Central Authority		135	50	90
B.4	Legal Services Regulatory Authority		1,001	1,000	1,000
B.5	Property Services Regulatory Authority		3,403	3,401	3,282
B.6	Insolvency Service of Ireland				
	Original	8,322			
	Supplementary	(620)			
			7,702	7,451	6,586
B.7	Gambling Regulatory Authority		1,774	1,632	161
B.8	Judicial Appointments Commission		704	79	—
B.9	Judicial Council		1,775	1,047	833
B.10	Coroner Service				
	Original	13,171			
	Supplementary	(900)			
			12,271	12,683	7,712
B.11	Legal Aid Board				
	Original	53,060			
	Supplementary	500			
			53,560	54,065	45,212
B.12	Free Legal Advice Centres		294	294	294
B.13	Immigration and international protection programmes				
	Original	11,392			
	Supplementary	(2,400)			
			8,992	9,799	7,419

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.14	International Protection Appeals Tribunal				
	Original	5,999			
	Supplementary	(1,280)			
			4,719	3,805	3,255
B.15	Irish Film Classification Office		728	583	377
B.16	Appellate Bodies (Civil Justice)		60	58	—
			219,246	**213,691**	**168,915**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.6 Insolvency Service of Ireland

Estimate provision €8.322 million; outturn €7.451 million

The saving of €871,000 compared with the original estimate provision arose due to time delays encountered in filling staff vacancies, a deferral of costs associated with moving office and lower than anticipated legal costs.

B.7 Gambling Regulatory Authority

Estimate provision €1.774 million; outturn €1.632 million

The saving of €142,000 compared with the original estimate provision comprises a saving on pay of €897,000, arising from delays in recruitment of staff. This is offset in part, by an overrun on non-pay relating to costs associated with building the ICT infrastructure that will support the future delivery of the Authority's operational model and licensing programme.

B.8 Judicial Appointments Commission

Estimate provision €704,000; outturn €79,000

The saving arose as legislation to establish the Judicial Appointments Commission was delayed. It is expected that the Commission will be established in Q4 2024.

B.9 Judicial Council

Estimate provision €1.775 million; outturn €1.047 million

The saving of €728,000 compared with the original estimate arose due to delays in recruiting staff until Q4 2023, with consequential effects on pay and commencing projects. Furthermore, a substantial review and procurement of IT support did not commence until 2024.

B.13 Immigration and international protection programmes

Estimate provision €11.392 million; outturn €9.799 million

The saving of €1.593 million compared to the original allocation is mainly attributable to lower than anticipated costs arising from a delay earlier in the year, as the International Protection Office ramped up on a phased basis with costs lower than anticipated.

B.14 International Protection Appeals Tribunal

Estimate provision €5.999 million; outturn €3.805 million

The saving of €2.194 million compared to the original budget allocation is mainly attributable to lower than anticipated operational costs. Although the volumes of applications to the International Protection Office increased significantly in 2023, this did not materialise into significantly increased volumes of appeals to IPAT until later in the year.

B.15 Irish Film Classification Office

Estimate provision €728,000; outturn €583,000

The saving of €145,000 compared with the original estimate arose due to a delay in filling staff vacancies.

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Film censorship fees		800	806	941
2	EU receipts		1	—	1
3	Immigration registration fees				
	Original	51,000			
	Supplementary	18,630			
			69,630	77,225	60,686
4	Visa fees				
	Original	7,600			
	Supplementary	1,654			
			9,254	11,544	7,913
5	Dormant accounts receipts		9,674	9,202	9,061
6	Private Security Authority fees				
	Original	2,564			
	Supplementary	636			
			3,200	3,287	3,424
7	Nationality and citizenship certificates fees				
	Original	13,500			
	Supplementary	1,300			
			14,800	18,445	13,215
8	Legal Services Regulatory Authority levy on professional bodies		1,500	1,200	—
9	Property Services Regulatory Authority fees		2,250	2,290	2,210
10	Insolvency Service of Ireland fees				
	Original	1			
	Supplementary	147			
			148	151	699
11	Receipts from additional superannuation contributions on public service remuneration				
	Original	4,432			
	Supplementary	732			
			5,164	5,250	4,747
12	Miscellaneous receipts		673	513	588
			117,094	**129,913**	**103,485**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/-5% and €100,000).

3 Immigration registration fees

Estimate €51 million; realised €77.225 million

A surplus of €26.225 million arose compared with the original estimate provision of €51 million. The majority of the surplus is related to immigration registration fees where the number of cases processed increased by 31% in comparison to 2022.

4 Visa fees

Estimate €7.6 million; realised €11.544 million

A surplus of €3.944 million arose compared with the estimate provision of €7.6 million, the majority of which is related to visa fees but there was also a surplus in relation to the Atypical Working Scheme. The number of visa applications received can be unpredictable and is impacted by a number of variables including the global economic environment and changes to specific country travel restrictions. 2023 saw increased demand for both long-term and short stay visas.

6 Private Security Authority fees

Estimate €2.564 million; realised €3.287 million

The surplus of €723,000 arose compared with the estimate provision of €2.564 million was primarily due to increased fees across most sectors driven by a strong demand for security services across the economy. There continues to be growth in outdoor events which require security with the number of licensed security officers at end 2023 being the highest ever recorded.

7 Nationality and citizenship certificates fees

Estimate €13.5 million; realised €18.445 million

The surplus of €4.945 million arose compared with the estimate provision of €13.5 million was primarily related to an increase in the number of naturalisations undertaken following enhancements in the application processing process.

8 Legal Services Regulatory Authority levy on professional bodies

Estimate €1.5 million; realised €1.2 million

A shortfall in receipts of €300,000 arose compared with the original estimate provision due to ongoing issues regarding the revenue model. A revised levy model for the LSRA was introduced through the Courts and Civil Law (Miscellaneous Provisions) Act 2023. The revised model allows the LSRA to apply the levy based on the budget for the year ahead rather than purely on expenditure in the previous year.

10 Insolvency Service of Ireland fees

Estimate €1,000; realised €151,000

A surplus of receipts of €150,000 arose compared with the original estimate provision of €1,000 due to additional income arising in 2023 primarily relating to Personal Insolvency Practitioner (PIP) renewals and authorisation fee income.

11 Receipts from additional superannuation contributions on public service remuneration

Estimate €4.432 million; realised €5.250 million

The surplus in receipts of €818,000 compared with the original allocation of €4.432 million was primarily related to increased salary costs caused by a higher than anticipated headcount.

12 Miscellaneous receipts

Estimate €673,000; realised €513,000

The shortfall in receipts of €160,000 arose compared with the original estimate provision. This was mainly due to a reduction in the recoupment of salaries of officers on secondment.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	37	37
Collected	37	37
Transferred to the Exchequer	(37)	(37)
Balance at 31 December	**37**	**37**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2023**	**2022**
Department	1,860	1,594
Agencies	1,682	1,555
Total	**3,542**	**3,149**

5.2 Pay

Remuneration of Department staff

	2023 €000	2022 €000
Pay	88,017	78,680
Higher, special or additional duties allowances	423	291
Other allowances	4,676	3,167
Overtime and extra attendances	2,333	1,795
Employer's PRSI	8,460	7,281
Total pay [a]	**103,909**	**91,214**

Note [a] The total pay figure is distributed across subheads A.1, A.23 and B.1.

Remuneration of agency staff

	2023 €000	2022 €000
Pay	99,800	87,896
Higher, special or additional duties allowances	220	83
Other allowances	3,258	3,107
Overtime and extra attendance	1,883	1,776
Employer's PRSI	6,944	6,302
Total pay [b]	**112,105**	**99,164**

Note [b] The total pay figure is distributed across subheads A.3, A.4, A.5, A.6, A.7, A.10, A.17, A.19, A.21, A.22, A.27, A.28, B.4, B.5, B.6, B.7, B.8, B.9, B.10, B.11, B.13, B.14, B.15, and B.16.

5.3 Allowances and overtime payments

Department staff	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023	2022
			€	€
Higher, special or additional duties allowances	68	18	37,446	41,852
Overtime and extra attendance	680	64	39,833	41,057
Shift and roster allowances	299	123	23,896	16,831
Foreign service allowances	8	6	80,863	45,125
Miscellaneous	271	9	26,664	51,596
Extra remuneration in more than one category	306	165	47,566	49,655
Agency staff				
Higher, special or additional duties allowances	37	9	31,060	28,563
Overtime and extra attendance	117	5	37,039	20,639
Miscellaneous	282	74	25,808	34,576
Extra remuneration in more than one category	29	14	36,235	21,758

5.4 Department staffing by pay band

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

Pay band		Number of employees	
From (€)	To (€)	2023	2022
20,000	59,999	2,266	2,089
60,000	69,999	332	266
70,000	79,999	295	266
80,000	89,999	172	126
90,000	99,999	117	84
100,000	109,999	35	41
110,000	119,999	53	25
120,000	129,999	13	13
130,000	139,999	3	3
140,000	149,999	6	2
150,000	159,999	5	4
160,000	169,999	6	4
170,000	179,999	6	4
180,000	189,999	2	1
190,000	199,999	1	1
200,000	209,999	1	2
210,000	219,999	1	1
220,000	229,999	1	—
230,000	239,000	1	—
240,000	249,999	—	—
250,000	259,999	1	1
260,000	269,999	—	1

5.5 Other remuneration arrangements

Payments totalling €208,172 were paid to 19 retired civil servants who were in receipt of civil service pensions in 2023. In addition, an amount of €464,173 was paid to 22 former public servants and €40,720 to four former judiciary members who were engaged in various roles in 2023.

A total of €4,726,011 was paid through payroll to 198 individuals in respect of duties performed in relation to various boards, committees, commissions and panels, etc.

The account includes expenditure of approximately €854,993 in respect of thirteen officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

The account does not include expenditure in respect of the salaries of thirteen officers who were serving outside the Department for all or part of 2023 in other Government departments/offices.

5.6 Payroll overpayments

at 31 December	**Number of recipients**	**2023**	**2022**
		€	**€**
Overpayments [a]	227	623,987	549,052
Recovery plans in place	90	333,212	304,231

Sixteen overpayment recovery plans in respect of fourteen individuals to the value of €10,731 were transferred to nine government departments/offices in 2023.

Note [a] The overpayments figure excludes overpayment amounts for twenty six employees (2022: 9 employees) where the amount due is pending calculation.

5.7 Severance/redundancy

There were no severance /redundancy payments to staff during 2023.

5.8 Remuneration and benefits of Accounting Officer

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

	2023	**2022**
	€000	**€000**
Gross salary	**227**	**212**

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

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2023	2023 €000	2022 €000
Permanent commissions				
Criminal Injuries Compensation Tribunal [a]	1974	n/a	361	421
Fixed purpose commissions				
Morris Tribunal [b]	2002	68,790	5	1
Location of Victims Remains [c]	2007	8,871	537	185
Independent Review Mechanism and five inquiries established during 2017 under Section 42 of the Garda Síochána Act 2005 [d]	2014	2,379	140	200
Disclosures Tribunal [e]	2017	25,377	2,828	7,997
Independent Reporting Commission[f]	2017	181	26	24
South East Commission of Investigation [g]	2018	3,514	773	999
Study on Familicide and Domestic Homicide Reviews [h]	2019	686	—	182
Scoping review of circumstances leading to death of Shane O' Farrell [i]	2019	513	3	87
		110,311	**4,673**	**10,096**

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 almost €68.8 million with expenditure in 2023 amounting to circa €5,000 with regards to minor administrative costs.

[c] The work of the Independent Commission for the Location of Victims Remains is ongoing, with four victims' remains still to be recovered (the fourth victim was added in 2022). Substantial costs can 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 2023 of approximately €537,000 was incurred, with two thirds discharged in relation to search activity. The remaining third was in relation to administrative expenses (which includes payments to the investigators). This brings the total spend to date to just under €8.9 million and further payments are anticipated.

[d] 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, one concluded in October 2021 and the final one was concluded in July 2023. Expenditure of circa €140,000 was incurred in 2023.

[e] 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.

Mr Justice Seán Ryan took up his appointment in December 2018 to conduct the inquiry into the remaining terms of reference as provided for in the instrument establishing the Tribunal. Justice Ryan finalised the 4th interim report regarding Garda Nicholas Keogh in July 2021. The fifth interim report and the sixth and final report of the Tribunal concerning retired Sergeants Paul Barry and William Hughes were published in March and April 2023 respectively. Expenditure of circa €2.83 million was incurred in relation to this module in 2023.

[f] The Independent Reporting Commission (IRC) was established in 2017 under the Fresh Start Agreement. It is a four member cross border body 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 sixth report from the IRC was presented to the Irish and UK Governments in December 2023. Expenditure in the region of €26,000 on administrative costs was incurred in 2023, which is in keeping with expenditure levels in previous years. Further payments are anticipated.

[g] The South East Commission of Investigation (formerly known as the Hickson Commission and subsequently the White Commission) 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. Mr Justice Barry Hickson, stepped down from his role in the Commission with effect from 30 June 2021 and has been replaced by Mr Justice Michael White. Justice White provided a comprehensive update to the Minister in September 2022 setting out the progress made by the Commission which is subject to pending related criminal trials. Expenditure in the region of €773,000 was incurred in relation to the module in 2023 for staff costs, administration and legal expenses.

[h] In May 2019 the then Minister for Justice established a group to carry out a Study on Familicide and Domestic Homicide Reviews. 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 final report was presented to the Minister for Justice in early 2023.

[i] 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. On 1 June 2022, Judge Haughton submitted his report to the Minister. The report was published on the Department's website on 3 July 2023 and laid before both Houses of the Oireachtas. In the region of €3,000 was incurred on the payment of wages and the printing of the final report.

6.2 Ex-gratia payments

Ex-gratia payments amounting to €49,740 (2022: €42,245) 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 €1,439,567 (2022:€1,434,744) 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 €9,441 (2022: €152,782) were made in respect of four other cases related to other legal proceedings.

6.3 Drugs Initiative Fund

An amount of €379,834 (2022: €489,571) 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

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2023	2022
Number of cases	1	369	370	483
	€000	€000	€000	€000
Department's own legal costs	—	995	995	563
Amounts awarded				
Compensation	—	63	63	453
Legal costs	8	9,550	9,558	9,777
Other costs	—	2	2	340
2023 Total	**8**	**10,610**	**10,618[a]**	**11,133**
2022 Total	26	11,107	11,133	

Note
[a] Of the total of €10.618 million, €9.4 million (88.6%) relates to the immigration areas of the Department. The remaining legal costs were incurred across a number of areas including the Department's Criminal Legislation Division, Insolvency Service of Ireland, Property Services Regulatory Authority and Coroners Service.
[b] At 31 December 2023, it is estimated that there are 1,308 cases outstanding. The comparative figure for 2022 is 932.
[c] Costs are reimbursed to the State Claims Agency on receipt of periodic invoices and any costs for cases settled near the end of the prior year are reimbursed on receipt of invoices in the new financial year. Details of any outstanding costs at year end are not readily available

Cumulative costs of cases completed in 2023

	Claims by		
	employees	members of the public	Total
Number of cases	1	348	349
	€000	€000	€000
Department's own legal costs		862	862
Amounts awarded			
Compensation	—	63	63
Legal costs	8	9,547	9,555
Other costs	—	2	2
Total	**8**	**10,474**	**10,482[a]**

Note
[a] Generally the total cost impacts at the time and year of settlement. This is particularly the position in relation to immigration cases which account for the majority of expenditure in this area.

6.5 Prompt payment of account interest

The amount of prompt payment interest incurred by the Department in 2023 was €15,672 (2022: €9,076).

6.6 EU funding[a]

The outturns shown in Subhead A.11 include payments in respect of activities which are co-financed by the EU. Estimates of receipts and actual outturns were as follows.

Subhead description	2023		2022
	Estimate	Outturn	Outturn
	€000	€000	€000
ESF - Programme for Employability, Inclusion and Learning (PEIL) 2014 – 2020 (ESF)	1	—	1

Note [a] The European Social Fund is the European Union (EU)'s main instrument for investing in people, a new ESF programme called the ESF+ 2021-2027 has commenced.

6.7 Deferred surrender

Deferred surrender comprises savings in 2023 of €1.4 million in capital expenditure in the following subheads that were carried over to 2024.

		€000
Description of subhead		
A.21	Forensic Science Ireland	1,004
Admin (v)	Office equipment and external IT services	396
		1,400

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €31,000 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 Commission

The Irish Human Rights and Equality Commission is an independent statutory body, established on 1 November 2014 under the Irish Human Rights and Equality Commission Act 2014. The statutory mandate of the Commission is to protect and promote human rights and equality in Ireland and to build a culture of respect for human rights, equality and intercultural understanding. The Commission is Ireland's National Human Rights Institution and National Equality Body. It is also Ireland's National Rapporteur on Anti Human Trafficking.

The Commission has fifteen members, one of whom is the Chief Commissioner. The provisions of the Act are designed to ensure the independence of the Commission in its work. Members of the Commission are appointed by the President of Ireland, following a resolution by both Houses of the Oireachtas. The Commission is a body corporate. It accounts directly to the Oireachtas for its statutory functions and the members independently determine its policy and activities. The executive, led by the Director as Accounting Officer, implements the strategy and policies of the Commission.

The Commission must prepare every three years a strategy statement which must be laid before the Houses of the Oireachtas. The Commissions Strategy Statement 2022-2024 was laid before the Oireachtas in December 2021. The Commission must also, no later than six months after the end of each financial year, prepare an annual report on its activities which is laid before the Houses of the Oireachtas and is subsequently published.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account with the following additions.

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	10 years	10%

Depreciation rate for leasehold improvements

Leasehold premises improvements are 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 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 resources 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 Service Office for the provision of payroll and human resources 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 Commission.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Commission
- there are regular reviews by senior management and the Commission of periodic and annual financial reports which indicate financial performance against forecasts
- 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

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

The Commission ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €3.4 million in 2023.

The Commission has provided details of 13 non-competitive contract in excess of €25,000 (exclusive of VAT) in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery 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 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, 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

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.

Internal financial control issues

I took up responsibility as Accounting Officer on 19 May 2023 following the departure of Ms Éimear Fisher as the previous Accounting Officer.

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Deirdre Malone
Accounting Officer
Irish Human Rights and Equality Commission

11 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 25 Irish Human Rights and Equality Commission for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

24 May 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 25 Irish Human Rights and Equality Commission

Appropriation Account 2023

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Irish Human Rights and Equality Commission function			
	Original	8,195		
	Supplementary	224		
		8,419	8,386	7,610
Gross expenditure			**8,419**	**8,386**	**7,610**
	Deduct			
B	**Appropriations-in-aid**			
	Original	81		
	Supplementary	39		
		120	**118**	**101**
Net expenditure				
	Original	8,114		
	Supplementary	185		
		8,299	**8,268**	**7,509**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**31,042**	**24,118**

Deirdre Malone
Accounting Officer
Irish Human Rights and Equality Commission

11 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	€000	2023 €000	2022 €000
Pay		4,958	4,474
Non pay		3,428	3,136
Gross expenditure		**8,386**	**7,610**
Deduct			
Appropriations-in-aid		**118**	**101**
Net expenditure		**8,268**	**7,509**
Changes in capital assets			
Property, plant and equipment **(note 2.1)**			
Purchases	(63)		
Depreciation	160		
Intangible assets (note 2.2)			
Purchases	—		
Amortisation	12		
		109	170
Changes in net current assets			
Decrease in prepayments	450		
Decrease in accrued expenses	(250)		
		200	74
Direct expenditure		**8,577**	**7,753**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		157	106
Net programme cost		**8,734**	**7,859**

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.

		2023 €000	2022 €000
Vote 18	National Shared Services Office	12	9
Vote 43	Office of the Government Chief Information Officer	145	97
		157	**106**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	1,269	1,366
Intangible assets	2.2	95	107
Total fixed assets		**1,364**	**1,473**
Current assets			
Bank and cash	2.3	184	59
Prepayments	2.4	214	664
Net Exchequer funding	2.8	9	164
Other debit balances	2.5	3	9
Total current assets		**410**	**896**
Less current liabilities			
Accrued expenses	2.6	46	296
Other credit balances	2.7	196	232
Total current liabilities		**242**	**528**
Net current assets		168	368
Net assets		**1,532**	**1,841**
Represented by:			
State funding account	2.9	**1,532**	**1,841**

2.1 Property, plant and equipment [a]

	Leasehold improvements	Furniture and fittings	Office and IT equipment	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	1,746	360	357	2,463
Additions	—	—	63	63
Disposals	—	—	—	—
Adjustments	—	—	—	—
At 31 December 2023	1,746	360	420	2,526
Accumulated depreciation				
At 1 January 2023	596	240	261	1,097
Depreciation for the year	87	36	37	160
Depreciation on disposals	—	—	—	—
Adjustments	—	—	—	—
At 31 December 2023	683	276	298	1,257
Net assets				
At 31 December 2023	**1,063**	**84**	**122**	**1,269**
At 31 December 2022	1,151	119	96	1,366

Note [a] Cost or valuation at the beginning and end of the year include assets, including software assets, acquired for less than €10,000 prior to 1 January 2021.

[b] On 1 January 2023, the cost, accumulated depreciation and net book value of assets representing software acquisition and development were transferred from Property, plant and equipment to Intangible assets (note 2.2)

2.2 Intangible assets

	Acquired software licences and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023	120	120
Additions	—	—
Transfers	—	—
Disposals	—	—
At 31 December 2023	120	120
Accumulated Amortisation		
At 1 January 2023	13	13
Amortisation for the year	12	12
Amortisation of disposals	—	—
At 31 December 2023	25	25
Net assets at 31 December 2023	**95**	**95**
Net assets at 31 December 2022	107	107

Note [a] The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were transferred from Property, plant and equipment.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
PMG balances and cash	184	59
	184	**59**

2.4 Prepayments

at 31 December	2023	2022
	€000	€000
Training and development and incidental expenses	141	500
Office premises expenses	55	114
Office equipment and external IT services	18	47
Travel and subsistence	—	2
Postal and telecommunications services	—	1
	214	**664**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Cycle to work scheme	2	2
Payroll debtors	1	3
Tax saver ticket	—	4
	3	**9**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Office premises expenses	19	82
Office equipment and external IT services	10	19
Training and development and incidental expenses	8	44
Consultancy and VFM and policy reviews	6	145
Postal and telecommunications services	2	3
Travel and subsistence	1	3
	46	**296**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Professional services withholding tax	49	88
Income tax	68	71
Pay related social insurance	54	53
Universal social charge	13	14
Value added tax	12	5
Salaries	—	1
	196	**232**

2.8 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	31	24
Exchequer grant undrawn	(40)	(188)
Net Exchequer funding	**(9)**	**(164)**
Represented by:		
Debtors		
Bank and cash	184	59
Debit balances	3	9
	187	68
Creditors		
Due to the State	(196)	(232)
	(196)	(232)
	(9)	**(164)**

2.9 State funding account

	Note		2023	2022
		€000	€000	€000
Net assets at 1 January			1,841	2,085
Disbursements from the Vote				
Estimate provision	Account	8,299		
Surplus to be surrendered	Account	(31)		
Net vote			8,268	7,509
Expenditure (cash) borne elsewhere	1.1		157	106
Non cash items – Property, plant and equipment adjustment	2.1		120	—
Non cash items – Intangible assets adjustment	2.2		(120)	—
Net programme cost	1		(8,734)	(7,859)
Balance at 31 December			**1,532**	**1,841**

2.10 Commitments

Global commitments	**2023**	**2022**
at 31 December	**€000**	**€000**
Procurement of goods and services [a]	647	1,306
Non-capital grant programmes	278	284
Legal and other projects	216	35
Total of legally enforceable commitments	**1,141**	**1,625**

Note [a] Lease of premises commitments reduce each year up to 8 May 2025 due to an available break clause.

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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	4,937			
	Supplementary	39			
			4,976	4,958	4,474
ii	Travel and subsistence				
	Original	30			
	Supplementary	25			
			55	49	35
iii	Training and development and incidental expenses				
	Original	1,887			
	Supplementary	(330)			
			1,557	1,558	1,571
iv	Postal and telecommunications services				
	Original	47			
	Supplementary	33			
			80	70	71
v	Office equipment and external IT services				
	Original	244			
	Supplementary	79			
			323	327	289
vi	Office premises expenses				
	Original	600			
	Supplementary	(50)			
			550	575	515
vii	Consultancy services and value for money and policy reviews				
	Original	450			
	Supplementary	428			
			878	849	655
			8,419	**8,386**	**7,610**

Significant variations

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

vii Consultancy services and value for money and policy reviews

Estimate provision €450,000*; outturn* €849,000

The increase on expenditure of €399,000 on consultancy services and policy review was due to increased specialist legal assistance required to support our increased human rights and equality litigation activity pursued by IHREC in accordance with its statutory functions

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
			Estimated	Realised	Realised
		€000	€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration				
	Original	80			
	Supplementary	20			
			100	96	88
2	Miscellaneous				
	Original	1			
	Supplementary	19			
			20	22	13
	Total		**120**	**118**	**101**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**87**	**82**

5.2 Pay

	2023 €000	2022 €000
Pay	4,469	4,031
Higher, special or additional duties allowances	15	22
Overtime	4	—
Employer's PRSI	470	421
Total pay	**4,958**	**4,474**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	4	—	8,583	13,176
Overtime	6	—	2,947	—

5.4 Other remuneration arrangements

In 2023, one retired civil servant in receipt of a civil service pension was re-engaged at a total cost of €52,617. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.5 Commission staffing by pay band

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

Pay band (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	54	56
60,000	69,999	5	4
70,000	79,999	8	6
80,000	89,999	6	3
90,000	99,999	1	1
100,000	109,999	1	2
110,000	119,999	1	—
120,000	129,999	1	2
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	—	1
160,000	169,999	—	—
170,000	179,999	1	—

5.6 Payroll overpayments

at 31 December	**Number of recipients**	**2023**	**2022**
		€	**€**
Overpayments	14	37,420	12,087
Overpayments with recoupment plans in place.	4	19,942	3,374

The Irish Human Rights and Equality Commission is engaging with the National Shared Services Office to implement the recoupment plans in place.

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay		
Laurence Bond (retired 31 December 2022)	3	112
Éimear Fisher (Accounting Officer 19 September 2022 – 18 May 2023)	47	30
Deirdre Malone (appointed 19 May 2023)	70	—
Allowances	15	17
	135	**159**

Mr Laurence Bond retired on 31 December 2022 with final salary issuing at 5 January 2023. Ms Éimear Fisher was appointed as Accounting Officer from 19 September 2022 until 18 May 2023. Ms Deirdre Malone was appointed as Accounting Officer on 19 May 2023. The retired Accounting Officer is a member of the Unestablished Pension Scheme and both the interim and current Accounting Officers are members of the Single Public Service Pension Scheme.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €70.233 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

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

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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

National Shared Services Office

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.

Department of Further and Higher Education, Research, Innovation and Science

The Department is providing a shared service to the Department of Further and Higher Education, Research, Innovation and Science across a number of business and corporate areas. A notional charge has been applied under note 1.1 Net allied services to reflect the use of assets and costs attributable to the shared service.

The detailed arrangements governing these shared services are subject to a process of on-going joint development and documentation. This includes memorandums of understanding currently in place between the two Departments in relation to a number of areas including ICT provision and shared services delivery to the tertiary sector; capital planning; finance and agency governance; procurement; mobile phones; child protection; FOI and data protection; records management; health and safety; human resources, payrolls and pensions administration.

Department of Children, Equality, Disability, Integration and Youth

Tusla is an aegis body of the Department of Children, Equality, Disability, Integration and Youth. Functions under section 10 of the Education (Welfare) Act 2000, performed by Tusla, and the administration of the School Completion Programme and the Home School Community Liaison scheme, are under the remit of the Minister for Education with effect from 1 January 2021. The Department's arrangements for governing these services are set out in the Child and Family Agency (Amendment) Act 2021, and in agreements agreed between both Departments and between the Department of Education and Tusla.

Education Shared Business Services

In 2023, the Department continued the roll out of shared services to the education sector. This included the continued roll-out of payroll shared services to education and training boards (ETBs) and higher education institutions and the commencement of the roll-out of financial shared services for the ETB sector and onboarding of school secretaries to the schools employee payroll shared service. It also continued to explore opportunities for further shared service initiatives across the education sector and promote ongoing procurement reforms through the work of the Education Procurement Programme Board and engagement with the funded entities. A Programme Management Office oversees and sets priorities for the work on the major shared services and IT programmes.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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 audit and Audit Committee

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 are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit plan is reviewed periodically by the Accounting Officer and by the Audit Committee. Procedures are 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. It operates with the direct authority of the Minister for Public Expenditure, National Development Plan Delivery and Reform in line with the terms of SI No.188/2017 and in accordance with its own written charter. It reports 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 European Social Fund (ESF) funds in Ireland.

As the European Social Fund is managed by a unit within the Department of Further and Higher Education, Research, Innovation and Science (Vote 45), the ESF Audit Authority reports to that Department's Audit Committee in accordance with its charter.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of 33 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, NDP Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 20 contracts (in excess of €25,000), totalling €5,501,846 in 2023 as set out below.

- Ten contracts with a value of €2,553,350 were awarded for IT and project support that relied in error on a non-compliant framework agreement.
- Five contracts with a value of €2,505,020 were extended for business continuity reasons.
- Three contracts with a value of €313,888 were awarded following limited competitive procurement processes but all three contracts should have been openly tendered for.
- One contract with a value of €72,072 was awarded on an urgent basis where services were required immediately, partially as a result of the timing of the procurement by the Department.
- One contract with a value of €57,516 was awarded without a competitive procurement process in circumstances where there was a very limited availability of suppliers.

The above 20 contracts have been included in the 40/2002 annual return referenced above.

Of these contracts

- Ten have expired during 2023.
- Six have longer term procurements where updated competitive tendering arrangements are in preparation, or the current procurement arrangements are scheduled to be reviewed.
- Three will continue until expiry.
- One contract is for a licence which is embedded in the education system.

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 our 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. The Governance Framework was revised in 2023 and 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

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. In 2022, a review of risk management policy and practices in the Department was commissioned. The final report of this review was received in 2024 with an action plan now being developed to assess and implement the approved recommendations.

ICT security

The Department has a strong commitment to the security of its ICT systems and has developed a cyber-security readiness framework based on the National Cyber Security Centre (NCSC) baseline standards. The ICT unit also work closely with the National Computer Security Incident Response Team (CSIRT), which provide assistance in detecting counteracting, or remediating security risks for the Department's information, computer systems, physical property and other assets.

The Department's cyber security protocols are supported by the work of NCSC and CSIRT, which provide early warnings, alerts, announcements and dissemination of information about risk and incidents. This is complemented by additional security expertise provided for by multiple third party security organisations.

In 2023, the Department established a dedicated Information Security (InfoSec) team, consisting of Department staff and external contractors. This team will manage the day to day security issues through a dedicated case management system while also reviewing and implementing new security processes and policies.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2023 that resulted in losses that require disclosure in the appropriation account.

Education sector corporate governance

The state bodies 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, National Development Plan Delivery and Reform's *Code of Practice for the Governance of State Bodies* in conjunction with the supporting annexes to that code.

During 2023, the Department continued to roll 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 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 utilised to enable the Department to 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 in 2024. 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 code's "comply or explain" requirements.

In relation to the Education and Training Boards sector, a sectoral code of practice aligned to the Code of Practice and the specific regulatory frameworks of the 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.

Bernie McNally
Accounting Officer
Department of Education

24 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 26 Education for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

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 2023.

Payroll write-offs and overpayments

Note 5.6 to the appropriation account concerns payroll and pension overpayments. It discloses that, at the end of 2023, overpayments identified as due for recovery amounted to €7.8 million. At the year end, repayment arrangements were in place with the staff and pensioners concerned in respect of overpayments to the value of €2.2 million (28%). Separately, note 6.6 to the appropriation account discloses that the Department wrote off payroll overpayments to the value of €283,000 in 2023.

Protecting the State's investment in the schools estate

Chapter 7 of my report on the accounts of the public services for 2023 presents the findings of an examination of the protections in place to safeguard the State's investment in the schools estate.

Monitoring and managing the performance of school inspections

Chapter 8 of my report on the accounts of the public services for 2023 concerns the systems, procedures and practices the Department and its Inspectorate have in place to monitor and report on the activity and outputs of school inspections.

Seamus McCarthy
Comptroller and Auditor General

25 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 26 Education

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	First, second and early years education				
	Original	10,025,107			
	Supplementary	849,287			
Gross expenditure			**10,874,394**	**10,808,822**	**10,176,293**
	Deduct				
B	**Appropriations-in-aid**				
	Original	349,985			
	Supplementary	54,133			
			404,118	**408,779**	**408,847**
Net expenditure					
	Original	9,675,122			
	Supplementary	795,154			
			10,470,276	**10,400,043**	**9,767,446**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**70,232,968**	**48,889,202**

Bernie McNally
Accounting Officer
Department of Education

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		10,669,804	10,056,262
Pay		112,611	100,607
Non pay		26,407	19,424
Gross expenditure		**10,808,822**	**10,176,293**
Deduct			
Appropriations-in-aid		**408,779**	**408,847**
Net expenditure		**10,400,043**	**9,767,446**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(252,315)		
Depreciation	230		
Loss on disposals	1		
Intangible assets (note 2.2)			
Purchases	(2,695)		
Amortisation	702		
		(254,077)	(199,656)
Changes in net current assets			
Decrease in prepayments	4,707		
Increase in accrued income	(1,315)		
Increase in accrued expenses	19,713		
		23,105	26,120
Direct expenditure		**10,169,071**	**9,593,910**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		29,285	25,697
Notional rents		3,217	3,221
Net programme cost		**10,201,573**	**9,622,828**

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.

		2023 [a] €000	2022 [a] €000
Vote 9	Office of the Revenue Commissioners	171	184
Vote 12	Superannuation and Retired Allowances	28,929	26,106
Vote 13	Office of Public Works	2,157	1,895
Vote 18	National Shared Services Office	193	166
Vote 20	Garda Síochána	249	—
Vote 43	Office of the Government Chief Information Officer	140	130
Central Fund - ministerial pensions		260	282
Apportioned cost of shared services for Vote 45		(2,814)	(3,066)
		29,285	**25,697**

Note [a] The 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 appropriate, it was apportioned based on an agreed allocation of costs between Vote 26 and Vote 45.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	357,760	533,304
Intangible assets	2.2	6,086	4,554
Total fixed assets		**363,846**	**537,858**
Current assets			
Bank and cash	2.3	188,282	192,062
Prepayments	2.4	24,004	28,711
Overpayments for recoupment	5.6	7,824	7,576
Secondment costs for recoupment		561	965
Amounts due from the EU		10	10
Accrued income	2.5	2,770	1,299
Other debit balances	2.6	564	591
Total current assets		**224,015**	**231,214**
Less current liabilities			
Accrued expenses	2.7	104,068	84,291
Salary recoupment to other departments and agencies		—	64
EU moneys for distribution		8,508	8,508
Other credit balances	2.8	173,623	181,863
Net Exchequer funding	2.9	6,725	2,292
Total current liabilities		**292,924**	**277,018**
Net current assets		(68,909)	(45,804)
Net assets		**294,937**	**492,054**
Represented by:			
State funding account	2.10	**294,937**	**492,054**

2.1 Property, plant and equipment [a]

	Land and buildings	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000
Cost or valuation					
At 1 January 2023 [a]	247,840	8,007	5,709	284,746	546,302
Additions	12,049	15	—	240,251	252,315
Assets brought into use	393,433	—	—	(393,433)	—
Disposals	(430,345)	(39)	—	—	(430,384)
Adjustments [b]	(6,836)	(3,473)	(287)	9,823	(773)
At 31 December 2023	216,141	4,510	5,422	141,387	367,460
Accumulated depreciation					
At 1 January 2023 [a]	—	7,537	5,461	—	12,998
Depreciation for the year	—	225	5	—	230
Depreciation on disposals	—	(38)	—	—	(38)
Adjustments [b]	—	(3,344)	(146)	—	(3,490)
At 31 December 2023	—	4,380	5,320	—	9,700
Net assets					
At 31 December 2023	**216,141**	**130**	**102**	**141,387**	**357,760**
At 31 December 2022	247,840	470	248	284,746	533,304

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

[b] Following a detailed review of the asset register, the Department identified four sites with a value of €7.276 million which are not registered in the ownership of the Minister and which have now been removed from the assets register. In addition, three other sites had been understated by a total of €440,000.

Office and IT equipment and furniture and fittings with a net book value of €129,000 and €141,000 respectively and with an original cost below the €10,000 asset threshold, were removed from the register.

The adjustments in respect of assets under development related to the inclusion of seven projects which had been omitted in error in previous accounting periods (€37.618 million), the removal of five projects on non-Minister owned sites (€26.243 million), the removal of six non-large scale projects (€3.316 million) and the revision of costs on ten projects following a detailed review of them. The net effect of these ten projects was an increase in the value of capital assets under development of €1.764 million.

The net effect of all of the above adjustments is an increase of €2.717 million on the asset register. Land and buildings disposals in the year was €430.345 million. These non-cash item adjustments to the property, plant and equipment asset register in 2023 amounted to €427.628 million and this amount is reflected in the State Funding Account (see note 2.10).

General information note

There are no State-owned lands or buildings controlled by the Department of Education without a valuation except for some education centres for which a valuation is currently outstanding. Land and buildings owned by the Department are controlled and managed as follows.

1 Transfer of school properties 2023

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 2023 are included in the table below.

Name of school	Valuation [a]
	€000
Carrigtwohill Post Primary, Carrigtwohill, Cork	55,663
Limerick City East Secondary School, Limerick ETSS, North Circular Road, Limerick	41,444
Scoil Mhuire Naofa, Carrigtwohill, Cork	31,399
St Pauls Secondary School, Monasterevin, Kildare	24,959
Carrigtwohill Community NS, Carrigtwohill, Cork	24,940
Douglas Rochestown ETNS, Douglas, Cork	23,759
St Marys Central N S, Mount Eden Road, Dublin 4	23,483
Ballinteer ETNS, Balally, Dublin 16	22,540
Ashbourne Community National School, Ashbourne, Meath	21,567
St Patricks Special School, Drumgoold, Enniscorthy, Wexford [b]	18,790
Lusk Community College, ,Lusk, Dublin [b]	17,797
Cherrywood ETNS, Cherrywood, Dublin 18	17,441
Stapolin ETNS, Myrtle Road, Dublin 13	16,130
Pelletown ETNS, Ashtown, Dublin 15	15,552
Gaelscoil Chnoc Liamhna, Knocklyon, Dublin 16	15,168
Scoil Mhuire Primary School, Stranorlar, Donegal [b]	10,966
Holy Family Primary School, Ardmore Rd, Mullingar [b]	10,316
Bunscoil na Cathrach, Cahir, Tipperary [b]	9,756
Gaelscoil Chluain Meala, Clonmel,Tipperary [b]	9,178
Gaelscoil Inis Corthaidh, Drumgoold, Enniscorthy, Wexford [b]	8,384
S N Lios Teilic, Listellick, Tralee, Kerry	6,708
Rush And Lusk ETNS,Lusk, Dublin [b]	1,340
Naas CNS, Craddockstown, Naas, Kildare [b]	840
Seamount College Post Primary, Kinvara, Galway [b]	800
Booterstown Boys Primary School, Blackrock, Co Dublin [b]	725
Waterpark N S, Park Road, Waterford [b]	700
	430,345

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 2023 not paid for at 31 December 2023.

[b] The above table includes twelve school projects and sites that should have been reported as technical disposals in prior years. This was identified during a review of assets.

2 Primary level

There were 3,229 national schools in operation on 31 December 2023. The majority of these schools are denominational and are owned by the relevant diocesan authority. The exceptions are as follows.

- Sites for 59 first-level schools are owned and controlled/managed by the Minister for Education.
- In the case of 236 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.

3 Post-primary level

There are a total of 722 post primary schools. 362 schools are patron owned. The remainder are operating as follows.

- 14 comprehensive schools, 77 community schools and 23 secondary schools owned by the Minister for Education are controlled/managed by Boards of Management.
- There are 246 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 34 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 Office of the Chief State Solicitor (CSSO) of the change of ownership of the school property from the Minister for Education to Tusla (the Child and Family Agency). The CSSO was instructed by the Department to notify the Property Registration Authority of the change of ownership and this continues to be progressed. 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. (See also note 2.13)

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	15,462	953	16,415
Additions	—	2,695	2,695
Assets brought into use	444	(444)	—
Disposals	(5)	—	(5)
Adjustments [b]	(8,386)	—	(8,386)
At 31 December 2023	7,515	3,204	10,719
Accumulated amortisation			
At 1 January 2023	11,861	—	11,861
Amortisation for the year	702	—	702
Amortisation of disposals	(5)	—	(5)
Adjustments [b]	(7,925)	—	(7,925)
At 31 December 2023	4,633	—	4,633
Net assets			
At 31 December 2023	**2,882**	**3,204**	**6,086**
At 31 December 2022	3,601	953	4,554

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment.

[b] The net effect of adjustments to acquired and developed software was €461,000. These adjustments relate to the removal of software and licenses no longer in use by the Department and are reflected in the State Funding Account as non-cash item adjustments under intangible assets (see note 2.10).

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	186,910	191,030
Commercial bank account balances	1,369	1,029
Petty cash	3	3
	188,282	**192,062**

2.4 Prepayments

at 31 December	2023 €000	2022 €000
Advance to Bus Éireann – school transport	17,751	13,244
Advance to State Examinations Commission	46	831
ICT support and licensing contracts	1,869	1,499
Pre-funding of school building projects	—	8,736
Rental of temporary school accommodation	1,842	1,344
Shared services implementation	910	526
School broadband contracts	296	571
Other administration	566	502
Other programme	724	1,458
	24,004	**28,711**

2.5 Accrued income

at 31 December	2023 €000	2022 €000
Additional superannuation contributions	19	27
School salary grant	675	1,102
Planning and building recoupments	2,068	—
Miscellaneous	8	170
	2,770	**1,299**

2.6 Other debit balances

at 31 December	2023 €000	2022 €000
Agency payments OPW	137	330
Cycle to work scheme	45	44
Travel pass scheme	221	132
Recoupable salaries	—	36
Shared offices' costs recoupment	119	46
Transfer of functions	38	—
Superannuation related payovers	3	3
Miscellaneous	1	—
	564	**591**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Schools capital programme	83,646	66,436
Schools PPP unitary charges	4,720	4,811
Bus Éireann	9,581	8,402
Other programme	4,437	4,228
Other administration	1,684	414
	104,068	**84,291**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	78,647	86,827
Pay related social insurance	56,870	60,364
Universal social charge	15,788	16,857
Local property tax	341	365
Professional services withholding tax	1,105	1,072
Value added tax	6,914	8,152
Pension contributions	102	110
	159,767	173,747
Transfer of functions	—	257
Agency payments to OPW	—	—
Travel pass scheme	—	1
Energy Building Programme	12,422	6,477
Payroll suspense	1,051	822
Miscellaneous	383	529
Exchequer extra receipts	—	30
	173,623	**181,863**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	70,233	48,889
Exchequer grant undrawn	(63,508)	(46,597)
Net Exchequer funding	**6,725**	**2,292**
Represented by:		
Debtors		
Bank and cash	188,282	192,062
Other debit balances	564	591
Amounts due from the EU	10	10
	188,856	192,663
Creditors		
Due to the State	(159,766)	(173,747)
EU moneys for distribution	(8,508)	(8,508)
Other credit balances	(13,857)	(8,116)
	(182,131)	(190,371)
	6,725	**2,292**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			492,054	386,296
Disbursements from the Vote Estimate provision	Account	10,470,276		
Surplus to be surrendered	Account	(70,233)		
Net vote			10,400,043	9,767,446
Expenditure (cash) borne elsewhere	1.1		29,285	25,697
Non cash items – Property, plant and equipment adjustment	2.1		(427,628)	(67,778)
Non cash items – Intangible assets adjustment	2.2		(461)	—
Non cash expenditure – notional rent	1		3,217	3,221
Net programme cost			(10,201,573)	(9,622,828)
Balance at 31 December			**294,937**	**492,054**

2.11 Commitments

at 31 December	2023	2022
	€000	€000
Global commitments		
Procurement of goods and services	19,237	6,457
Non-capital grant programmes [a]	2,583,310	2,319,159
Capital grant programmes [b]	35,500	35,500
Capital projects [c]	723,473	699,388
Public private partnership projects	957,259	1,025,368
Total of legally enforceable commitments	**4,318,779**	**4,085,872**

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.

Major capital projects

Capital projects involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of projects 2023	Expected total spend lifetime of projects 2022
	€000	€000	€000	€000	€000
Primary and post primary schools (subhead A.15) [a]	**1,099,705**	**412,978**	**499,832**	**2,012,515**	**1,565,209**

Note [a] A breakdown of the above table is presented in Appendix A

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 B.

Name of PPP project	Cumulative expenditure to 31 December 2022	Expenditure in 2023 [a]	Legally enforceable commitments to be met in subsequent years	Project total 2023	Project total 2022
	€000	€000	€000	€000	€000
Five pilot schools	226,567	11,316	46,319	284,202	283,701
1st bundle	118,733	9,679	121,132	249,544	248,555
2nd bundle	148,643	13,412	178,559	340,614	339,557
3rd bundle	145,019	15,939	255,150	416,108	416,870
4th bundle	59,296	7,744	146,165	213,205	213,999
5th bundle [b]	44,691	9,972	209,934	264,597	261,284
	742,949	**68,062**	**957,259**	**1,768,270**	**1,763,966**

Note [a] The expenditure reflected at the end of 2023 relates specifically to capital payments The expenditure in the table above is included in the overall outturn of €66.622 million on subhead A.16. Total expenditure per the A16 subhead is net of the 2023 unitary charge recoupment from Vote 45. The subhead also includes certain grant payments to PPP provided schools.

[b] Cumulative expenditure to 31 December 2022 has been restated to include the portion of the 5th bundle's unitary charge that relates to Carlow Institute of Further Education and which has been recouped from Vote 45 since 2020. This increased cumulative expenditure on the 5th bundle of projects at 31 December 2022 from €40.34 million to €44.691 million, an increase of €4.351 million.

Significant variations in PPP project costs

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2022 to 2023.

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.

Five pilot schools bundle

The increase in costs from 2022 to 2023 of €501,000 relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 1

The increase in costs from 2022 to 2023 of €989,000 relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 2

The increase in costs from 2022 to 2023 of €1.057 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 3

The reduction in costs from 2022 to 2023 of €762,000 relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 4

The reduction in costs from 2022 to 2023 of €794,000 relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Schools bundle 5

The increase in costs from 2022 to 2023 of €3.313 million relates to the yearly indexation review and a consequential revision to the calculation of the projections.

Expenditure on rental of temporary school premises

During 2023, expenditure under subhead A.15 included amounts totalling €42.902 million in respect of the rental of temporary school premises (2022: €41.5 million).

2.12 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	**17,155**	**825**

2.13 Contingent liabilities

Middletown Centre for Autism

A pension liability in the region of €1,415,000 as at the end of 2023 (2022: €1,800,000) 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.

Schools remediation programme

The Department continues to pursue legal proceedings in relation to defects discovered in 40 schools built by Western Building Systems. The Department has paid for remediation works in these schools. The costs of remediation are met from a contingency provision within the capital budget.

40 schools were assessed as requiring remediation work due to the identification of structural defects. Remediation work has taken place on these schools, and the Department is continuing to complete the required remediation as part of a wider remediation/refurbishment/retrofit programme of works that will also future proof the schools from a climate perspective. The recovery of costs to the Exchequer of the remediation is subject to ongoing legal proceedings outlined above.

Legal cases

The Department is involved in a number of 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 has been allocated to Programme A to present a complete programme costing.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	97,683	91,004	79,784
ii	Travel and subsistence	1,659	1,645	1,185
iii	Training and development and incidental expenses	1,670	2,047	1,718
iv	Postal and telecommunications services	3,149	3,723	3,498
v	Office equipment and external IT services	16,643	11,907	8,685
vi	Office premises expenses	1,985	1,818	1,533
vii	Consultancy and other services	126	96	22
viii	National Educational Psychological Service [a]	33,877	26,778	23,606
		156,792	**139,018**	**120,031**

Note [a] The National Educational Psychological Service subhead is primarily a pay subhead. Pay expenditure of €21.607 million is allocated to A.1 Administration pay subhead and non-pay expenditure of €5.171 million is allocated to A.2 Administration non-pay under Programme A.

Significant variations

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

v Office equipment and external IT services

Estimate provision €16.643 million; outturn €11.907 million

The decrease in expenditure of €4.736 million relative to the estimate is primarily due to delays in the roll-out of planned IT projects.

Programme A First, Second and Early Years Education

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		123,352	112,611	100,607
A.2	Administration − non pay		33,440	26,407	19,424
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers				
	Original	3,059,788			
	Supplementary	99,321			
			3,159,109	3,142,476	2,981,779
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers				
	Original	1,626,887			
	Supplementary	32,030			
			1,658,917	1,656,098	1,578,789
A.5	Grants to education and training boards in respect of ETB teachers' salaries				
	Original	747,129			
	Supplementary	39,120			
			786,249	787,429	738,719
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools				
	Original	790,608			
	Supplementary	30,620			
			821,228	821,958	745,844

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)				
	Original	116,527			
	Supplementary	25,330			
			141,857	138,834	108,109
A.8	Superannuation etc. in respect of teaching and non-teaching staff				
	Original	1,467,911			
	Supplementary	12,270			
			1,480,181	1,475,096	1,406,032
A.9	School transport services				
	Original	283,150			
	Supplementary	98,793			
			381,943	382,028	338,904
A.10	Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions				
	Original	598,877			
	Supplementary	105,803			
			704,680	666,296	767,212
A.11	Grants to education bodies working in the primary and post primary sectors				
	Original	200,688			
	Supplementary	11,000			
			211,688	202,251	175,460
A.12	Teacher education		39,776	37,903	34,965

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission		2,062	1,305	1,210
A.14	Miscellaneous grants and services				
	Original	82,912			
	Supplementary	(16,000)			
			66,912	58,593	43,335
A.15	Primary and post primary infrastructure				
	Original	782,000			
	Supplementary	411,000			
			1,193,000	1,232,915	1,071,735
A.16	Public private partnership costs		70,000	66,622	64,169
			10,874,394	**10,808,822**	**10,176,293**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.5 Grants to education and training boards in respect of ETB teachers' salaries

Estimate provision €747.129 million; outturn €787.429 million

The increase in expenditure of €40.3 million relative to the estimate provision was primarily due to cost associated with the following.

- Additional teacher posts due to the number of Ukrainian pupils enrolled in post primary schools (€10.511 million).
- The demand-led nature of such payroll costs that are impacted by enrolments numbers and educational needs being greater than previously projected (€29.789 million).

A.7 Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)

Estimate provision €116.527 million; outturn €138.834 million

The increase in expenditure of €22.307 million relative to the estimate provision was primarily due to cost associated with the following.

- The processing of school secretaries' pay from the non-teaching staff payroll with effect from September 2023 and the payment of salary arrears (€27.226 million).
- Savings due to reduction in number of individuals paid under the 1978/79 caretakers and clerical officers schemes (€1.188 million).

- Savings on other non-teaching staff pay due to difficulties in agreeing additional posts planned for administration and ICT roles along with some underspends of original allocations available (€4.011 million).

A.9 School transport services

Estimate provision €283.15 million; outturn €382.028 million

The increase in expenditure of €98.878 million relative to the estimate provision was primarily due to cost associated with the following.

- Cost of living measure that provided for a waiver of school transport fees for pupils (€41.5 million).
- Enhanced cleaning of school transport vehicles (€2.4 million).
- Additional school transport services provided for Ukrainian pupils enrolled in schools (€5.4 million).
- A range of existing expenditure pressures on the core services of the school transport scheme, including increased contractor costs and additional pupils on special educational needs services that were offset by savings on the level of fuel allowances paid out (€49.6 million).

A.10 Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions

Estimate provision €598.877 million; outturn €666.296 million

The increase in expenditure of €67.419 million relative to the estimate provision was primarily due to cost associated with the following.

- Covid-19 grants for term 2 of the 2022/2023 school year school year that were paid to schools for PPE, hand sanitiser, cleaning and supervision that were not included in the original estimate provision (€38.386 million).
- A once-off cost of living measure was paid to schools to assist with school running costs (€60.439 million).
- Funding for a school attendance campaign in disadvantage schools that was originally allocated to a different subhead but was paid out from this subhead. The original allocation was transferred to this subhead as part of the supplementary estimates process (€6.486 million).
- Payment for grant funded school secretaries being lower than allocated for in this subhead. This is due to previously grant funded school secretaries accepting the terms of a new pay agreement resulting in them now being paid directly by the Department from the non-teaching staff school payroll subhead instead of through this grant to schools subhead (€8.8 million).
- Savings due to the timing of the 2023/24 ICT grant paid to schools (€35 million).
- A range of other school capitation expenditure pressures due to pupil enrolled in schools being greater than the profiled funding along with some other net spending pressures.

A.13 Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission

Estimate provision €2.062 million; outturn €1.305 million

The decrease in expenditure of €757,000 relative to the estimate provision was primarily due to the following.

- Lower than anticipated running costs of the Redress Board and Commission to Inquire into Child Abuse (€450,000).
- Capital expenditure allocated for the victims of institutional abuse not being carried out (€500,000).
- Additional expenditure for funding of an advocacy service for victims of institutional abuse which was not provided for in the original estimate (€275,000).

A.14 Other grants and services

Estimate provision €82.912 million; outturn €58.593 million

The decrease in expenditure of €24.319 million relative to the estimate provision was primarily due to

- Expenditure on the ex-gratia scheme arising from the implementation of the European Court of Human Rights Judgement in O'Keeffe v Ireland was lower than anticipated. (€18.642 million).
- Delays in the roll out of certain projects and recruitment of staff in education shared services programmes (€6.601 million).
- Funding to primary and post-primary school management bodies was lower than anticipated and was mainly attributable to slower than planned recruitment in the Financial Support Services Unit (FSSU and a delay in the expansion of their audit function) (€950,000).
- Lower than anticipated level of activity on Dormant Account funded and other strategic Department projects (€669,000).
- Higher than anticipated costs for the Department's participation in the Peace IV programme (€925,000)
- Costs of RIRU scoping inquiry which was not provided in the original estimate (€1.06 million).

A.15 Primary and post primary infrastructure

Estimate provision €782 million; outturn €1.233 billion

The increase in expenditure of €450.915 million relative to the estimate provision was primarily due to managing significant budgetary pressures arising from strong delivery on the School Building Programme to keep the essential project pipeline moving forward ensuring that every child had a school place in September 2023; the need for accelerated delivery of accommodation for children with special education needs; to the integration of over 18,000 children from Ukraine and the impact of high construction inflation.

A supplementary of €411 million (€405 million capital expenditure and €6 million current expenditure) was approved for this subhead to provide for the increases in expenditure in this subhead. The remaining increases in capital expenditure were provided from capital expenditure savings arising across a range of other subheads within the Vote.

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
B.1	Superannuation contributions				
	Original	162,438			
	Supplementary	10,297			
			172,735	173,163	173,903
B.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts [a]		325	1,443	1,488
B.3	Receipts from additional superannuation contributions on public service remuneration				
	Original	176,946			
	Supplementary	31,202			
			208,148	209,684	194,262
B.4	Secondments/overpayments		3,824	2,332	5,704
B.5	Miscellaneous				
	Original	6,452			
	Supplementary	12,634			
			19,086	22,157	33,490
	Total		**404,118**	**408,779**	**408,847**

Note [a] A breakdown of EU receipts of €1.443 million 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 individual appropriations-in-aid headings (+/-5% and €100,000).

B.1 Superannuation contributions

Estimate €162.438 million; realised €173.163 million

The increase of €10.725 million relative to the estimate provision was due to receipts being higher than the provision allocated. This increase includes contributions being received as a result of higher payroll spend. This is arising from additional teaching and SNA posts recruited in the education sector.

B.2 Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts

Estimate €325,000; realised €1.443 million

The increase of €1.118 million relative to the estimate provision was primarily due to Peace IV programmer receipts allocated under subhead B5 miscellaneous subsequently being accounted for under this subhead.

B.3 Receipts from additional superannuation contributions on public service remuneration

Estimate €176.946 million; realised €209.684 million

The increase of €32.738 million relative to the estimate provision was due to receipts being higher than the provision allocated. This is arising from additional teaching and SNA posts recruited in the education sector.

B.4 Secondments/overpayments

Estimate €3.824 million; realised €2.332 million

The reduction of €1.492 million relative to the estimate provision was primarily due to secondment recoupments being lower than anticipated by €1.710 million. This is due to a change in the operation of the subhead in 2023 whereby current year salary recoupments were lodged to the subhead from which the salary was initially paid. Overpayment recoupments were also higher than anticipated by €218,000. Receipts from overpayment recoupments are difficult to estimate from year to year.

B.5 Miscellaneous

Estimate €6.452 million; realised €22.157 million

The increase of €15.705 million relative to the estimate provision was primarily due to

- receipt of refunds made by schools of unspent Covid-19 related capitation grants provided for the 2021/22 school year (€14.75 million)
- the varied nature of receipts in this category – it is difficult to predict with any degree of certainty the level of other net receipts that may fall to be collected in a particular year.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	30	—
Disposal of assets [a]	—	30
Transferred to the Exchequer	(30)	—
Balance at 31 December	**—**	**30**

Note [a] The remittance to the Exchequer in 2023 relates to the disposal of a piece of land during 2022.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Department	1,813	1,571
First and second level	100,011	96,130
Agencies	738	652
Total	**102,562**	**98,353**

5.2 Pay costs

Departmental staff	2023 €000	2022 €000
Pay	103,882	91,112
Higher, special or additional duties allowances	493	374
Other allowances	21	25
Overtime	997	1,186
Employer's PRSI	7,218	7,910
Total pay	**112,611**	**100,607**

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 (€112.611 million).

First and second level education staff	2023 €000	2022 €000
Pay	5,918,824	5,585,023
Allowances	5,762	5,990
Overtime	1,010	775
Employer's PRSI	581,644	541,009
Total pay [a]	**6,507,240**	**6,132,797**

Note [a] The total pay figure for 2022 has been restated as one ETB submitted an amended return for 2022. The allowances figure for 2022 has been revised downwards from €6.041 million. This has resulted in the restated 2022 total pay figure being €51,000 lower than the figure reported in the 2022 appropriation account.

Agencies' staff	2023 €000	2022 €000
Pay	39,294	34,510
Higher, special or additional duties allowances	245	163
Other allowances	87	68
Overtime	2,308	2,278
Employer's PRSI	3,991	3,377
Total pay [a, b]	**45,925**	**40,396**

Note [a] Total pay for 2023 includes pay costs for agencies that are under the remit of this Vote and is primarily based on returns from the agencies.

5.3 Allowances and overtime payments — Departmental staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023 €	2022 €
Higher, special or additional duties allowances	145	17	23,481	22,755
Other allowances	29	—	5,947	9,670
Overtime and extra attendance	379	8	15,589	26,369
Extra remuneration in more than one category	37	7	18,757	14,040

5.3 Allowances and overtime payments — first and second level

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023 €	2022 €
Allowances	3,815	10	19,752	11,388
Overtime	421	27	28,011	23,660
Extra remuneration in more than one category	219	36	32,660	28,310

5.3 Allowances and overtime payments — agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	87	4	22,000	13,833
Other allowances	66	—	9,487	4,573
Overtime	266	82	47,128	54,507
Extra remuneration in more than one category	76	44	48,864	55,084

5.4 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	1,049	1,015
60,000	69,999	159	153
70,000	79,999	134	110
80,000	89,999	117	96
90,000	99,999	115	132
100,000	109,999	97	70
110,000	119,999	28	18
120,000	129,999	10	3
130,000	139,999	1	4
140,000	149,999	—	—
150,000	159,999	—	1
160,000	169,999	4	5
170,000	179,999	5	3
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,999	1	—

5.5 Other remuneration arrangements

Fifty two retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €177,000 (2022: €106,000) which included travel and subsistence costs of €16,000 (2022: €8,000). The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Administration staff salary overpayments			
Overpayments	120	280,021	223,559
Recovery plans in place	20	48,250	47,932
Teacher/non-teacher and retired personnel overpayments			
Overpayments	3,957	6,878,004	6,486,283
Recovery plans in place	547	1,575,882	1,177,294
Supplementary pension overpayments			
Overpayments	77	665,242	760,443
Recovery plans in place	63	525,842	590,771

Overpayments as a result of an under-deduction of the Public Service Pension Reduction

Some 89 pension overpayment cases were identified in 2018, where an insufficient public service pension reduction had occurred. The Department engaged with the Department of Public Expenditure, National Development Plan Delivery and Reform with a view to bringing the matter to conclusion. The overpayment amount currently stands at approximately €1 million (gross). Work is currently underway to contact the pensioners involved in order to recoup the overpayments.

Overpayments/underpayment as a result of a coding error

In 2022, some 140 retirees were identified where an overpayment of lump sum took place to the value of €106,037. The error occurred due to the incorrect coding of a pensionable allowance.

The Department of Education contacted each retiree and to date 139 retires have repaid in full with the total amount of €105,131 recouped to date. The remaining retiree has a repayment plan in place with a current outstanding balance of €906.

5.7 Severance/redundancy

During 2023, eight staff members, whose employment was terminated, were paid redundancy payments totalling €91,197. Four of these staff members also received severance payments totalling €51,956 in 2023.

Grade	Severance payment	Added years of notional service	Early payment of pension with no actuarial reduction
	€		
Principal Officer*	17,834	—	—
Assistant Principal Officer*	20,401	—	—
Civilian driver	13,721	—	—
Total	**51,956**	**—**	**—**

*Ministerial staff

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay		
Sean Ó Foghlú	—	27
Bernie McNally	227	169
	227	**196**

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

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to 31 December 2023	Expenditure in 2023	Expenditure in 2022
		€000	€000	€000
Commission to Inquire into Child Abuse	1999	85,489	278	412
Residential Institutions Redress Scheme [a, b]	2002	1,246,685	634	654
		1,332,174	**912**	**1,066**

Note [a] In addition to the overall expenditure of €1.247 billion on the Residential Institutions Redress Scheme at the end of 2023, 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 2023, the cumulative administration costs for the Residential Institutions Redress Board was €65.70 million and €10.12 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 at the time 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]	120.30
Total	**480.61**	**245.24**

Note [a] The €352.61 million figure is as valued by the congregations

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 2023, voluntary cash contributions offered in 2009 or subsequent years, amounting to €111.48 million have been received. This included 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. A further contribution may also be received, arising from the disposal of a certain property which was not accepted for transfer to the State, but the amount involved is not yet known.

A total of 17 of the properties offered voluntarily in 2009 have fully transferred and significant progress has been made in relation to the remaining property. The Department continues to engage with the Congregation of the Christian Brothers to progress their offer which involved an arrangement relating to a number of 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 over the coming period. 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, and the future of the records of the redress bodies is being considered in that context.

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. The total lodged to the account to date is €1.479 million.

6.2 Compensation and legal costs

6.2 (A) Payments/costs incurred during the year

	Claims by		Total	Total
	Employees	Members of the public	2023	2022
Number of cases [a]	—	143	143	186
				€000
Department's own legal costs	—	582	582	1,686
Compensation	—	3,990	3,990	4,618
Legal costs	—	1,400	1,400	1,245
Other costs	—	706	706	754
2023 Total	—	**6,678**	**6,678**	**8,303**
2022 Total	—	**8,303**	**8,303**	

6.2 (B) Cumulative costs of cases completed in 2023

	Claims by		Total
	Employees	Members of the public	2023
Number of cases [a]	—		
	€000	**€000**	**€000**
Department's own legal costs	—	307	307
Compensation	—	2,997	2,997
Legal costs	—	1,120	1,120
Other costs	—	—	—
Total	—	**4,424**	**4,424**

Note [a] At 31 December 2023, there was 201 claims outstanding.

6.3 Fraud and suspected fraud

During 2023, no cases of fraud or suspected fraud were identified within the Department. In addition, no cases which were material in nature or of significant public interest were identified in any agencies under the remit of the Department.

6.4 Arbitration and conciliation

During 2023, conciliation fees totalling €6,000,884 were paid in respect of eleven cases which included payments to contractors and others to cover costs as a result of conciliation and arbitration proceedings. There were three cases in 2022 with total expenditure of €11,898.

6.5 EU funding

Receipts in relation to EU funding received during 2023 and lodged to appropriations-in-aid is detailed in the table below

EU funding category	2023 €000	2022 €000
B2.3 EC education projects	454	325
B2.3 Miscellaneous PEACE IV Programme refund	989	1,163
	1,443	**1,488**

European Commission education projects

Receipts in 2023 under European Commission education projects were

- A financial contribution in respect of the children of EU officials of the nearby EU Food and Veterinary Office who attend the Centre for European Schooling, Dunshaughlin, Co. Meath.
- Grant funding received under the Eurydice call 2023-2025 from the Educational, Audio visual and Cultural Executive Agency (E.A.C.E.A) for Ireland's participation in the EC Eurydice Network.

PEACE IV Programme refund

Receipts received in 2023 related to expenditure incurred as part of the PEACE IV programme. Ireland contributes 21% (ERDF + Match) of overall programme costs, while the Northern Ireland Executive contributes the remainder. 85% of Ireland's contribution (ERDF) is recoupable from the EC.

6.6 Write-offs

The following sums were written off in the year.

	2023 €000	2022 €000
Payroll overpayments	283	24
	283	**24**

6.7 Late payment interest

	2023 €000	2022 €000
Total net interest paid	**3**	**8**

6.8 Educational trusts

Educational trusts totalling €2.137million were invested on behalf of the Department in a common investment fund under the stewardship of the Charities Regulator at the close of 2023 (2022: €2.277million). The Minister for Education remains the trustee of these educational trusts.

Appendix A Major capital commitment projects involving total expenditure of €10 million or more

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
Subhead A.15		**€000**	**€000**	**€000**	**€000**	**€000**
1	Maynooth Post Primary Schools, Co. Kildare	52,767	178	548	53,493	53,341
2	Gaelcholaiste Charrig Ui Leighin, Carrig Ui Leighin, Co. Corcaigh	39,008	4	890	39,902	39,867
3	Bremore Educate Together, Balbriggan, Co. Dublin	22,835	—	1,226	24,061	24,061
4	Naas Community College, Naas, Co. Kildare	25,479	2	553	26,034	26,032
5	Colaiste Chiaran Croom, Co. Limerick	21,824	34	93	21,951	21,926
6	Presentation College Athenry, Co. Galway	20,599	—	234	20,833	20,833
7	Le Chéile Secondary School, Mulhuddart, Dublin 15	20,001	—	201	20,202	20,202
8	Stewarts School Palmerstown, Dublin 20	19,896	227	69	20,192	20,191
9	St Patricks School, Bohreen Hill, Enniscorthy, Co. Wexford	18,769	235	437	19,441	19,438
10	Scoil Naofa Oilbhear Pluincead, Malahide, Co. Dublin	17,926	—	149	18,075	18,074
11	Lusk Community College, Lusk, Co. Dublin	17,623	237	82	17,942	17,942
12	Coláiste Mhuire, Knockbeg, Carlow	16,879	196	184	17,259	17,255
13	Portlaoise Parish School, Co. Laois	16,346	—	734	17,080	17,080
14	Claregalway Educate Together National School, Lakeview Claregalway, Co. Galway	15,349	—	61	15,410	15,410

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	Subhead A.15	**€000**	**€000**	**€000**	**€000**	**€000**
15	Gaelscoil na nDeise, Carrickphierish Campus, Waterford	15,220	12	18	15,250	15,240
16	Holy Family Special School, Cootehill, Co. Cavan	15,203	837	912	16,952	16,161
17	Coláiste Ghlór na Mara, Balbriggan, Co. Dublin	14,773	—	227	15,000	15,000
18	St. Columba's Boys National School, Douglas West, Co. Cork	14,801	58	276	15,135	15,129
19	Carrigaline Post Primary School, Co. Cork	14,551	—	213	14,764	14,764
20	Sancta Maria College, Rathfarnham, Co Dublin	13,935	78	2,991	17,004	17,004
21	Temple Carrig Secondary School, Co. Wicklow	12,855	—	391	13,246	13,246
22	Limerick Educate Together, Mungret, Limerick	12,503	28	221	12,752	12,707
23	Davis College, Mallow, Co. Cork	12,439	36	322	12,797	12,761
24	Arklow Vocational School, Co. Wicklow	12,385	3	230	12,618	12,606
25	Kinsale Community College, Co. Cork	12,198	—	67	12,265	12,217
26	Clonakilty Community College, Clonakilty, Co.Cork	11,983	4	80	12,067	12,067
27	Gaelscoil Teach Giuise, Tallaght, Dublin 24	11,809	—	22	11,831	11,831
28	Tullamore College, Tullamore, Co. Offaly	11,437	—	105	11,542	11,542
29	Michael Street National School, New Ross, Co Wexford	11,065	—	408	11,473	11,473
30	SN Lusca, Lusk, Co. Dublin	11,032	3	169	11,204	11,139
31	Powerstown Educate Together National School, Dublin 15	10,895	21	148	11,064	11,043
32	St Pauls' Secondary School, Monasterevin, Co. Kildare	19,378	4,829	745	24,952	23,701
33	Scoil Bhride National School, Knockmay, Portlaoise, Co. Laois	9,951	—	152	10,103	10,103

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	Subhead A.15	**€000**	**€000**	**€000**	**€000**	**€000**
34	Greystones Community National School, Co. Wicklow [c]	9,921	106	271	10,298	10,192
35	Mercy Convent Primary School, Naas, Co. Kildare	10,072	176	395	10,643	10,458
36	Ennis Community College, Co. Clare	11,418	248	327	11,993	11,754
37	St. Mary's Secondary School, Ballina, Co Mayo	17,838	1,250	132	19,220	18,161
38	Scoil Mhuire Stranorlar, Co. Donegal	10,202	163	146	10,511	10,421
39	Kanturk, Co. Cork	10,141	595	143	10,879	10,242
40	St Laurence O'Tooles National School	10,252	—	173	10,425	10,390
41	Edmund Rice College Carpenterstown/Castleknock, D15	29,724	913	504	31,141	30,442
42	Dublin 7 Educate Together National School, Fitzwilliam Place North, Dublin 7	14,729	2,922	374	18,025	17,259
43	St Davids Holy Faith Secondary, Kimberly Road, Greystones, Co. Wicklow	14,990	4,247	170	19,407	17,750
44	SCOIL MHUIRE GAN SMAL	20,674	9,753	1,938	32,365	29,729
45	Malahide & Portmarnock ETSS, Co. Dublin	18,113	1,521	333	19,967	18,748
46	St Conleth's and Mary's National School, Newbridge, Co. Kildare	13,041	6,666	1,875	21,582	17,015
47	Gaelcholaiste Chiarraí, Tralee	17,016	2,446	364	19,826	19,272
48	Sn Mhuire na Trocaire, Cahir, Co. Tipperary	9,699	354	166	10,219	10,088
49	Maynooth Boys National School, Maynooth, Co. Kildare	12,611	745	360	13,716	13,348
50	St Patricks Junior National School, Corduff, Dublin 15	10,305	2,524	6,701	19,530	18,565
51	St Mary's Donnybrook, Dublin 4	12,460	1,533	67	14,060	12,930

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	Subhead A.15	**€000**	**€000**	**€000**	**€000**	**€000**
52	Ennistymon Community School, Co. Clare	15,770	8,654	7,558	31,982	30,999
53	Douglas/Rochestown Educate Together, Carrs Hill, Co. Cork	19,394	2,320	869	22,583	20,409
54	Ballinteer Educate Together, D16	17,274	4,068	509	21,851	19,969
55	Blackwater Community School, Lismore, Co. Waterford	11,311	6,521	607	18,439	17,913
56	Pelletstown Educate Together, National School, D15	10,572	5,379	112	16,063	14,629
57	Gaelscoil Cnoc Liamha, Knocklyon, D16	12,039	1,953	64	14,056	12,812
58	Cherrywood Educate Together National School, Sallynoggin, Dublin 18	12,371	5,172	156	17,699	16,798
59	Meán Scoil an Chlochair, Kilbeggan, Co. Westmeath	11,558	8,187	3,412	23,157	22,712
60	Gaelcholaiste Luimnigh, Meal Sior Anraí Luimneach	8,392	15,161	2,655	26,208	23,894
61	Scoil an Athar Tadhg, Cork East County, Co. Cork	4,934	6,074	317	11,325	11,036
62	St Patrick's Boys National School Clane, Co. Kildare	7,898	5,532	3,665	17,095	16,623
63	Little Angels Special School, Letterkenny Co Donegal	3,815	5,475	7,799	17,089	16,732
64	Scoil Mhichil Naofa, Athy, Co.Kildare	5,140	5,657	3,878	14,675	14,477
65	Bush Post Primary, Dundalk Co Louth	3,453	3,216	5,155	11,824	11,557
66	Mungret Community College, Co. Limerick	5,933	14,900	13,997	34,830	34,241
67	Scoil Mhuire Naofa, Carrigtwohill	7,199	21,169	306	28,674	28,228
68	Scoil Chliodhna CNS, Carrigtwohill	8,690	15,905	1,503	26,098	24,212

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	Subhead A.15	**€000**	**€000**	**€000**	**€000**	**€000**
69	Dublin South City Centre ETNS, Harcourt Terrace, D2	922	8,964	9,134	19,020	17,349
70	Donaghmede Howth D13 Primary - Stapolin ETNS, Co. Dublin	4,370	10,159	467	14,996	14,830
71	Stepaside ETSS D16	8,311	18,763	3,104	30,178	28,407
72	Limerick ET Secondary School, Limerick	11,199	27,081	935	39,215	36,659
73	Belmayne ETSS, Co. Dublin	5,005	17,800	14,731	37,536	36,731
74	Colaiste na Mí, Phase 2 & Campus Project with St Marys Special School, Co.Meath	4,715	16,107	20,191	41,013	40,013
75	Carrigtwohill Community College, Co. Cork	14,356	35,199	2,567	52,122	48,356
76	Crescent CS, Limerick City	2,670	10,164	2,602	15,436	14,874
77	St Senans Primary School, Enniscorthy, Co. Wexford	3,208	4,917	6,080	14,205	13,843
78	Monasterevan Convent, Monasterevan, Co. Kildare	1,622	1,633	8,314	11,569	11,575
79	St Joseph’s College Lucan, Co. Dublin	1,479	8,943	8,907	19,329	18,390
80	Waterpark College, Newtown Road, Waterford	1,663	5,381	8,794	15,838	15,732
81	Rosmini Community School, Drumcondra, Dublin 9	1,315	8,335	11,223	20,873	20,453
82	Scoil an Spioraid Naomh Bettystown, Co Meath	5,969	11,183	636	17,788	17,527
83	Patrician Academy, Mallow, Co. Cork	5,521	9,172	1,507	16,200	15,079
84	O Carolan College, Nobber, Co. Meath [a,b]	245	7,232	21,944	29,421	—
85	St. Mary's Secondary School, Mullingar, Co. Westmeath [a]	436	1,461	16,413	18,310	—
86	St. Mark's Secondary School, Newbridge [a,b]	480	917	19,155	20,552	—

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	Subhead A.15	**€000**	**€000**	**€000**	**€000**	**€000**
87	St. Canice's NS, Kilkenny, Co. Kilkenny [a]	554	2,587	26,807	29,948	—
88	GS Charriag na Siuire, Co. Tipperary [a,b]	482	1,045	14,222	15,749	—
89	Kilkenny CBS, Co. Kilkenny [a,b]	1,303	4,675	50,889	56,867	—
90	Presentation Secondary School	1,013	2,930	39,963	43,906	—
91	St. Finian's Mullingar [a,b]	1,429	2,764	75,953	80,146	—
92	Moville Community College, Moville, Co. Donegal [a,b]	754	2,413	16,075	19,242	—
93	De Lacy College, Ashbourne [a,b]	18,243	18	275	18,536	—
94	St. Clare's NS, Ard Mhuire, Co. Cavan [b]	3,447	4,037	2,770	10,254	—
95	Rush & Lusk ETNS, Rathmore Rd, Lusk [b]	4,074	5,043	921	10,038	—
96	Mercy Convent NS, Navan, Co, Meath [a]	373	564	10,461	11,398	—
97	Setanta Special School, Beechpark, Stillorgan, Co. Dublin [a,b]	1,109	2,892	12,915	16,916	—
98	Bunscoil Coláiste Mhuire, 4 Cearnóg Pharnell [a,b]	775	2,072	11,718	14,565	—
	Total	**1,099,705**	**412,978**	**499,832**	**2,012,515**	**1,565,209**

Note [a] 12 new schools' projects were contractually committed to in 2023.

[b] The cumulative expenditure to 31 December 2022 and the expected total spend 2022 lifetime spend have been restated primarily due to the following.

- twelve new school projects contractually committed in 2023 and pre-2023 expenditure has now been included
- two projects which reached the €10 million threshold in 2023 and have now been included
- the inclusion of one project contractually committed in 2022 and not included as a new project in 2022
- for nine projects which were removed in 2023 as the total outstanding commitment is less than €10,000

[c] The figures only include expenditure committed to the project and not any future commitments that may arise from subsequent contractual agreements entered into to complete the school building project.

Significant variations subhead A.15

An explanation is provided below where projected total expenditure increased/decreased by more than €500,000 from 2022 to 2023

16 Holy Family Special School

The increase in commitments of €791,000 was mainly due to change orders in relation to additional mechanical and electrical works and building materials.

32 St Pauls' Secondary School, Monasterevin

The increase in commitments of €1.251 million was due to costs incurred in relation to service and utilities fees and change orders in relation to additional mechanical and electrical works and material changes.

37 St Marys Secondary School, Ballina

The increase in commitments of €1.059 million was due to necessary change orders for material changes, additional mechanical and electrical works and an increase in design team fees.

39 Kanturk, Co. Cork

The increase in commitments of €637,000 was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance, and delays to completion of block work due to Covid restrictions.

41 Edmund Rice College Carpenterstown/Castleknock, D15

The increase in commitments of €699,000 was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

42 Dublin 7 Educate Together National School

The increase in commitments of €766,000 was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

43 St David’s Greystones, Co. Wicklow

The increase in commitment of €1.657 million was mainly due to change orders for additional roof works, removal of modular accommodation and Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

44 Scoil Mhuire Gan Smal

The increase in commitments of €2.636 million was mainly due to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance and change orders in relation to unforeseen ground conditions, the addition of accommodation for special education provision, and additional mechanical and electrical works.

45 Malahide & Portmarnock ETSS

The increase in commitments of €1.219 million was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

46 St Conleth's and Mary's National School, Newbridge, Co. Kildare

The increase in commitments of €4.567 million was mainly due to change orders for additional classrooms for special education provision, additional works to the infant school and Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

47 Gaelcholaiste Chiarraí, Tralee

The increase in commitments of €554,000 was due primarily to necessary change orders in respect of additional electrical and mechanical works.

50 St Patricks Junior National School, Corduff, Dublin 15

The increase in commitments of €965,000 was mainly related to an increase in design team fees following appointment of new contractor.

51 St Mary's Donnybrook, Dublin 4

The increase in commitments of €1.13 million was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance as well as change orders relating to classroom conversion and ancillary works.

52 Ennistymon Community School, Co. Clare

The increase in commitments of €983,000 was mainly due to change orders in relation to site access, additional mechanical and electrical works and additional design team fees.

53 Douglas/Rochestown Educate Together, Carrs Hill, Co Cork

The increase in commitments of €2.174 million mainly relates to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance and also includes change orders in relation to removal of soil, construction of a pedestrian bridge along with relocation of internal rooms.

54 Ballinteer Educate Together, D16

The increase in commitments of €1.882 million is mainly due to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance and change orders relating to external works to carpark, access road and increase in window size.

55 Blackwater Community School, Lismore, Co. Waterford

The increase in commitments of €526,000 was mainly due to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

56 Pelletstown Educate Together, National School, D15

The increase in commitments of €1.434 million was mainly in respect of change orders in relation to the reinstatement of lands following removal of interim accommodation. There are also additional commitments relating to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

57 Gaelscoil Cnoc Liamha, Knocklyon, D16

The increase in commitments of €1.244 million is mainly due to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance.

58 Cherrywood Educate Together National School, Sallynoggin, Dublin 18

The increase in commitments of €901,000 mainly relates to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance, as well as change orders relating to drainage and footpath works.

60 Gaelcholaiste Luimnigh, Co. Limerick

The increase in commitments of €2.314 million was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance, in addition to necessary change orders relating to various items such as water services, and drainage.

66 Mungret Community College, Co Limerick

The increase in commitments of €589,000 was mainly in respect of Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance, and necessary change orders regarding additional ground works.

68 Scoil Chliodhna CNS, Carrigtwohill, Co. Cork

The increase in commitments of €1.886 million mainly relates to Covid ex Gratia Costs as determined by OGP guidance. There were also change orders relating to alterations to space to accommodate special education provision.

69 Dublin South City Centre ETNS, Harcourt Terrace, D2

The increase in commitments of €1.671 million was mainly due to unforeseen issues relating to the discovery and disposal of asbestos and right of way access issues. There has been a conciliation settlement in relation to the soil contamination/asbestos issue and the access issue.

71 Stepaside ETSS D16

The increase in commitments of €1.771 million was mainly due to change orders relating to interim accommodation.

72 Limerick ET Secondary School, Limerick

The increase in commitments of €2.556 million mainly relates to Covid ex Gratia Costs as determined by OGP guidance.

73 Belmayne ETSS, Co. Dublin

The increase in commitments of €805,000 relates to services and utilities.

74 Colaiste na Mi, Phase 2 & Campus Project with St Marys Special School

The increase in commitments of €1 million are mainly due to change orders for approved additional classrooms for children with special educational needs, additional car parking spaces and the provision of an additional classroom post contract.

75 Carrigtwohill Community College, Co. Cork

The increase in commitments of €3.766 million mainly relates to Covid ex Gratia Costs as determined by OGP guidance. There were also change orders in relation to the construction of an additional 4 classrooms for special education provision along with relocation of classrooms.

76 Crescent CS, Limerick City

The increase in commitments of €562,000 was mainly due to change orders in relation additional costs incurred for the decant school and unforeseen site works.

79 St Josephs, Lucan, Co. Dublin

The increase in commitments of €939,000 was mainly due to additional services and utilities charges and additional design team fees.

83 Patrician Academy, Mallow, Co Cork

The increase in commitments of €1.121 million mainly relates to Covid ex Gratia Costs as determined by OGP guidance. There were also change orders for additional site works relating to firefighting tanks on site.

95 Rush and Lusk ETNS, Rathmore Rd, Lusk, Co. Dublin

The increase in commitments of €534,000 was due mainly due to Inflation/Supply Chain Delay Co-operation Framework Agreement costs as determined by OGP guidance and additional Design Team fees.

Appendix B Information Note on Public Private Partnerships Projects (PPPs)

As at the end 2023, 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.

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 C 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 2023 by subhead with comparative figures for 2022.

		2023 ETB funding amount €000	2022 ETB funding amount €000
Programme A - First, second and early years education			
A.3	Salaries, wages and allowances (including incidental payments) of primary teachers	2,104	654
A.5	Grants to education and training boards in respect of ETB teachers' salaries	787,496	738,719
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	61,572	55,080
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	82,038	78,151
A.9	School transport services	1,562	1,762
A.10	Grants (including capitation) payable to primary and post primary schools, education and training boards and other educational organisations and institutions	100,976	116,010
A.11	Grants to education bodies working in the primary and post primary sectors	755	704
A.12	Teacher education	2,149	2,062
A.14	Miscellaneous grants and services	3,739	5,405
A.15	Primary and post primary infrastructure	212,571	168,752
A.16	Public private partnerships costs (PPP)	—	5
Grant total paid to ETBs		**1,254,962**	**1,167,304**

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.543 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

Capital assets

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost.

The revaluation method used is the current market value based on local market conditions.

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 rate of exchange prevailing at the date of settlement. At programme country mission level, transactions arising in 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. 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 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. A formal process is in place to follow up on the implementation of recommendations from the reports of the internal audit function.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of one non-competitive contract in excess of €25,000 in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

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 annual externally conducted audit of the larger bilateral missions includes a review of compliance with local tax obligations. The Department also includes awareness raising on local tax and social insurance obligations as part of its training programme for staff in advance of overseas postings.

In addition, appropriately qualified accountants and internal auditors in the larger bilateral missions keep this compliance under review.

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.

- Embassies, in addition to the ambassador, have managers with designated responsibility for the management of the aid programme.
- In addition to the ambassador, the embassy management structure includes appropriately qualified and experienced development specialists and programme managers/advisers.

- There is a rigorous 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. Mission strategies can be for up to five years, tailored to local circumstances. 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 a number of embassies with larger ODA budgets, reporting directly 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 Department's independent 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, some larger embassies are subject to an internal financial audit carried out by a third party firm of auditors.

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 twice 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 review and strengthen where necessary, 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.

Grant commitments

The Department is in the process of developing an electronic 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 provided. However, an estimate of the obligations outstanding at 31 December 2023 has been provided in Note 2.7.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Joe Hackett
Accounting Officer
International Co-operation

26 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 27 International Co-operation for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 27 International Co-operation

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Work on poverty and hunger reduction				
	Original	716,516			
	Supplementary	25,000			
			741,516	738,521	632,022
	Gross expenditure		**741,516**	**738,521**	**632,022**
	Deduct				
B	**Appropriations-in-aid**		**1,030**	**1,578**	**1,676**
	Net expenditure				
	Original	715,486			
	Supplementary	25,000			
			740,486	**736,943**	**630,346**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**3,542,837**	**3,555,873**

Joe Hackett
Accounting Officer
International Co-operation

26 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		695,639	593,851
Pay		23,669	22,480
Non pay		19,213	15,691
Gross expenditure		**738,521**	**632,022**
Deduct			
Appropriations-in-aid		**1,578**	**1,676**
Net expenditure		**736,943**	**630,346**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(3,265)		
Depreciation	363		
Disposals proceeds	49		
Profit on disposals	(43)		
		(2,896)	11
Changes in net current assets			
(Increase)/decrease in prepayments	(264)		
Increase/(decrease) in accrued expenses	78		
		(186)	(335)
Direct expenditure		**733,861**	**630,022**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		438	420
Net programme cost		**734,299**	**630,442**

1.1 Net allied services expenditure [a]

The net allied services expenditure amount is made up of the following amounts in relation to Vote 27 borne elsewhere.

		2023 €000	2022 €000
Vote 13	Office of Public Works	406	391
Vote 18	National Shared Services Office	32	29
		438	**420**

Note [a] Staff pensions incurred in respect of this Vote and charged to Vote 12 Superannuation and Retired Allowances are recognised on the Vote 28 net allied services note.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	15,972	13,076
Total fixed assets		**15,972**	**13,076**
Current assets			
Bank and cash	2.2	3,231	8,140
Prepayments	2.3	2,604	2,340
Other debit balances		1,729	125
Net Exchequer funding	2.5	697	(3,557)
Total current assets		**8,261**	**7,048**
Less current liabilities			
Accrued expenses		431	353
Other credit balances	2.4	854	722
Bilateral and other co-operation fund (grant) account	7	4,803	3,986
Total current liabilities		**6,088**	**5,061**
Net current assets		2,173	1,987
Net assets		**18,145**	**15,063**
Represented by:			
State funding account	2.6	**18,145**	**15,063**

2.1 Property, plant and equipment

	Buildings	Equipment	Furniture and fittings	Vehicles	Assets under development [a]	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023	11,773	1,858	789	3,286	791	18,497
Additions	2,750	39	—	476	—	3,265
Disposals	—	(6)	(13)	(278)	—	(297)
At 31 December 2023	14,523	1,891	776	3,484	791	21,465
Accumulated depreciation						
At 1 January 2023	—	1,655	732	3,034	—	5,421
Depreciation for the year	—	134	13	216	—	363
Depreciation on disposals	—	(6)	(13)	(272)	—	(291)
At 31 December 2023	—	1,783	732	2,978	—	5,493
Net assets						
At 31 December 2023	**14,523**	**108**	**44**	**506**	**791**	**15,972**
At 31 December 2022	11,773	203	57	252	791	13,076

Note [a] Capital assets under development include design fees paid in respect of a construction project in Abuja. From 2023, all major construction projects are managed and funded by Vote 28, the Department of Foreign Affairs. Costs totalling €3,936,000 in 2023 were charged to Vote 28 in respect of this construction project. Following completion of the project, the building will be transferred to Vote 27 at the cost incurred in Vote 28.

2.2 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	847	6,266
Commercial bank account balance	299	231
Mission bank balances and cash	2,085	1,643
	3,231	**8,140**

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
Mission rents	1,411	1,388
Other	1,193	952
	2,604	**2,340**

2.4 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Professional services withholding tax	64	67
Value added tax	55	26
	119	**93**
Other credit balances	735	629
	854	**722**

2.5 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	3,543	3,556
Exchequer grant undrawn	(4,240)	1
Net Exchequer funding	**(697)**	**3,557**
Represented by:		
Debtors		
Bank and cash	3,231	8,140
Other debit balances	1,729	125
	4,960	8,265
Creditors		
Due to the State	(119)	(93)
Other credit balances	(735)	(629)
Bilateral and other co-operation fund (grant) account	(4,803)	(3,986)
	(5,657)	(4,708)
	(697)	**3,557**

2.6 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			15,063	14,739
Disbursements from the Vote				
Estimate provision	Account	740,486		
Surplus to be surrendered	Account	(3,543)		
Net vote			736,943	630,346
Expenditure (cash) borne elsewhere	1		438	420
Net programme cost	1		(734,299)	(630,442)
Balance at 31 December			**18,145**	**15,063**

2.7 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services, including rental commitments	7,118	7,691
Non-capital grant programmes	722,976	185,574
Total of legally enforceable commitments	**730,094**	**193,265**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		26,064	23,669	22,480
ii	Travel and subsistence		2,220	2,419	2,007
iii	Training and development and incidental expenses		1,970	1,850	1,964
iv	Postal and telecommunications services		1,895	1,723	1,799
v	Office equipment and external IT services		1,225	1,246	1,246
vi	Office premises expenses				
	Original	8,500			
	Supplementary	1,000			
			9,500	8,411	5,797
vii	Consultancy services and value for money and policy reviews		400	361	301
viii	Promotional supports and postings supports		2,590	3,203	2,577
			45,864	**42,882**	**38,171**

Programme A Work on poverty and hunger reduction

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		26,064	23,669	22,480
A.2	Administration − non pay				
	Original	18,800			
	Supplementary	1,000			
			19,800	19,213	15,691
A.3	Bilateral co-operation and humanitarian assistance				
	Original	594,290			
	Supplementary	24,000			
			618,290	618,290	513,710
A.4	Contributions to international funds for the benefit of developing countries		30,487	30,486	36,341
A.5	Contributions to United Nations and other development agencies		46,875	46,863	43,800
			741,516	**738,521**	**632,022**

Note 4 Receipts

4.1 Appropriations-in-aid

			2023	2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Appropriations-in-aid	449	939	1,076
2	Receipts from additional superannuation contributions on public service remuneration	580	639	600
3	Miscellaneous	1	—	—
	Total	**1,030**	**1,578**	**1,676**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €548,000 higher than originally forecast. Explanations for variances are set out below:

1 Appropriations-in-aid

Estimate provision €450,000; outturn €939,000

The increase of €489,000 was due to increased visa fees received following the resumption of travel post Covid-19. The level of visa fees is demand driven and can be difficult to predict.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**626**	**583**

5.2 Pay

	2023 €000	2022 €000
Pay	19,382	18,490
Higher, special or additional duties allowances	53	65
Other allowances	2,141	1,793
Overtime	27	25
Employer's PRSI	1,577	1,514
Foreign social security and other costs	489	593
Total pay [a]	**23,669**	**22,480**

Note [a] In addition, staff costs are incurred for staff employed by missions in providing security and who are engaged for the purposes of delivering the programme. These costs are charged to security costs in non-pay administration costs and to programme costs, as appropriate.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	10	2	22,309	21,619
Other allowances	110	67	75,114	90,618
Overtime	17	—	8,337	9,531
Extra remuneration in more than one category	2	2	13,456	16,008

5.4 Vote 27 staffing by pay band

The number of Vote 27 employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows.

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	138	147
60,000	69,999	19	18
70,000	79,999	27	31
80,000	89,999	13	22
90,000	99,999	20	12
100,000	109,999	12	15
110,000	119,999	11	14
120,000	129,999	10	6
130,000	139,999	8	3
140,000	149,999	3	3
150,000	159,999	4	1
160,000	169,999	1	—
170,000	179,999	2	—
180,000	189,999	1	—
190,000	199,999	—	—
200,000	209,999	—	1

5.5 Other remuneration arrangements

Six (2022: five) retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €12,598 (2022: €99,629). The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	12	28,994	12,230
Recovery plans in place	3	1,678	4,097

5.7 Severance/redundancy

During 2023, one staff member whose employment was terminated was paid a severance payment totalling €6,723.

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's salary is not charged to this Vote, and is accounted for in the appropriation account for Vote 28 Foreign Affairs.

Note 6 Miscellaneous

6.1 Contributions to United Nations and other development agencies (A.5)

The following is a breakdown of payments under subhead A.5. Additional payments may be made to the partner bodies listed from subhead A.3.

	2023 €000	2022 €000
United Nations Development Programme (UNDP)	8,250	7,750
United Nations Children's Fund (UNICEF)	7,700	8,200
United Nations High Commissioner for Refugees (UNHCR)	11,500	10,500
United Nations Population Fund	4,500	4,000
Office of the United Nations High Commissioner for Human Rights	3,830	3,272
UNAIDS	2,500	2,500
United Nations Development Fund for Women (UNIFEM)	2,000	2,000
UN General Trust Fund	1,600	1,050
UN Industrial Development Organisation	422	380
UN Peacebuilding Fund	3,000	2,500
United Nations Environment Programme Trust Fund (UNEP)	—	150
United Nations volunteers	1,100	1,200
Other – various	461	298
	46,863	**43,800**

Note 7 Bilateral and other co-operation fund (grant) account

Account of receipts and payments during the year ended 31 December 2023

	2023 €000	2022 €000
Balance at 1 January	3,986	8,061
Grant	618,290	513,710
Amounts recovered during the year	721	1,695
Expenditure for the year	(618,266)	(519,269)
Movement in bank balances held at missions	72	(211)
Balance at 31 December	**4,803**	**3,986**

Appropriation Account 2023

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 2023 for the salaries and expenses of the Office of the Minister for Foreign Affairs, and for certain services administered 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €7.811 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account, with the exception of the following:

Capital assets

As part of the transition to wider accrual reporting based on international standards, intangible assets representing software acquisition and development have been identified separately for the first time. Accordingly, capital assets have been separated into two components on the face of the statement of financial position and in the related notes: intangible assets (note 2.2) and property, plant and equipment (note 2.1). Comparatives have been restated to reflect this.

The carrying value of land and buildings included in capital assets is based on periodic valuations, with subsequent additions and improvements to land and buildings carried at cost. The revaluation method used is the current market value based on local market conditions.

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account. Land and 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. All foreign currencies held in the Department's diplomatic missions' bank accounts have been revalued using the European Central Bank rates as at 31 December 2023.

Accrued expenses, prepayments, inventories and commitments at diplomatic missions

Accrued expenses, prepayments, inventories and commitments 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 is 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

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

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 setting out 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

The Department has an internal audit function with professionally trained personnel, which operates in accordance with a written charter that I have approved. Its work is informed by analysis of the 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.

Procurement

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 47 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, National Development Plan Delivery and Reform.

The Department complied with the relevant guidelines, with the exception of eleven contracts (in excess of €25,000 Ex VAT), totalling €892,636.

- Eight contracts (€739,677) which had previously been awarded under a competitive tender process were extended beyond the original contract date without a competitive process. Seven of these contracts (€680,228) have been tendered and new compliant contracts awarded, and the remaining contract has not been renewed by the Department.
- Three contracts (€152,959) were awarded without a competitive tendering process and will be tendered during 2024. Two of these contracts (€85,394) have been tendered and new compliant contracts awarded, and the remaining contract (€67,565) is currently being tendered by the Department.

Mission's 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 Unit and Human Resources Divisions, through desktop reviews by teams at headquarters and by regular mission visits. In addition, the Department's Internal Audit function includes a review of compliance with local taxes in each mission's internal audit review. The Department also provides guidance on local tax rules as part of its training programme for staff in advance of overseas postings.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Joe Hackett
Accounting Officer
Department of Foreign Affairs

22 July 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 28 Foreign Affairs for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Write-off of system development costs

Note 6.4 discloses that, in 2023, the Department wrote off expenditure totaling €218,000 that had been incurred in respect of the development of a new passport processing system. The write-off followed the termination by agreement of a supplier contract due to contract delivery commitments not being met.

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 2023.

Seamus McCarthy

Comptroller and Auditor General
25 July 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 28 Foreign Affairs

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	To serve our people at home and abroad and to promote reconciliation and co-operation (‘Our people’)				
	Original	112,785			
	Supplementary	7,442			
			120,227	114,580	122,773
B	To advance Ireland’s interest and values in our shared Europe (’Our Europe’)				
	Original	44,363			
	Supplementary	518			
			44,881	42,624	40,039
C	To work for a fairer, more just, secure and sustainable world (‘Our values’)				
	Original	64,599			
	Supplementary	36,420			
			101,019	98,964	128,773
D	To advance Ireland’s prosperity by extending our influence and promoting our interests internationally (’Our prosperity’)				
	Original	47,812			
	Supplementary	589			
			48,401	48,195	43,719
E	To strengthen our effectiveness and capacity to deliver our goals (‘Our effectiveness’)				
	Original	71,069			
	Deferred surrender	2,250			
	Supplementary	8,031			
			81,350	86,410	60,875

Gross expenditure

	Original	340,628		
	Deferred surrender	2,250		
	Supplementary	53,000		
			395,878	**390,773**	**396,179**
	Deduct				
F	**Appropriations-in-aid**				
	Original	65,000		
	Supplementary	7,000		
			72,000	74,706	78,872
Net expenditure					
	Original	275,628		
	Deferred surrender	2,250		
	Supplementary	46,000		
			323,878	**316,067**	**317,307**

Surplus

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

	2023	**2022**
	€	**€**
Surplus	7,811,297	18,087,679
Deferred surrender	—	(2,250,000)
Surplus to be surrendered	**7,811,297**	**15,837,679**

Joe Hackett
Accounting Officer
Department of Foreign Affairs

22 July 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		138,966	159,662
Pay		129,345	119,346
Non pay		122,462	117,171
Gross expenditure		**390,773**	**396,179**
Deduct			
Appropriations-in-aid		**74,706**	**78,872**
Net expenditure		**316,067**	**317,307**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(21,950)		
Depreciation	1,814		
Disposals	45		
Profit on disposals	(39)		
Intangible assets (note 2.2)			
Purchases	(645)		
Amortisation	—		
		(20,775)	(6,779)
Changes in net current assets			
Increase/(decrease) in accrued expenses	(371)		
(Increase)/decrease in inventories	(916)		
(Increase)/decrease in prepayments	(3,576)		
		(4,863)	1,695
Direct expenditure		**290,429**	**312,223**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		31,580	28,775
Notional rents		3,311	3,311
Net programme cost		**325,320**	**344,309**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	80	82
Vote 12	Superannuation and Retired Allowances	24,574	22,130
Vote 13	Office of Public Works	6,110	5,660
Vote 18	National Shared Services Office	220	197
Vote 20	Garda Síochána	81	235
Vote 43	Office of the Government Chief Information Officer	272	148
Central Fund – ministerial pensions		417	433
Costs of shared services provided to other Votes		(174)	(110)
		31,580	**28,775**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	219,012	200,285
Intangible assets	2.2	645	—
Total fixed assets		**219,657**	**200,285**
Current assets			
Inventories	2.4	8,421	7,505
Prepayments	2.5	13,181	9,605
Other debit balances	2.6	8,604	9,503
Net Exchequer funding	2.9	334	(1,249)
Total current assets		**30,540**	**25,364**
Less current liabilities			
Bank and cash	2.3	4,537	4,220
Accrued expenses	2.7	2,050	2,421
Other credit balances	2.8	4,401	4,034
Total current liabilities		**10,988**	**10,675**
Net current assets		19,552	14,689
Net assets		**239,209**	**214,974**
Represented by:			
State funding account	2.10	**239,209**	**214,974**

2.1 Property, plant and equipment[a]

	Buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development [b,d]	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation [a]						
At 1 January 2023	187,278	3,034	33,077	7,343	8,591	239,323
Additions	11,772	488	395	24	9,271	21,950
Disposals	—	(173)	(120)	(2,371)	—	(2,664)
Transfers	1,337	—	—	—	(1,337)	—
Adjustment [c]	(1,185)	—	—	—	—	(1,185)
At 31 December 2023	**199,202**	**3,349**	**33,352**	**4,996**	**16,525**	**257,427**
Accumulated depreciation						
At 1 January 2023	—	2,242	30,538	6,476	—	39,256
Depreciation for the year	—	401	1,379	34	—	1,814
Depreciation on disposals	—	(167)	(120)	(2,371)	—	(2,658)
At 31 December 2023	—	**2,476**	**31,797**	**4,139**	—	**38,412**
Net assets						
At 31 December 2023	**199,202**	**873**	**1,555**	**857**	**16,525**	**219,012**
At 31 December 2022	187,278	792	2,539	867	8,809	200,285

Footnotes to 2.1

Note

[a] Cost or valuation include assets acquired for less than €10,000 prior to 1 January 2021.

[b] Assets under development represents the development of Ireland House in Tokyo and a new embassy in Abuja, currently in progress. These assets represent projects that were not complete at 31 December 2023. Transfers of €1.337 million from assets under development into land and buildings related to a premise purchased.

[c] Property valuation adjustment.

[d] Capital assets under development include costs incurred in respect of a construction project in Abuja. From 2023, all major construction projects in Vote 27 are managed and funded by Vote 28. Vote 28 paid costs totalling €3,936,000 in 2023 in respect this construction project. Following completion of the project, the building will be transferred to Vote 27 at the cost incurred in Vote 28.

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	31,516	218	31,734
Additions	—	645	645
Write off	—	(218)	(218)
At 31 December 2023	31,516	645	32,161
Accumulated amortisation			
At 1 January 2023	—	—	—
Reclassification (Note 2.1)	31,516	—	31,516
Amortisation for the year	—	—	—
At 31 December 2023	31,516	—	31,516
Net assets			
At 31 December 2023	**—**	**645**	**645**
At 31 December 2022	—	218	218

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	(31,701)	(23,794)
Commercial bank account balances	5,833	2,595
Mission bank balances and cash	21,331	16,979
	(4,537)	**(4,220)**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Passport books and cards	8,381	7,466
Protocol stocks	40	39
	8,421	**7,505**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Mission rents	1,283	2,090
Contributions to international organisations	7,237	2,205
Other prepayments	4,661	5,310
	13,181	**9,605**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Departmental and agency accounts	4,599	7,728
Imprest and personal suspense accounts	1,514	1,345
Salary advance accounts	1	3
Repatriations	121	124
Payroll control accounts	602	356
Honorary consulate debtors	70	(60)
Other balances	1,697	7
	8,604	**9,503**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration accruals	1,571	1,496
Programme accruals	316	819
Travel and subsistence accruals	163	106
	2,050	**2,421**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	1,522	1,409
Pay related social insurance	1,219	1,098
Universal social charge	332	301
Local property tax	8	8
Value added tax	54	30
Professional services withholding tax	153	222
	3,288	3,068
Sundry creditors	1,113	966
	4,401	**4,034**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	7,811	15,838
Deferred surrender	—	2,250
Exchequer grant undrawn	(8,145)	(16,839)
Net Exchequer funding	**(334)**	**1,249**
Represented by:		
Debtors		
Other debit balances	8,604	9,503
Creditors		
Bank and cash	(4,537)	(4,220)
Due to the State	(3,288)	(3,068)
Other credit balances	(1,113)	(966)
	(8,938)	(8,254)
	(334)	**1,249**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			214,974	209,890
Disbursements from the Vote				
Estimate provision	Account	323,878		
Surplus to be surrendered	Account	(7,811)		
Net vote			316,067	317,307
Expenditure (cash) borne elsewhere	1.1		31,580	28,775
Non-cash expenditure – notional rent	1		3,311	3,311
Non-cash items – property, plant and equipment adjustment	2.1		(1,185)	—
Non-cash items – intangible assets write-off	2.2		(218)	—
Net programme cost	1		(325,320)	(344,309)
Balance at 31 December			**239,209**	**214,974**

2.11 Commitments

Commitments include those amounts for which the Department may be legally liable in 2024 and subsequent years under binding enforceable contracts.

at 31 December	2023 €000	2022 €000
Lease commitments [a]	119,807	83,590
Procurement of goods and services	6,500	14,376
Total commitments	**126,307**	**97,966**

Note [a] Property lease commitments are offset by prepayments. Prepaid rents amounted to €1.283 million (2022: €2.09 million) and are included in the prepayments figure of €13.181 million (note 2.5). Lease commitments at 31 December 2023 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.

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances		132,270	129,345	119,346
ii	Travel and subsistence				
	Original	7,300			
	Supplementary	1,501			
			8,801	8,684	7,606
iii	Training and development and incidental expenses		6,200	8,089	6,809
iv	Postal and telecommunications services		6,950	5,801	7,468
v	Office equipment and external IT services		22,650	24,178	35,519
vi	Office premises expenses				
	Original	51,200			
	Deferred surrender	2,250			
	Supplementary	9,400			
			62,850	59,572	44,228
vii	Consultancy services and value for money and policy reviews		100	58	62
viii	Posting supports				
	Original	15,002			
	Supplementary	999			
			16,001	16,080	15,479
			255,822	**251,807**	**236,517**

Significant variations

The following outlines the reasons for significant variations in admin expenditure (+/- 25% and €100,000) compared to the original provision.

iii Training and development and incidental expenses

Estimate provision €6.2 million; outturn €8.089 million

The increase in expenditure on this subhead arose from unrealised foreign exchange losses on the revaluation of foreign currency denominated bank balances at the year-end in accordance with the accounting policy. In addition, interpretation expenses in relation to EU works were higher than anticipated.

Programme A Our people

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration − pay		35,038	34,263	31,615
A.2	Administration − non pay				
	Original	39,874			
	Supplementary	2,242			
			42,116	37,743	56,458
A.3	Fulbright Commission		404	404	404
A.4	Emergency consular assistance		79	85	76
A.5	Support for Irish emigrant services				
	Original	13,895			
	Supplementary	3,200			
			17,095	18,117	13,959
A.6	North-South and Anglo-Irish co-operation		5,545	4,959	5,031
A.7	International Fund for Ireland				
	Original	4,650			
	Supplementary	2,000			
			6,650	6,650	4,650
A.8	Diaspora affairs		1,100	534	725
A.9	Covid contingency		10,000	9,625	9,855
A.10	Brexit adjustment reserve		2,200	2,200	—
			120,227	**114,580**	**122,773**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.5 Support for Irish emigrant services

Original provision €13.895 million; outturn €18.117 million

A supplementary estimate was provided to meet high demand for funding from Irish diaspora communities around the world, to support frontline service providers, as well as community, cultural and heritage projects.

A.6 North-South and Anglo-Irish co-operation

Estimate provision €5.545 million; outturn €4.949 million

This underspend arose due to the need to complete compliance procedures that were outstanding at year-end.

A.7 International Fund for Ireland

Estimate provision €4.650 million; outturn €6.650 million

A supplementary estimate was provided to meet the Government's commitments to the International Fund for Ireland (IFI), in particular a commitment to provide €20 million to support the IFI Connecting Communities Strategy over the term of that strategy.

A.8 Diaspora affairs

Estimate provision €1.100 million; outturn €534,000

This is a demand led grant scheme and as a result, it is difficult to estimate the volume of applications in any one year.

Programme B Our Europe

			2023		2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
B.1	Administration − pay		30,340	29,672	27,376
B.2	Administration − non pay				
	Original	7,890			
	Supplementary	518			
			8,408	7,670	7,489
B.3	Actions consequent on Title V of the Treaty on European Union		418	333	299
B.4	EU engagement		2,215	2,068	1,647
B.5	Irish personnel in EU and international institutions		3,500	2,881	3,228
			44,881	**42,624**	**40,039**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.4 EU engagement

Estimate provision €2.215 million; outturn €2.068 million

This subhead fell marginally short of the estimated provision by €147,000 due to delays in the submission of grant applications and postponement of a planned EU graduate job fair.

B.5 Irish personnel in EU and international institutions

Estimate provision €3.5 million; outturn €2.881 million

This underspend arose due to delays in receiving recoupment requests from other departments. New payment procedures are being introduced which should mitigate against future delays.

Programme C Our values

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
C.1	Administration – pay		16,457	16,091	14,849
C.2	Administration − non pay				
		Original	7,939		
		Supplementary	520		
			8,459	7,715	7,415
C.3	Contributions to international organisations				
		Original	40,203		
		Supplementary	35,900		
			76,103	75,158	106,509
			101,019	**98,964**	**128,773**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

C.3 **Contributions to international organisations**

Estimate provision €40.203 million; outturn €75.158 million

A supplementary estimate of €35.9 million was received in relation to Ireland's contributions to international organisations. This was to fund €24.8 million in respect of Ireland's contributions to the European Peace Facility (EPF), which included contributions towards the provision of non-lethal support to Ukraine, and €11.1 million in respect of Ireland's assessed (mandatory) contributions to the UN.

Programme D Our prosperity

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration − pay		26,491	25,908	23,903
D.2	Administration − non pay				
	Original	8,976			
	Supplementary	589			
			9,565	8,730	8,364
D.3	Promoting Ireland		9,116	9,448	7,941
D.4	Contributions to national and international organisations		3,229	4,109	3,511
			48,401	**48,195**	**43,719**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

D.4 Contributions to national and international organisations

Estimate provision €3.229 million; outturn €4.109 million

It is difficult to estimate at the time of the budgetary process the amount of Ireland's international contributions for the subsequent year. Additional contributions arose due to higher than anticipated assessed contributions to the OECD.

Programme E Our effectiveness

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay		23,944	23,411	21,603
E.2	Administration − non pay				
	Original	44,723			
	Deferred surrender	2,250			
	Supplementary	8,031			
			55,004	60,604	37,445
E.3	Information services		2,402	2,395	1,827
			81,350	**86,410**	**60,875**

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
			Estimated	Realised	Realised
		€000	€000	€000	€000
1	Passports, visa and other consular services				
	Estimated	61,570			
	Supplementary	7,000			
			68,570	69,979	74,774
2	Repayments of repatriation and maintenance advances		30	—	—
3	VAT refunds to diplomatic missions		500	1,094	1,081
4	Miscellaneous		500	817	422
5	Receipts from additional superannuation contributions on public service remuneration		2,400	2,816	2,595
	Total		**72,000**	**74,706**	**78,872**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €9.71 million more than the estimate.

1 Passports, visa and other consular services

Estimate €61.57 million; realised €69.979 million

Income was ahead by €8.4 million compared to the original estimate due to the significant increase in the volume of passport applications. As the passport service is a demand-led service it is difficult to project with certainty the level of applications that will be received in any given year.

3 VAT refunds to diplomatic missions

Estimate €500,000; realised €1.094 million

Income was ahead by €594,000 due to higher than anticipated VAT and sales tax refunds from foreign governments to missions overseas.

4 Miscellaneous

Estimate €500,000; realised €817,000

The increase of €317,000 arose as unused grants from previous years were returned by grantees during 2023, which were lodged to appropriations-in-aid.

5 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.4 million; realised €2.816 million

The increase of €416,000 arose as receipts were more than anticipated due to higher payroll costs arising from national pay agreements.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	2,426	2,253

5.2 Pay

	2023 €000	2022 €000
Pay	109,613	102,076
Higher, special or additional duties allowances	380	535
Other allowances	13,266	11,519
Overtime	1,839	1,660
Employer's PRSI	8,484	7,648
Foreign social security/health insurance (missions)	3,923	4,089
Total pay [b]	**137,505**	**127,527**

Note [a] Total pay includes administration pay (A.1, B.1, C.1, D.1 and E.1) and the pay elements of subhead A.9 Covid contingency. The amount included for pay in Note 1 and Note 3 refers to administrative subheads only.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties	108	12	36,206	54,939
Other allowances	649	408	94,821	89,842
Overtime	506	49	46,618	44,833
Extra remuneration in more than one category	138	62	49,529	63,584

5.4 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	1,137	1,093
60,000	69,999	115	100
70,000	79,999	100	95
80,000	89,999	74	64
90,000	99,999	54	57
100,000	109,999	48	56
110,000	119,999	59	36
120,000	129,999	30	36
130,000	139,999	30	24
140,000	149,999	30	15
150,000	159,999	11	16
160,000	169,999	14	12
170,000	179,999	8	5
180,000	189,999	2	3
190,000	199,999	5	9
200,000	209,999	3	2
210,000	219,999	4	4
220,000	229,999	3	1
230,000	239,999	1	—
240,000	249,999	1	1
250,000	259,999	1	1
260,000	269,999	1	1
270,000	279,999	2	—
280,000	289,999	1	—

5.5 Other remuneration arrangements

Five retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €19,330 ranging from €375 to €10,000.

The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

Five non-civil servants were engaged on a fee basis at a total cost of €12,500 at €2,500 each.

This account includes expenditure of €694,320 in respect of six officers who were serving outside the Department for all or part of 2023 and whose salaries the Department paid.

5.6 Overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	70	191,477	123,127
Recovery plans in place	25	45,729	45,932

Overpayment cases which originated in the Department in respect of 13 individuals, to the value of €12,205, were closed in other public service bodies in 2023.

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**227**	**213**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 pension scheme and his entitlements to retirement benefits do not extend beyond the standard terms of that scheme. No benefit-in-kind or allowances were paid in 2023.

Note 6 Miscellaneous

6.1 Compensation and legal costs

6.1 Payments/costs incurred during the year

	Claims by		Total	Total
	Employees	Members of the public	2023	2022
Number of cases	**4**	**13**	**17**	**12**
	€000	**€000**	**€000**	**€000**
Department's own legal costs	14	109	123	29
Payments by/on behalf of Department				
Compensation	93	471	564	106
Legal costs	—	278	278	—
Other costs	2	1	3	4
2023 Total	**109**	**859**	**968**	**139**
2022 Total	28	111	139	

Note At 31 December 2023, 13 cases were outstanding.

6.2 Late payment penalties

	2023	2022
	€	€
Interest and compensation	**13,683**	**13,352**

6.3 Passport Service operating cost statement [a]

		2023	2022
		Outturn	Outturn
	€000	€000	€000
Direct expenditure			
Payroll costs:			
Permanent staff	22,205		
Temporary staff	8,664	30,869	28,727
Passport books and cards		547	16,264
Operating costs [b]		12,828	9,434
Postage and telecoms		2,699	4,127
Premises and utility costs		1,103	697
Travel and subsistence		71	44
Total [c]		**48,117**	**59,293**

Note [a] This statement covers direct costs (e.g. postage, building utility costs, operating costs, etc.) incurred by the passport offices. It does not include any allocation of indirect costs incurred by central services e.g. ICT, HR, Finance, Corporate Services, etc.

[b] The 2022 comparative figure was restated.

[c] Total costs include costs related to subhead A.9 Covid contingency, €9.625 million in 2023. This subhead was created to assist the Department with the processing of the significant increase in passport applications being received post Covid-19.

6.4 Write offs

The following sums were written off in the year:

	2023	2022
	€	€
Passport Integrated and Processing System [a]	**218,230**	**—**

Note [a] A decision was made in 2023 that the contract with the new Passport Integrated and Processing System providers should be concluded due to the contract terms not being met.

Appropriation Account 2023

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

A surplus of €42.241 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

Depreciation of capital assets

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.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Developed software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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

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

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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods, professional and other contracted services, amounted to a total of €331.995 million in 2023.

The Department has provided details of twenty six non-competitive contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of ten contracts in excess of €25,000 (exclusive of VAT) totalling €981,869 (exclusive of VAT) as set out below.

- Two contracts with a total value of €124,400 (ex. VAT) have been rolled over until specific technical requirements have been fully established as part of the move to OGCIO and new office premises in Q2 2024.
- Two contracts related to the rollover of contracts to ensure work was completed as additional services had been required. Those contracts had a total value of €100,219 (ex. VAT) and have expired.
- Three contracts with a total value of €127,750 (ex. VAT) relate to persons chosen by virtue of their specific experience and expertise.
- Two contracts with a total value of €577,500 (ex. VAT) with the same company provided services similar to other work the company conducted in the Department to ensure a consistent approach. Both of these have expired.
- One contract with a value of €52,000 ex VAT for legal advice requiring specific/unique expertise. This has expired.

The above contracts have been included in the 40/2002 annual return referenced above.

Risk and control framework

Risk management procedures are in place within the Department to identify, manage and report on risks to the Department's operations. The risk management policy, which includes a risk appetite statement, sets out the key elements of the Department's overall risk management framework, encompassing roles and responsibilities, risk management tools, structures and processes.

Ongoing monitoring and review

In 2023, monitoring and review of the Department's risk management was through the strategic delivery framework, a strong and agile mechanism in place to ensure that our priorities, resources and people are appropriately aligned and subject to regular review at Management Board and Ministerial level to ensure that they continue to be so. Key strategic actions (KSAs) to support the delivery of the Department's priorities are identified annually through this framework with KSA delivery plans in place and signed off at Assistant Secretary level. In addition to setting out deliverables, these delivery plans specify risks to delivery, mitigations and issues. The risks to the delivery of the KSAs, emerging issues, mitigations and supports are actively considered as part of the KSA reporting to the Management Board and the Minister.

Review of effectiveness

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 internal audit of risk management policy was undertaken in 2023 which made a number of recommendations and the Department is implementing these.

Internal financial control issues

Tax compliance

On 3 March 2020, the Office of the Revenue Commissioners (Revenue) gave notice of a site visit to get an understanding of the Department's processes and systems around ensuring tax compliance, benefit-in-kind on official vehicles and any other records as necessary.

During 2020, the Department engaged external auditors to conduct two audits relating to 1) the use of contractors within the Department and 2) fleet management practices which identified potential tax compliance issues. Revenue was briefed on the findings of both audits and was advised that the Department would undertake a comprehensive internal tax review.

The Department provided regular updates to Revenue throughout the process which concluded with a presentation of the findings in July 2022. Following this the Department made an unprompted qualifying disclosure totalling €44,466.

Most recent correspondence from Revenue in December 2022 advised that Revenue is considering the findings of our internal tax review as presented in July 2022 and included a request for further information.

On 20 October 2023, the Supreme Court's decision in the Revenue Commissioners v Karshan (Midlands) Limited Trading as Domino's Pizza [2023] IESC 24 was published.

On 23 November 2023, the Department provided further information to the Revenue. The Department continues to engage with Revenue in relation to this matter.

Non-compliant transactions

The Department identified three non-compliant payments during 2023 as follows.

- Non-compliance with circular 13/2014 *Management of and Accountability for Grants from Exchequer Funds* resulting in an overpayment of €833,000. This occurred as a result of pre-funding a non-governmental organisation without receiving formal sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform. These funds have now been repaid by the organisation.

- Non-compliance with delegated sanction for current expenditure for the sum of €234,000. These funds were paid to the Commission for the Regulation of Utilities (CRU) to allow it to undertake a regulatory role in district heating, for the purposes of consumer protection and as required under European Directives. Subsequent legal advice indicated that the CRU were not satisfactorily designated as the regulator of district heating and there was no legal vires for these payments. The advice of the Attorney General has been sought and primary legislation is being drafted to put in place the necessary legal vires.
- Non-compliance with public financial procedures for the sum of €26,221,000 relating to timing of payments. This occurred in advance of a supplementary estimate being passed to increase funding in the subhead.

The procedures around these payments have been reviewed and relevant controls have been revised to minimise the risk of reoccurrence.

Oonagh Buckley
Accounting Officer
Department of the Environment, Climate and Communications

19 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 29 Environment, Climate and Communications for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of the 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 appendix to this report.

Non-compliant procurement

The Accounting Officer has disclosed in the statement of internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2023.

Non-compliant transactions

The Accounting Officer has disclosed in the statement on internal financial control that three instances of non-compliance of material payments with relevant public financial procedures were identified in 2023.

Seamus McCarthy
Comptroller and Auditor General

19 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 29 Environment, Climate and Communications

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Climate action and environment leadership				
	Original	128,588			
	Supplementary	(3,700)			
			124,888	115,894	96,790
B	Energy transformation				
	Original	529,223			
	Supplementary	897,306			
			1,426,529	1,406,927	1,974,979
C	Circular economy development				
	Original	114,513			
	Supplementary	(13,300)			
			101,213	87,311	90,642
D	Connectivity and communications delivery				
	Original	293,736			
	Supplementary	58,300			
			352,036	357,640	203,213
Gross expenditure					
	Original	1,066,060			
	Supplementary	938,606			
			2,004,666	**1,967,772**	**2,365,624**
	Deduct				
E	**Appropriations-in-aid**		**10,615**	**17,762**	**7,398**
Net expenditure					
	Original	1,055,445			
	Supplementary	938,606			
			1,994,051	**1,950,010**	**2,358,226**

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. €1.8 million of unspent allocations in respect of the capital elements of subhead A.9 was carried forward to 2024.

	2023 €	2022 €
Surplus	44,041,462	301,082,040
Deferred surrender	(1,800,000)	—
Surplus to be surrendered	**42,241,462**	**301,082,040**

Oonagh Buckley
Accounting Officer
Department of the Environment, Climate and Communications

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		1,910,644	2,322,015
Pay		43,615	34,052
Non pay		13,513	9,557
Gross expenditure		**1,967,772**	**2,365,624**
Deduct			
Appropriations-in-aid		**17,762**	**7,398**
Net expenditure		**1,950,010**	**2,358,226**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(3,251)		
Depreciation	532		
Disposals cash	13		
Profit on disposals	(11)		
Intangible assets (note 2.2)			
Amortisation	3		
		(2,714)	200
Changes in net current assets			
Decrease in inventories	10		
Decrease in prepayments	163,843		
Decrease in accrued income	8,349		
Increase in accrued expenses	5,028		
		177,230	(790,642)
Direct expenditure		**2,124,526**	**1,567,784**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		18,140	16,113
Notional rents		1,584	1,584
Net programme cost		**2,144,250**	**1,585,481**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	60	62
Vote 12	Superannuation and Retired Allowances	14,251	12,533
Vote 13	Office of Public Works	3,309	3,307
Vote 18	National Shared Services Office	63	52
Vote 43	Office of the Government Chief Information Officer	262	69
Vote 20	Garda Síochána	114	9
Central Fund – ministerial pensions		81	81
		18,140	**16,113**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	3,925	1,570
Intangible assets	2.2	—	3
Total fixed assets		**3,925**	**1,573**
Current assets			
Bank and cash	2.3	93,053	137,899
Inventories	2.4	151	161
Electricity credit prepayment	2.5	610,988	793,003
Other prepayments	2.6	21,456	3,284
Accrued income	2.7	5,752	14,101
Other debit balances	2.8	214	1,121
Total current assets		**731,614**	**949,569**
Less current liabilities			
Accrued expenses	2.9	23,459	18,431
Other credit balances	2.10	91,198	135,308
Net Exchequer funding	2.11	2,069	3,712
Total current liabilities		**116,726**	**157,451**
Net current assets		614,888	792,118
Net assets		**618,813**	**793,691**
Represented by:			
State funding account	2.12	**618,813**	**793,691**

2.1 Property, plant and equipment [a, b]

	Office Furniture	Office and IT equipment	Specialist equipment and motor vehicles	Assets under development	Total
	€000	€000	€000	€000	€000
Cost or valuation					
At 1 January 2023	1,378	7,078	8,872	—	17,328
Additions	—	359	195	2,697	3,251
Disposals	(132)	(30)	(101)	—	(263)
Adjustment: asset verification project [c]	(9)	(2,000)	(978)	—	(2,987)
Adjustment: asset reporting threshold [d]	(1,237)	(3,249)	(425)	—	(4,911)
At 31 December 2023	—	2,158	7,563	2,697	12,418
Accumulated depreciation					
At 1 January 2023	1,277	6,404	8,077	—	15,758
Depreciation for the year	—	162	370	—	532
Depreciation on disposals	(130)	(30)	(101)	—	(261)
Adjustment: asset verification project [c]	(15)	(1,994)	(978)	—	(2,987)
Adjustment: asset reporting threshold [d]	(1,132)	(3,019)	(398)	—	(4,549)
At 31 December 2023	—	1,523	6,970	—	8,493
Net assets					
At 31 December 2023	—	**635**	**593**	**2,697**	**3,925**
At 31 December 2022	101	674	795	—	1,570

Note
[a] State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.
[b] With effect from 1 January 2023, acquired and developed software assets were transferred to intangible assets (note 2.2).
[c] An asset verification exercise was carried out in 2023 and an adjustment was required to remove obsolete assets and assets no longer in existence from the account.
[d] In line with DPENDPDR circular 21/2020, the threshold for inclusion of capital assets on the statement of capital assets was increased to €10,000 for an individual asset. The Department has adopted this policy in 2023 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023	15,539	15,539
Adjustment: asset verification project [b]	(7,237)	(7,237)
Adjustment: asset reporting threshold [c]	(215)	(215)
At 31 December 2023	8,087	8,087
Accumulated amortisation		
At 1 January 2023	15,536	15,536
Amortisation	3	3
Adjustment: asset verification project [b]	(7,237)	(7,237)
Adjustment: asset reporting threshold [c]	(215)	(215)
At 31 December 2023	8,087	8,087
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	3	3

Note
[a] With effect from 1 January 2023, acquired and developed software assets were transferred from property, plant and equipment.
[b] An asset verification exercise was carried out in 2023 and an adjustment was required to remove obsolete and assets no longer in existence from the account.
[c] In line with DPENDPDR circular 21/2020, the threshold for inclusion of capital assets on the statement of capital assets was increased to €10,000 for an individual asset. The Department has adopted this policy in 2023 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balance and cash	31,081	7,571
Energy Efficiency National Fund balance	55,935	124,263
Petroleum Infrastructure Programme Fund	6,037	6,065
	93,053	**137,899**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Equipment	19	28
Publications	132	133
	151	**161**

2.5 Electricity credit prepayment

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes in 2022.

In response to continued high prices, the Government introduced the third scheme of three payments of €137.61 each (ex. VAT) to be credited to over 2.2 million domestic electricity accounts between December 2023 and April 2024.

In 2023, the Department paid €926.140 million under the third scheme for distribution to customers between December 2023 and April 2024. €610.988 million (2022: €793.003 million) of this was distributed to individual domestic electricity accounts in 2024.

2.6 Other prepayments

at 31 December	2023	2022
	€000	€000
Administration	1,670	583
Circular economy development	4,045	1,517
Climate action and environment leadership	—	41
Connectivity and communications delivery	2,631	946
Energy transformation	13,110	197
	21,456	**3,284**

2.7 Accrued income

at 31 December	2023	2022
	€000	€000
Mining royalty invoices	3,755	11,900
Other debtor invoices	1,997	2,201
	5,752	**14,101**

2.8 Other debit balances

at 31 December	2023	2022
	€000	€000
Salaries of seconded staff	123	83
Energy Efficiency National Fund (note 7.2)	—	647
Environment Fund	—	115
Other suspense	91	276
	214	**1,121**

2.9 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration	694	790
Circular economy development	733	1,689
Climate action and environment leadership	840	313
Connectivity and communications delivery	20,956	15,223
Energy transformation	236	416
	23,459	**18,431**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Withholding tax	1,024	954
Value added tax	922	690
Exchequer receipts (note 4.3)	20,727	—
PAYE/PRSI	1,186	903
	23,859	2,547
Suspense		
Energy Efficiency National Fund (note 7.2)	55,935	124,263
Petroleum Infrastructure Programme Fund (note 7.1)	6,037	6,065
Energy Efficiency National Fund (note 7.2)	—	242
National Cyber Security Co-ordination and Development Centre	3,019	—
Emergency call answering service	1,543	1,392
Other	805	799
	67,339	132,761
	91,198	**135,308**

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	42,241	301,082
Deferred surrender	1,800	—
Exchequer grant undrawn	(41,972)	(297,370)
Net Exchequer funding	**2,069**	**3,712**
Represented by:		
Debtors		
Bank and cash	93,053	137,899
Debit balances: suspense	214	1,121
	93,267	139,020
Creditors		
Due to the State	(23,859)	(2,547)
Credit balances: suspense	(67,339)	(132,761)
	(91,198)	(135,308)
	2,069	**3,712**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			793,691	3,035
Disbursements from the Vote				
Estimate provision	Account	1,994,051		
Deferred surrender	Account	(1,800)		
Surplus to be surrendered	Account	(42,241)		
Net vote			1,950,010	2,358,226
Expenditure (cash) borne elsewhere	1.1		18,140	16,113
Non-cash items — property, plant and equipment net adjustments	2.1		(362)	214
Non-cash expenditure – notional rent	1		1,584	1,584
Net programme cost	1		(2,144,250)	(1,585,481)
Balance at 31 December			**618,813**	**793,691**

2.13 Commitments

At 31 December	2023	2022
a) Global commitments	**€000**	**€000**
Procurement of goods and services	16,766	17,479
Capital grant programmes [a]	395,224	313,573
Capital projects and programmes	2,214,275	2,400,673
Total of legally enforceable commitments	**2,626,265**	**2,731,725**

b) Capital grant programmes	**2023**	**2022**
At 31 December	**€000**	**€000**
Opening balance	313,573	152,748
Grants paid in the year	(183,283)	(40,503)
New grant commitments	316,950	241,581
Grants cancelled	(52,016)	(40,253)
Closing balance	**395,224**	**313,573**

c) Major capital projects where the project value exceeds €10 million

Programme/project	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
National postcodes	31,478	2,150	7,401	41,029	35,485
National Broadband Plan	343,182	280,716	2,074,402	2,698,300	2,698,300
INFOMAR [a]	62,645	4,982	10,066	77,693	69,046
Tellus [b]	27,520	3,768	9,137	40,425	32,087
Post Office Network Funding Scheme	—	9,702	20,000	29,702	—
	464,825	**301,318**	**2,121,006**	**2,887,149**	**2,834,918**

Notes [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 2022.

National postcodes

Increase in expected total spend: €5.544 million

The increase reflects the extension of the Postcode Management Licence Holder contract, as approved by Cabinet, by three years to December 2026. The increase in the expected total spend now covers a thirteen-year timeframe, in contrast to the original ten-year estimate, over the lifetime of the project.

INFOMAR

Increase in expected total spend: €8.647 million

Spend on the INFOMAR project relates 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. The increase in the expected total spend in the lifetime of the project represents new contracts entered into in 2023, in particular for data acquisition and data processing services, to continue the INFOMAR project which remains on target to complete in 2026.

Tellus

Increase in expected total spend: €8.338 million

Spend on the Tellus project relates 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. The increase in the expected total spend in the lifetime of the project represents contract extensions to continue airborne geophysics and soil sampling acquisition. The Department expects two main phases of the programme to be complete in 2026, with delivery of airborne and soil datasets.

2.14 Land remediation

The Department incurs costs in relation to historical mines, primarily in Avoca and Silvermines, which are the highest risk sites. Expenditure relates to maintenance and rehabilitation as needed at all sites, and additionally, environmental monitoring at Avoca and Silvermines which is reported under Subhead C.3.

	Expenditure to end 2022	Expenditure in 2023	Contractual commitment	Total
	€000	€000	€000	€000
Avoca	4,860	372	—	5,232
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,832	81	472	2,385
Other emergency works	13	32	—	45
	17,895	**485**	**472**	**18,852**

2.15 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 is reported under the connectivity and communications delivery programme as shown below, with administrative costs met from subheads D.1 and D.2 and operational funding provided through subhead D.6.

	2023	2022
	€000	€000
Administration - pay	5,024	2,851
Administration – non pay	257	80
Operations	8,284	3,424
	13,565	**6,355**

2.16 Contingent liabilities

There is potential for financial liabilities to arise in 2024 and subsequent years depending on the outcomes of current, pending and possible future legal actions including EU legal actions. The amounts involved cannot be determined at this point.

The European Court of Justice judgement in relation to the European Commission's infringement proceedings against Ireland for the late transposition of the European Electronic Communications Directive was delivered on 14 March 2024. The Court has imposed a financial sanction on Ireland of €4.5 million, to be met by Exchequer funding.

There is also the potential for financial liabilities should Ireland fail to meet its EU mandated greenhouse gas emissions reductions and energy targets. Given the range of uncertainties, it is not possible to accurately quantify the potential liability to the Exchequer at this point.

2.17 Expenditure on retrofit and energy efficiency programmes, by scheme, 2023

	2023 Estimate	2023 Outturn
B.4 Residential/ community retrofit programmes	**€000**	**€000**
Better Energy – Homes	49,600	55,947
Better Energy - Warmer Homes	147,119	148,188
Better Energy - Communities	65,300	27,188
Retrofit	1,150	891
Demand generation - national retrofit	1,050	992
Deep retrofit	65	241
Solar PV	30,080	54,201
Solar PV – medical vulnerable	6,770	—
BER supports	1,800	1,800
Community Activation Fund	5,380	2,103
One stop shop development	45,850	27,662
Renewable Electricity Support Scheme - Communities	1,101	1,144
	355,265	**320,357**
B.5 Other energy efficiency programmes		
Business Energy Efficiency	3,100	3,225
Business Renewable Energy	3,940	1,426
Market surveillance	1,575	1,365
Public sector energy efficiency	61,900	71,944
Industrial engagement (EXCEED)	7,500	2,382
Schools	400	210
Energy Show	150	150
Non-domestic microgen	200	—
Non-domestic microgen - commercial	2,000	12,419
Non-domestic retrofit support	2,000	265
	82,765	**93,386**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	47,000	43,615	34,052
ii	Travel and subsistence	822	1,379	721
iii	Training and development and incidental expenses	2,000	2,021	2,909
iv	Postal and telecommunications services	500	436	419
v	Office equipment and external IT services	7,092	4,997	2,415
vi	Office premises expenses	1,578	1,055	845
vii	Consultancy services and value for money and policy reviews	3,401	3,446	2,107
viii	Equipment, stores and maintenance	196	179	141
		62,589	**57,128**	**43,609**

Significant variations

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

ii Travel and subsistence

Estimate provision €822,000; outturn €1.379 million

The additional expenditure of €557,000 primarily relates to increased level of EU related travel and the ongoing rise in the cost of travel in general.

v Office equipment and external IT services

Estimate provision €7.092 million; outturn €4.997 million

The underspend of €2.095 million primarily relates to

- Proposed capital software upgrades deferred from 2023 to 2024 pending engagement of skilled resources.
- Infrastructure and server replacement and upgrades deferred from 2023 to 2024 as supports provided for an additional year.
- Delay in purchase of IT equipment for the relocation from Adelaide Road to Beggars Bush due to delays in the handover of the building to the Department.

vi Office premises expenses

Estimate provision €1.578 million; outturn €1.055 million

The underspend of €523,000 relates to less than anticipated costs associated with the relocation to the new building at Beggars Bush due to delays in the handover of the building to the Department.

Programme A Climate Action and Environment Leadership

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		8,225	7,633	7,079
A.2	Administration − non pay		2,696	2,352	1,957
A.3	Environmental Protection Agency		43,761	44,430	41,600
A.4	Environmental and climate research				
	Original	17,250			
	Supplementary	(600)			
			16,650	16,173	13,536
A.5	Carbon Fund		2,905	2,905	—
A.6	International climate change commitments		26,500	26,408	16,045
A.7	Climate initiatives		10,931	9,132	9,776
A.8	Just Transition JTF (IE & EU)				
	Original	12,420			
	Supplementary	(3,100)			
			9,320	5,118	3,397
A.9	Shared Island Fund		1,800	—	—
A.10	Subscriptions to international organisations		2,100	1,743	3,400
			124,888	**115,894**	**96,790**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

A.4 Environmental and climate research

Estimate provision €17.25 million; outturn €16.173 million

The underspend of €1.077 million relates mainly to an underspend in the land use project. The bulk of the expenditure for this project will fall due in the second phase of the land use review, which was delayed until quarter four 2023 and will run into 2024.

A.7 Climate initiatives

Estimate provision €10.931 million; outturn €9.132 million

The underspend of €1.799 million primarily relates to less than anticipated expenditure on Climate Action Regional Offices (CAROs) and the local authority training project. This underspend was due to staff vacancies in the CAROs and cost savings in the local authority training project due to a higher level of online training than envisaged.

A.8 Just Transition JTF (IE & EU)

Estimate provision €12.42 million; outturn €5.118 million

The underspend of €7.302 million is due to some of the larger national Just Transition Fund projects still experiencing a number of challenges in implementing their projects, resulting in delays to drawdowns. These factors include unanticipated inflationary costs, particularly in relation to construction, and procurement. As a result, extensions have been agreed to project completion deadlines in a number of cases, resulting in lower payments for 2023 than initially envisaged.

Further underspends were incurred in the EU Just Transition Fund due to delays in programme operationalisation requirements during 2023, including the Local and Regional Enterprise Strategic Support Scheme design and launch, resulting in lower programme expenditure with no payments to grantees during 2023.

A.9 Shared Island Fund

Estimate provision €1.8 million; outturn €nil

There were delays to the rollout of the Community Climate Action Programme which resulted in no expenditure in 2023. This was due to delays in the hiring of the Community Climate Action Officers (CCAO) in local authorities needed to deliver the programme and a delay in getting the template grant agreements agreed with the local authorities.

A.10 Subscriptions to international organisations

Estimate provision €2.1 million; outturn €1.743 million

The underspend of €357,000 is due to less than anticipated expenditure on the United Nations environment programme.

Programme B Energy Transformation

				2023	2022
		Estimate Provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		14,688	13,630	8,483
B.2	Administration − non pay		4,808	4,200	2,345
B.3	Sustainable Energy Authority of Ireland − administration and general expenses		27,971	25,171	19,509
B.4	Residential/community retrofit programmes				
	Original	355,265			
	Supplementary	(27,700)			
			327,565	320,357	151,329
B.5	Other energy efficiency programmes				
	Original	82,765			
	Supplementary	12,000			
			94,765	93,386	43,676
B.6	Other energy programmes (national/international)				
	Original	7,506			
	Supplementary	(700)			
			6,806	3,846	625
B.7	Energy research programmes				
	Original	30,350			
	Supplementary	(10,600)			
			19,750	18,010	9,450
B.8	Gas services		45	45	42
B.10	Single scheme pension payment to CRU		6	—	—
B.11	Electricity credit				
	Original	—			
	Supplementary	926,606			
			926,606	926,140	1,588,208
B.12	Subscription to international organisations		350	318	312
B.13	Emergency generation capacity		—	—	151,000
B.14	Regulation of district heating		689	234	—
B.15	Residential Retrofit Loan Scheme				
	Original	4,780			
	Supplementary	(2,300)			
			2,480	1,590	—
			1,426,529	**1,406,927**	**1,974,979**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

B.3 Sustainable Energy Authority of Ireland - administration and general expenses

Estimate provision €27.971 million; outturn €25.171 million

The 2023 allocation included the full year cost to fund an increase of SEAI staff to 235 full time equivalents. However, delays were experienced with on boarding of the new staff which resulted in an underspend of €2.8 million.

B.4 Residential/community retrofit programmes

Estimate provision €355.265 million; outturn €320.357 million

The 2023 estimates reflect the best forecasts available to inform funding requirements at individual scheme level. Due to the demand led nature and differing complexity of these programmes it is necessary to carefully manage overall budgets between schemes. Underspends in some schemes, outlined below, were effectively reallocated to the Solar PV scheme which saw an increase in expenditure of over €24 million. This increase in expenditure reflects the sustained growth in applications due to increasing customer awareness of the benefits of Solar PV combined with high energy cost. The removal of planning permission restrictions and the removal of VAT on supply and fit of domestic Solar PV Systems also positively impacted the scheme. The underspend in other schemes of €34.908 million primarily relates to (i) a number of large and complex projects submitted in 2023 under the Better Energy - Community Energy Grants Scheme which required a longer timeframe to deliver with contracts carried over to 2024. (ii) Solar PV Medical Vulnerable Scheme launched in late 2023 with no payments made in 2023 more suppliers will start roll out in 2024 and payments will commence. (iii) A number of One-Stop-Shops (OSSs) were still building capacity to deliver the number of upgrades expected under the scheme that commenced in February 2022. See note 2.17 for breakdown of residential/community retrofit programmes by individual scheme.

B.5 Other energy efficiency programmes

Estimate provision €82.765 million; outturn €93.386 million

The increased expenditure of €10.621 million was incurred as a result of a supplementary estimate of €12 million being provided in 2023 to support growth in applications for the non-domestic microgen scheme. The growth was attributable to the scheme being enhanced on a pilot basis to provide supports for applicants up to one megawatt. See note 2.17 for breakdown of other energy efficiency programmes by individual scheme.

B.6 Other energy programmes

Estimate provision €7.506 million; outturn €3.846 million

The underspend of €3.66 million relates mainly to an underspend in offshore wind consultancy. The 2023 budget was calculated based on a full 12 months of expenditure. However, first contracts to avail of the offshore wind consultancy programme fund were not signed until mid-2023 due to unforeseen delays establishing the procurement framework.

B.7 Energy research programmes

Estimate provision €30.35 million; outturn €18.01 million

The underspend of €12.34 million is mainly attributable to (i) commissioned renewable energy research and development being slower than expected to procure and (ii) the Atlantic Marine Energy Test Site (AMETS) project experiencing significant delays in the spatial designations process (DMAPs). 2023 estimates anticipated the offshore design works to have commenced in 2023 but this considerable spend was not realised and has currently shifted to a pending status.

B.11 Electricity credit

Estimate provision €nil; outturn €926.14 million

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes in 2022.
In response to the continued high prices in 2023, the Government introduced the third scheme of three payments of €137.61 each (ex. VAT) to be credited to over 2.2 million domestic electricity accounts between December 2023 and April 2024.

As this was an emergency measure, the cost of this scheme was not included in the original estimate for the Department and was provided through a supplementary estimate.

B.14 Regulation of district heating

Estimate provision €689,000; outturn €234,000

The underspend of €455,000 mainly relates to a delay in recruiting additional staff resources to district heating and professional fees which were not incurred before the year end.

B.15 Residential Retrofit Loan Guarantee Scheme

Estimate provision €4.78 million; outturn €1.59 million

The underspend of €3.19 million was due to a legal agreement required to facilitate the payment of some costs not finalising in the timeline initially expected which impacted on the timing of invoices.

Programme C Circular Economy Development

				2023	2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
C.1	Administration – pay		11,970	11,108	8,117
C.2	Administration − non pay		4,116	3,423	2,385
C.3	Mining and petroleum services		3,264	761	950
C.4	Geological survey programmes				
	Original	14,800			
	Supplementary	(2,500)			
			12,300	12,064	11,406
C.5	Inland Fisheries		36,838	36,973	34,186
C.6	Waste management programmes				
	Original	42,890			
	Supplementary	(10,800)			
			32,090	22,848	33,477
C.7	Subscriptions to international organisations		135	134	121
C.8	Environmental sustainability		500	—	—
			101,213	**87,311**	**90,642**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

C.3 Mining and petroleum services

Estimate provision €3.264 million; outturn €761,000

The underspend of €2.503 million mainly relates to reduced extraction rates of private minerals by mineral companies under state mining facilities, resulting in lower than expected compensation payments made to owners of mineral rights.

A further underspend was incurred due to delays in procuring mining consultancies and longer lead times than expected, resulting in projects being due for completion in 2024 instead of 2023, with payments arising on completion.

C.4 Geological survey programmes

Estimate provision €14.8 million; outturn €12.064 million

The underspend of €2.736 million mainly relates to (i) delays in procurement of new contracts for service for geoscience initiative projects (ii) the Interreg (Geothermal) project not commencing in 2023 due to delays regarding the launch of the call.

C.6 Waste management programmes

Estimate provision €42.89 million; outturn €22.848 million

The underspend of €20.042 million was primarily due to (i) funding allocated to a number of sites for landfill remediation not drawn down as works did not progress at the anticipated pace (ii) progress on the development of the National Environmental Management Information System (NEMIS) and the Waste Enforcement Regional Lead Authorities (WERLAs) being slower than anticipated, partly due to recruitment issues.

C.8 Environmental sustainability

Estimate provision €500,000; outturn €nil

Funding was not required in 2023 due to delays in recruiting specialist staff for the Barriers Removal Project.

Programme D Connectivity and Communications Delivery

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration – pay		12,117	11,245	10,375
D.2	Administration − non pay		3,969	3,537	2,868
D.3	National Broadband Plan				
	Original	212,200			
	Supplementary	67,400			
			279,600	290,100	177,282
D.4	Other communication infrastructure				
	Original	9,870			
	Supplementary	(2,700)			
			7,170	3,527	2,614
D.5	Other digital economy programmes		7,734	8,107	6,650
D.6	National Cyber Security Centre				
	Original	10,950			
	Supplementary	(3,500)			
			7,450	8,284	3,424
D.7	Emergency alert service				
	Original	3,000			
	Supplementary	(2,900)	100	42	—
D.8	Brexit Adjustment Reserve – An Post		23,896	23,096	—
D.9	Post Office Network		10,000	9,702	—
			352,036	**357,640**	**203,213**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

D.3 National Broadband Plan

Estimate provision €212.2 million; outturn €290.1 million

The outturn was €77.9 million more than the original provision. A supplementary estimate of €67.4 million increased the National Broadband Plan (NBP) budget provision to €279.6 million. An additional virement of €10.5 million was approved in December 2023 to facilitate the remaining increase in expenditure.

National Broadband Ireland continued to make significant progress in the deployment and connections of the NBP network during 2023 and had exceeded the cumulative target of 185,000 premises passed agreed with NBI by early October 2023.

The timing of claims by NBI has an impact on the level of NBP payments. Payments are directly linked with the completion of programme deployment and connection milestones. The actual outturn for 2023 reflects the significant progress made.

D.4 Other communication infrastructure

Estimate provision €9.87 million; outturn €3.527 million

The underspend of €6.343 million relates primarily to delays in the procurement of equipment which is needed for the Ireland QCI project. Delays in procuring the equipment was due to a number of factors, including worldwide demand on quantum technology (all 27 member states are dealing with a limited number of commercial vendors), lack of components (shortages since Covid affect all supply chains for quantum technology), few suppliers outside and within the EU27 member states and lengthy internal and Government procurement processes due to the novelty and complexity of the quantum technology.

There was also an underspend in the Eircode project as expenditure originally scheduled for 2023 was deferred to 2024 due to an extension to the Postcode Management Licence Holder (PMLH) contract from December 2023 out to December 2026. Finally, the Sub Sea Cables Consultancy Project started later in 2023 than planned. The remainder of the work will be completed in 2024.

D.6 National Cyber Security Centre

Estimate provision €10.95 million; outturn €8.284 million

The underspend of €2.666 million is mainly due to the delayed occupation of the new facility in Beggars Bush. This has delayed the expansion of the NCSC's capacity and infrastructure projects in line with the National Cyber Security Strategy 2019-24 along with the NCSC Internal Technology Strategy.

D.7 Emergency alert system

Estimate provision €3 million; outturn €42,000

This subhead was new in 2023 and the €3 million allocated was to cover the procurement of the Government interface component of the Public Warning System (PWS).

However, due to the complexity of the technological solution required, the PWS Procurement Working Group deemed it necessary to procure advisory services relating to the implementation, testing, management and maintenance of the PWS in order to reduce the risks associated with going straight to procurement with limited in-house capacity and capability. Therefore, the majority of the 2023 budget to procure the technical solution was not spent.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Proceeds of fines in respect of inland fishery offences	50	41	24
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	5,000	11,287	1,423
3	Petroleum Infrastructure Support Group	402	17	49
4	Geological Survey Ireland income	300	290	347
5	Rent on properties in GPO	223	292	364
6	Miscellaneous receipts (note 4.2)	1,000	1,132	1,288
7	Pension contributions from agencies	340	461	223
8	Receipts from additional superannuation contributions on public service remuneration	3,300	4,242	3,680
	Total	**10,615**	**17,762**	**7,398**

Significant variations

The following outlines the reasons for significant variations in appropriation-in-aid (+/- 5% and €100,000).

2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960

Estimate provision €5 million; realised €11.287 million

The excess of €6.287 million relates to a delay in issuing 2021 and 2022 mining royalty invoices. These invoices were raised in 2023.

3 Petroleum Infrastructure Support Group

Estimate €402,000; realised €17,000

The decrease of €385,000 in PISG income was in line with the reduced number of petroleum licenses. The orderly wind down of the Petroleum Infrastructure Programme has been initiated, and contributions to the Programme for periods commencing 1 July 2021 are not being sought.

7 Pension contributions from agencies

Estimate €340,000; realised €461,000

The excess of €121,000 relates to SEAI 2022 contributions not received until January 2023.

8 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.3 million; realised €4.242 million

The excess of €942,000 relates mainly to an increase in staff numbers in the Department, EPA and SEAI.

4.2 Miscellaneous receipts

	2023 €000	2022 €000
Royalties in respect of metropolitan area networks	1,002	979
Corrib verification	25	—
Costs recovered from other bodies	46	130
Fixed assets disposal proceeds	13	
Salary overpayment and expenses recoupment from prior years	45	—
Maritime area consent application fee	—	175
Other	1	4
Total	**1,132**	**1,288**

4.3 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	165
Receipts from emissions trading scheme [a]	156,707	215,669
Galway Mayo telecommunications duct	306	200
Share of surplus on sale of NBP company	—	42,775
Drawdown of RESS performance bonds	2,146	1,006
Closure of the World Bank's BioCarbon Fund	—	415
Reimbursement of Pobal fees for 2022	—	109
Refund of unused Electricity Costs Emergency Benefit Scheme funding [b]	22,611	—
Annual levies for maritime area consents [c]	7,249	—
Voluntary surrender of Ministerial salaries	21	21
Transferred to the Exchequer	(168,313)	(260,360)
Balance at 31 December	**20,727**	**—**

Note
[a] €156.707 million represents Ireland's gross share of receipts arising from auctioning of allowances in the EU Emissions Trading Scheme in 2023. €1.547 million was paid over to the EPA in January 2023 for 2022 administrative expenses and €1.794 million was paid over to the EPA in February 2024 for 2023 administrative expenses.

[b] Funding was provided to ESB Networks in 2022 to cover the Electricity Costs Emergency Benefit Scheme for all domestic customers. ESB Networks returned unused funds totalling €22.611 million in 2023.

[c] Receipts for maritime area consents annual levies for seven offshore renewable energy projects.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	646	534
Agencies [a]	1,066	961
	1,712	**1,495**

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 included in notes 5.2 and 5.3 below relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies) [a]	2023	2022
	€000	**€000**
Pay	102,943	89,245
Higher, special or additional duties allowances	543	364
Other allowances	1,576	1,583
Overtime	40	50
Employer's PRSI	10,300	8,798
Severance pay	228	—
Total pay	**115,630**	**100,040**

Remuneration of Department staff

	2023 €000	2022 €000
Pay	39,337	31,125
Higher, special or additional duties allowances	328	109
Overtime	23	25
Employer's PRSI	3,699	2,793
Severance pay	228	—
Total pay	**43,615**	**34,052**

Remuneration of staff of agencies

	2023 €000	2022 €000
Pay	63,606	58,120
Higher, special or additional duties allowances	215	255
Other allowances	1,576	1,583
Overtime	17	25
Employer's PRSI	6,601	6,005
Total pay	**72,015**	**65,988**

Note [a] The remuneration arrangements refer to the pay element of subheads A.1, A.3, B.1, B.3, C.1, C.5, D.1 and D.5. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure, National Development Plan Delivery and Reform guidelines (circular 22 of 2023).

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Department staff				
Higher, special or additional duties allowances	48	14	34,172	12,300
Other allowances	—	—	—	65
Overtime	10	—	8,345	8,549
Extra remuneration in more than one category	6	3	16,545	11,628
Agency staff				
Higher, special or additional duties allowances	73	5	20,586	18,873
Other allowances	322	1	10,131	8,763
Overtime	14	—	3,807	3,553
Extra remuneration in more than one category	56	5	16,879	22,394

5.4 Department employee pay bands

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	329	278
60,000	69,999	74	53
70,000	79,999	70	60
80,000	89,999	62	40
90,000	99,999	37	33
100,000	109,999	18	19
110,000	119,999	14	8
120,000	129,999	6	3
130,000	139,999	2	2
140,000	149,999	1	—
150,000	159,999	3	2
160,000	169,999	2	4
170,000	179,999	3	1
180,000	189,999	1	1
190,000	199,999	1	1
200,000	209,999	—	—
210,000	219,999	—	1

5.5 Other remuneration arrangements

One retired civil servant who had been recruited through an open competition in 2019 and was subsequently promoted through an open competition in 2022 received a salary of €79,006 during 2023. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012 and the Department of Public Expenditure, National Development Plan Delivery and Reform abatement waiver was granted until July 2024 for this officer.

This account includes expenditure of €542,501 in respect of six officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

The salaries of a further 21 officers of the Department who served for all or part of 2023 in other Government departments/offices were not incurred by the Vote for the relevant periods.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	46	159,702	105,619
Recovery plans in place	15	69,414	71,966

5.7 Severance

During 2023, the Accounting Officer of this Department retired and received a severance payment of €228,000. This payment was consistent with the terms of Government Decision SO7567E of 2011.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Oonagh Buckley basic pay	74	—
Mark Griffin severance payment	228	—
Mark Griffin basic pay	157	213
	459	213

The value of retirement benefits earned in the period is not included above.

Mark Griffin is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Oonagh Buckley is a member of the post-1995 superannuation scheme for established civil servants and her entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 EU funding

The outturn shown in subheads A.7, A.8, B.4, B.7 and C.4 includes payments in respect of activities which are co-financed by the EU through various projects set out below.

Subhead	EU Fund	2023 Outturn €000	2022 Outturn €000	2023 Funding received €000	2022 Funding received €000
A.7 Climate initiatives	Life project	—	290	—	—
A.8 Just Transition JTF (IE&EU)	EU Just Transition Fund	1,153	—	—	—
B.4 Residential/ community retrofit	ERDF	34,216	—	—	—
B.7 Energy research programmes	ERA-Net	77	—	—	—
C.4 Geological survey	EU Horizon	119	353	109	99
C.4 Geological survey	Interreg	135	38	75	103

6.2 Fraud and suspected fraud

The Department is aware of an allegation of a suspected fraud which may have occurred in a service provider in receipt of grant funding during 2021. This case is still under investigation by the appropriate authorities and the Department awaits the outcome.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	Employee	Members of the public	2023	2022
Number of cases	1	4	5	2
	€000	€000	€000	€000
Payments by/on behalf of Department				
Compensation	—	36	36	15
Legal costs	10	557	567	49
2023 Total [b]	**10**	**593**	**603**	64
2022 Total	—	**64**		64

Notes [a] At 31 December 2023, 22 general litigation cases were outstanding

[b] All cases were settled in 2023. The figures shown represent the full costs incurred by the Department in relation to those cases.

6.4 Late interest payments

	2023	2022
	€	€
Interest payments	**47,116**	**36,600**

6.5 Deferred surrender

Deferred surrender comprises savings in 2023 of €1.8 million in capital expenditures in subhead A.9 Shared Island Fund carried over to 2024.

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 2023.

	2023 €000	2022 €000
Balance at 1 January	6,065	5,989
Receipts	168	499
Payments	(196)	(423)
Balance at 31 December	**6,037**	**6,065**

The Petroleum Infrastructure Programme (PIP) was set up by the Department in 1997 in order to promote hydrocarbon exploration and development activities. It was funded by contributions from companies holding petroleum authorisations for offshore Ireland.

Following on from Government statement of September 2019, the decision was made to wind-down the PIP programme, therefore as at 1 July 2021 no new annual contribution requests are issued for this programme.

Outstanding receipts in relation to the PIP fund from payments invoiced before this date are recorded as appropriations-in-aid and paid into the fund via subhead C.3.

The fund is currently 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 2023.

	2023 Profile estimate [a] €000	2023 Total €000	2022 €000
Balance at 1 January		124,263	165,138
Receipts from IEEI		322	11,923
Transfer to Climate Action Fund		—	(1,212)
Reduce Your Use campaign	(5,000)	(5,225)	(2,372)
Residential/community retrofit programmes	(50,786)	(10,825)	(49,214)
First loss loan scheme	(60,000)	(52,600)	—
Balance at 31 December		**55,935**	**124,263**

Note [a] The profile estimate represents the Department's budget set aside for these programmes and schemes in 2023.

Significant variations

The following outlines the reasons for significant variations in expenditures on the EENF (+/- 5% and €100,000).

Of the €160 million transferred from Vote 29 in 2021, the Department planned to spend €110.786 million in 2023. In December 2022, sanction was granted from the Minister of Public Expenditure, NDP Delivery and Reform to utilise funding from the EENF as follows: (i) €60 million on the first loss loan scheme; and (ii) c. €51 million on the SEAI Residential and Community Retrofit Support Schemes, contingent on further information being provided on the specific intended use of the funds.

€5 million was profiled in 2023 for the Reduce Your Use campaign.

The expenditure in the year was €47.136 million lower than originally profiled.

Residential/community retrofit programmes

Profile estimate €50.786 million; outturn €10.825 million

In 2023, expenditure under the EENF comprised €10.825 million in grant support for retrofits to homeowners under the SEAI Residential and Community Energy Efficiency Upgrades Schemes. Of this expenditure, 94% (€10.19 million) was spent under the Warmer Homes Scheme which provides free energy upgrades to low-income homeowners in, or at risk of, energy poverty.

The Home Energy Upgrade Loan Scheme is a critical programme to support homeowners to upgrade their home and gain access to State grants. Following engagement in relation to the optimal use of EENF funds and the approval of the Home Energy Upgrade Loan Scheme by Government, in December 2023, sanction was received to utilise a total of €110.8 million from the EENF to meet the costs arising from the implementation of the loan scheme and funding for residential and community retrofit. This includes the funds unspent that was initially allocated for other upgrade Schemes.

First loss loan scheme

Profile estimate €60 million; outturn €52.6 million

Expenditure of €52.6 million was incurred under the first loss loan scheme in late December. The M/PENDR consented to the carryover of up to €47.2 million of this sum to cover any remaining monies for any payments which could not be made in 2023.

Once the loan scheme has fully run its term of 13 years in 2037 there may be funds remaining in the first loss allocation which is being operated by the European Investment Fund and the Strategic Banking Corporation of Ireland SBCI and the interest rate subsidy being managed by SBCI. In this case, the funds will be returned to the Department upon closure of the loan scheme.

Schemes co-funded between the EENF and Vote 29

The EENF incurred net expenditure of €10.825 million in respect of the residential/community retrofit programmes in 2023. A further €204.376 million was incurred in respect of the same programmes in 2023 under subhead B.4 of the Vote.

	2023 Vote €000	2023 EENF €000	2023 Total €000
Better Energy Warmer Homes	148,188	10,190	158,378
Better Energy Homes	55,947	400	56,347
Deep retrofit	241	476	717
SEAI 2022 refund allocated in 2023 [a]	—	(241)	(241)
	204,376	**10,825**	**215,201**

Note [a] €241,000 of refunds received from the SEAI in 2022 was lodged into a Vote bank account. These refunds related to payments made initially through the EENF and were transferred back into the fund in 2023.

Reduce Your Use campaign

The Reduce Your Use campaign was also co-funded between the EENF and the Vote. €5.225 million was spent from the EENF in 2023 and €7,000 was charged to training and development and incidental expenses in the Vote. The budget for this campaign was €5 million. The extra expenditure on the campaign of €225,000 was due to the payment of 2022 invoices in early 2023.

Background and activities of the Energy Efficiency National Fund (EENF)

Funding resulting from the disposal of the Carbon Revenue Levy account transferred into the EENF.

The Ireland Energy Efficiency Fund was launched in March 2014 to provide funding to public and private sector energy efficiency projects with the investment criteria to be met set out in the Fund documents. The Minister was a minority shareholder in the Fund.

A total of €14.03 million from the EENF was invested in Ireland Energy Efficiency Investments plc (IEEI). Private sector funding comprised the slightly greater amount of the investment at the initial drawdown and this has increased since 2018 with the Minister now holding 26.1%. The Minister, along with the other investors, has been represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, as shareholder, received distributions from IEEI in 2021, 2022 and 2023 totalling €17.383 million. As at the 30 September 2023, the State's investment in IEEI was valued at €149,688 and the fund is in the process of being wound down and is planned to be fully closed in 2024.

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.

The Minister owns land to facilitate the remediation of the Avoca and Silvermines legacy mine sites.

Appropriation Account 2023

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 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €134.257 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, National Development Plan Delivery and Reform in Circular 22 of 2023, have been applied in the preparation of the account with the exception of the following.

Capital assets

Assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of 10 years. This rate reflects the industrial nature of these assets.

State-owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

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 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 the Accreditation Review Group, the Audit Committee and the 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 2023, the Department was subject to approximately 2,761 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 2116/2021.

Procurement

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all relevant guidelines and legislation.

The Department has provided details of 111 non-competitive contracts in the annual return in respect of circular 40/02 to the Comptroller and Auditor General and the Department of Public Expenditure National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 38 contracts (in excess of €25,000 ex. VAT) totaling €2,506,237 (ex. VAT) in 2023 as set out below.

- 6 contracts with a value of €327,713 were originally awarded competitively but subsequently exceeded the relevant thresholds for that competitive process.
- 12 contracts with a value of €1,000,969 were originally awarded competitively but were subsequently rolled over/payments continued after their expiry date.
- 20 contracts with a value of €1,177,555 arose where ex-ante approval was not sought prior to non-competitive procurement.

The Department is committed to reducing the level of non-compliant procurement undertaken and continues to target areas of non-compliance in a planned methodical manner.

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2023.

- The Risk Office, which is based in the Finance Division, works full-time at promoting and developing active risk management across the organisation. This is achieved through quality assessing the risks on the risk register, the provision of support in implementing risk management to individual staff, through engagement with the eRisk system developers to improve and enhance the eRisk system and through running targeted Risk Management Workshops on a division-by-division basis, to embed good practice in relation to risk management.
- 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 governance and oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The Risk team attends the bi-annual Civil Service Risk Management Networking Group.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The Department's fraud policy, incorporating anti-fraud measures, was reviewed and updated and approved by the Management Board in 2022 with appropriate training rolled out to all staff in 2023.

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.

ICT security

The Department has a strong commitment to the security of its ICT systems, with a dedicated Information Security Division within Information, Management and Technology (IMT) covering network security, information security and compliance, and cyber security. In response to the global increase in the threat of malware and computer hacking, the Department has grown the cyber security team. This team proactively works to ensure that DAFM has the relevant technical controls and mitigations in place, with access to the National Cyber Security Centre (NCSC) and external experts if required, and are at the forefront in keeping staff informed of the Cyber Security related risks posed to staff working remotely.

The Department continues to strengthen the security posture through participation in the National Cyber Security Centre's (NCSC) Government Cyber Security Coordination and Response (CORE) Network and the adherence to the Public Sector Cyber Security Baseline Standards published by the NCSC in November 2021, in particular through the continuous enhancement of incident response processes and tracking of critical business processes across all divisions of the Department, increasing DAFM's preparedness for the security obligations under the NIS2 Directive. The Department is also proactive in the promotion of information security awareness to staff with the continued rollout of mandatory cyber security training.

ICT security arrangements are subject to review by the IT audit section of the internal audit unit, with adherence to the Cyber Security Baseline Standards subject to audit in 2023. 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. 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.

Brexit

The EU – UK Trade and Cooperation Agreement (TCA) provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitations 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.

In April 2023 and following a series of deferments since the end of the Brexit transition period, the UK Government published a draft UK Border Target Operating Model (BTOM) which stated that new UK import control requirements for agri-food products from EU would be introduced from 1 October 2023 and in August 2023 the final BTOM stated that these requirements would actually begin to apply for imports from EU, including Ireland, from 31 January 2024.

During 2023, as well as ongoing costs associated with implementing import controls on UK imports of food products to Ireland - which have been in place since 1 January 2021 - the Department incurred additional costs associated with Brexit in respect of preparations to support the sector in meeting new UK import control requirements for Irish agri-food products, in particular provision of export health certification. The costs included redeployment of staff, additional training and communication costs to support preparedness of the sector to meet new UK requirements. The preparations undertaken for these changes are critical to ensure that any disruption to agri-food exports to Great Britain are minimised.

A number of support schemes were also introduced in 2023 to address impacts of Brexit on the agriculture and fisheries sectors. This expenditure was provided through the estimates process and will be considered for recoupment as part of Ireland's claim under the EU Brexit Adjustment Reserve.

Review of effectiveness

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: duplicate payment

A duplicate payment totalling €316,000 was issued during 2023, and was subsequently reimbursed to the Department. Procedures around payment processing have been reviewed to minimise the risk of reoccurrence.

No other weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

26 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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.

Basis of recognition of charges in respect of Rosslare Terminal 7

Without qualifying my opinion, I draw attention to note 2.13 to the appropriation account which deals with commitments of the Vote at the end of 2023. This discloses that €63.9 million was charged to Vote 30 in 2023 in respect of the Department of Agriculture, Food and the Marine's share of the costs of developing a new border control facility (Terminal 7) at Rosslare Europort. The charges were recorded against subhead vi office premises expenses on the direct instructions of the Department of Public Expenditure, National Development Plan Delivery and Reform.

In my view, €39.5 million of the charge is not compliant with the *Public Financial Procedures* guidelines published by the Department of Public Expenditure, National Development Plan Delivery and Reform, or with the accounting policies issued by that Department for the 2023 appropriation accounts.

Chapter 3 of my report on the accounts of the public services for 2023 explains the basis upon which the charges are recognised in the 2023 appropriation account for Vote 30.

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 appendix to this report.

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 2023.

Seamus McCarthy
Comptroller and Auditor General

27 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2023

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Food Safety, Animal and Plant Health and Animal Welfare				
	Original	388,965			
	Supplementary	93,026			
			481,991	459,218	332,804
B	Farm/Sector Support and Controls				
	Original	998,538			
	Deferred surrender	27,500			
	Supplementary	(34,473)			
			991,565	862,832	953,074
C	Policy and Strategy				
	Original	439,556			
	Supplementary	17,953			
			457,509	447,677	430,672
D	Seafood Sector				
	Original	337,450			
	Supplementary	14,400			
			351,850	347,715	176,859
Gross expenditure					
	Original	2,164,509			
	Deferred surrender	27,500			
	Supplementary	90,906			
			2,282,915	**2,117,442**	**1,893,409**
	Deduct				
E	**Appropriations-in-aid**				
	Original	376,610			
	Supplementary	(145,600)			
			231,010	**245,394**	**408,796**
Net expenditure					
	Original	1,787,899			
	Deferred surrender	27,500			
	Supplementary	236,506			
			2,051,905	**1,872,048**	**1,484,613**

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. €45.6 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2024 (note 6.7).

	2023 €	2022 €
Surplus	179,856,624	122,509,275
Deferred surrender	(45,600,000)	(27,500,000)
Surplus to be surrendered	**134,256,624**	**95,009,275**

Brendan Gleeson
Accounting Officer
Department of Agriculture, Food and the Marine

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		1,690,347	1,562,420
Pay		237,904	225,624
Non pay		189,191	105,365
Gross expenditure		**2,117,442**	**1,893,409**
Deduct			
Appropriations-in-aid		**245,394**	**408,796**
Net expenditure		**1,872,048**	**1,484,613**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(5,989)		
Depreciation	3,307		
Disposals	141		
Gain on disposals	(136)		
Intangible assets (note 2.2)			
Purchases	(6,767)		
Amortisation	141		
		(9,303)	(2,107)
Changes in net current assets			
Increase in inventories	(1,627)		
Increase in prepayments	(5,928)		
Decrease in accrued income	58,358		
Increase in accrued expenses	412		
Decrease in deferred income	(4)		
		51,211	49,244
Direct expenditure		**1,913,956**	**1,531,750**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		96,632	90,308
Notional rents		8,027	8,027
Net programme cost		**2,018,615**	**1,630,085**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	5	17
Vote 12	Superannuation and Retired Allowances	89,059	84,240
Vote 13	Office of Public Works	6,037	4,904
Vote 18	National Shared Services Office	395	380
Vote 20	Garda Síochána	263	19
Vote 43	Office of the Government Chief Information Officer	654	507
Central Fund – ministerial pensions		219	241
		96,632	**90,308**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	12,888	10,211
Intangible assets	2.2	7,013	387
Total fixed assets		**19,901**	**10,598**
Current assets			
Bank and cash	2.3	222,639	107,883
Inventories	2.4	4,536	2,909
Prepayments	2.5	40,581	34,653
Other debit balances	2.6	1,023	7,133
Accrued income	2.7	83,744	142,102
Total current assets		**352,523**	**294,680**
Less current liabilities			
Accrued expenses	2.8	31,707	31,295
Deferred income	2.9	1	5
Other credit balances	2.10	146,838	32,337
Net Exchequer funding	2.11	76,824	82,679
Total current liabilities		**255,370**	**146,316**
Net current assets		97,153	148,364
Net assets		**117,054**	**158,962**
Represented by:			
State funding account	2.12	**117,054**	**158,962**

2.1 Property, plant and equipment [a]

	Buildings	Vehicles and equipment	Office, Lab and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Cost or valuation [b]	—	7,513	29,372	118	37,003
At 1 January 2023					
Additions	—	1,098	4,891	—	5,989
Disposals	—	(260)	(955)	—	(1,215)
Adjustments	—	(45)	257	—	212
At 31 December 2023	—	8,306	33,565	118	41,989
Accumulated depreciation					
At 1 January 2023	—	5,406	21,348	38	26,792
Depreciation for the year	—	483	2,813	11	3,307
Depreciation on disposals	—	(255)	(955)	—	(1,210)
Adjustments	—	(44)	256	—	212
At 31 December 2023	**—**	**5,590**	**23,462**	**49**	**29,101**
Net assets					
At 31 December 2023	**—**	**2,716**	**10,103**	**69**	**12,888**
At 31 December 2022	—	2,107	8,024	80	10,211

Note [a] State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.

[b] With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets (see note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	950	—	950
Additions	1,947	4,820	6,767
At 31 December 2023	2,897	4,820	7,717
Accumulated amortisation			
At 1 January 2023	563	—	563
Amortisation for the year	141	—	141
At 31 December 2023	704	—	704
Net assets			
At 31 December 2023	**2,193**	**4,820**	**7,013**
At 31 December 2022	387	—	387

Note [a] With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	222,343	107,553
Commercial bank account balances	296	330
	222,639	**107,883**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Veterinary supplies	4,184	2,541
Livestock	305	312
Agricultural inventory	34	39
Safety equipment	13	17
	4,536	**2,909**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Contributions to World Food Programme (note 6.6)	25,000	25,000
Research, quality and certification grants	9,854	5,499
Information management technology	2,809	3,232
Other	2,621	655
Subscriptions	297	267
	40,581	**34,653**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Salary advances	1	2
Imprests and recoupable travel costs	231	143
Advance payments to OPW	791	795
Revenue Commissioners	—	6,193
	1,023	**7,133**

2.7 Accrued income

at 31 December	2023	2022
	€000	€000
EAFRD funding due from the EU	72,926	125,819
Other EU funds	197	4,365
Scheme overpayments (note 6.2)	1,178	1,743
Due for services	9,443	10,175
	83,744	**142,102**

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
Specific programme accruals	28,299	28,075
Administration expenses	811	1,734
IT services and support	2,597	1,486
	31,707	**31,295**

2.9 Deferred income

at 31 December	2023	2022
	€000	€000
Wholesale licence	1	5
	1	**5**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	3,511	3,585
Pay related social insurance	2,415	2,234
Withholding tax	2,522	2,825
Value added tax	2,069	1,680
Relevant contracts tax	13	10
Pension contributions	1,068	1,834
Local property tax	23	165
Universal social charge	731	702
	12,352	13,035
Securities	861	2,800
Pesticides licencing fees	475	423
EU advances	129,327	13,221
Miscellaneous	3,823	2,858
	146,838	**32,337**

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	134,257	95,009
Deferred surrender	45,600	27,500
Exchequer grant undrawn	(103,033)	(39,830)
Net Exchequer funding	**76,824**	**82,679**
Represented by:		
Debtors		
Bank and cash	222,639	107,883
Debit balances: suspense	1,023	7,133
	223,662	115,016
Creditors		
Due to the State	(12,352)	(13,035)
Credit balances: suspense	(134,486)	(19,302)
	(146,838)	(32,337)
	76,824	**82,679**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			158,962	206,099
Disbursements from the Vote				
Estimate provision	Account	2,051,905		
Deferred surrender	Account	(45,600)		
Surplus to be surrendered	Account	(134,257)		
Net vote			1,872,048	1,484,613
Expenditure (cash) borne elsewhere	1.1		96,632	90,308
Non cash expenditure - notional rent	1		8,027	8,027
Net programme cost	1		(2,018,615)	(1,630,085)
Balance at 31 December			**117,054**	**158,962**

2.13 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	35,572	92,452
Non-capital grant programmes	703,489	584,366
Capital grant programmes	608,115	745,921
Major capital project	37,314	—
Total of legally enforceable commitments	**1,384,490**	**1,422,739**

Non-capital grant programme commitments

			2023	2022
	Due 2024	Subsequent years	Total	Total
	€000	€000	€000	€000
Grants to the organic sector	54,711	239,451	294,162	266,795
Green, low-carbon agri-environment scheme	2,101	1,712	3,813	44,647
Locally led schemes – current	78,418	—	78,418	78,615
World Food Programme	—	—	—	25,000
Food research	25,000	49,443	74,443	65,636
Sheep Improvement Scheme	23,000	—	23,000	23,000
Straw incorporation measure	—	—	—	50,000
European Maritime and Fisheries Fund	4,800	6,154	10,954	10,824
European Maritime and Fisheries Fund – new round	4,349	—	4,349	7,828
Beef data genomics programme	1,158	—	1,158	3,812
SCEP and SCEP training	51,600	159,600	211,200	—
Sheep welfare	431	300	731	3,781
REAP Pilot Scheme	63	—	63	2,048
BAR current	—	—	—	706
European innovation partnership	—	—	—	188
Land annuity payments	87	1,094	1,181	1,265
School milk and fruit	—	—	—	111
REPS SM4 riparian	—	—	—	93
Knowledge transfer	17	—	17	17
Total of legally enforceable commitments	**245,735**	**457,754**	**703,489**	**584,366**

Capital grant programme commitments

	2023	2022
	€000	€000
Opening balance	745,921	662,035
Grants paid in the year	(241,707)	(207,017)
New commitments	159,605	339,089
Grant de-commitments	(55,704)	(48,186)
Closing balance	**608,115**	**745,921**

Capital grant programme commitments

			2023	2022
	Due 2024	Subsequent years	Total	Total
	€000	€000	€000	€000
Afforestation	61,018	425,734	486,752	538,894
Targeted agriculture modernisation schemes	25,121	—	25,121	41,355
Fishery Harbour Centres capital programme	20,654	4,035	24,689	50,556
SBCI – Brexit Loan Scheme	4,945	7,805	12,750	31,067
BAR capital	—	—	—	14,439
Horticulture scheme	6,000	2,395	8,395	5,497
National Agricultural Sustainability Research and Innovation Centre (NASRIC)	5,471	1,572	7,043	8,543
Ballyhaise student accommodation refurbishment	2,400	300	2,700	2,900
Seed/chipping potato scheme	—	—	—	619
Locally led schemes - capital	2	—	2	78
European Maritime and Fisheries Fund - capital	—	—	—	63
LEADER food initiative	3,495	—	3,495	5,986
Capital investment grants	8,000	29,168	37,168	45,924
Total of legally enforceable commitments	**137,106**	**471,009**	**608,115**	**745,921**

Major capital project commitments

Project	Cumulative expenditure to 31 December 2022 €000	Expenditure in 2023 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2023 €000	Expected total spend lifetime of project 2022 €000
Haulbowline remediation project	25,861	25	—	25,886	25,861
Terminal 7 Rosslare Europort[a]	—	63,906	37,314	101,220	—
Total	**25,861**	**63,931**	**37,314**	**127,106**	**25,861**

Note [a] DAFM is co-founding (43%), the construction of a border facility at Rosslare Harbour – Terminal 7. The commitment of €37.314 million represents the total commitment to September 2025. This fixed asset is included in the statement of financial position of Vote 13 Office of Public Works.

2.14 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.

In 2018, the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €33.31 million in suspended payments as at the end of 2023.

The Minister has since introduced regulations which fully meet the relevant requirements in relation to the points system for sea fishing boat licence holders. The procedures provided for under these regulations are now in operation.

The Sea Fisheries (Miscellaneous Provisions) Act 2022 signed into law in March 2022 and commenced in May 2022, made provision for a similar points system for masters of fishing vessels. Administrative measures and arrangements for enforcement of the points system were since put in place. This represented the final steps in fulfilling ex-ante conditions for the EMFF programme.

In order for the suspension to be lifted, the European Commission must be satisfied that the steps taken are sufficiently robust. Ireland has addressed the issues highlighted by the Commission, with penalty points already having been applied on the new system. EU regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements. To date, September 2024, the Department has received €10.7 million of these suspended payments.

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 Sea Fisheries Protection Authority, which is independent in relation to operational matters, is actively engaged to address the findings. The nature and timing of any potential liabilities is still uncertain.

Following on from a Commission audit in 2018, Ireland received a formal decision of the Commission's intention to conduct an administrative inquiry to evaluate Ireland's capacity to apply the rules of the Common Fisheries Policy (CFP). The findings of the inquiry were communicated to Ireland in December 2020. The monitoring and control of fishing vessels within Ireland's Exclusive Fisheries Zone are law enforcement matters for the Irish control authorities. Under the Sea Fisheries and Maritime Jurisdiction Act 2006, all operational issues of this nature are exclusively for the Sea Fisheries Protection Authority (SFPA) and the Naval Service.

Principally, the Commission identified shortcomings related to the effective control of pelagic fisheries, issues related to underreporting of catches of these species; inadequate and ineffective sanctioning system for offences committed by operators; and the lack of control and enforcement of bluefin tuna catches by recreational vessels.

The Sea Fisheries Protection Authority (SFPA) supported by Department officials, where beneficial, commenced a process of engagement with the EU Commission. The engagement with the Commission allowed for a full evaluation of the findings of the inquiry and consideration of the actions that the Commission has identified. Formal Commission action in terms of any next steps it may take is awaited at present. It is understood, however that the SFPA consider that it has addressed to a very large extent the failures identified by DG Mare in the 2018 audit and the findings of the administrative inquiry.

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.

- 2023 Clearance of Accounts for Financial Year 2022 –The Commission made observations in relation to the work of the Certifying Body. With regards to the Paying Agency, there are also observations to be followed up. A bilateral took place in November 2023. DG Agri have requested further information and documentation to verify the population affected is isolated to a subset within the TAMs scheme. The Department has provided further information to verify that the population effected is isolated to a subset within TAMs and not the entire TAMs population. The Department is awaiting the final letter/letter of conciliation in relation to this enquiry.
- 2023 Audit of School Schemes (Fruit and Veg and Milk) - The findings amount to a 10% flat rate penalty for weaknesses in two key controls: checks to establish access to the aid claimed, and checks to establish the eligibility of the aid. DG AGRI also require the Director of the Paying Agency to comment on the corrective measures in the Management Declaration; and the Paying Agency is to report on the implementation of recommendations relating to the Certifying Body. This audit was closed by the Commission in April 2024 with no financial correction applied as the Commission assessed no risk to the fund materialised.

- 2022 Statement of Assurance Financial Year 2021 (EAFRD) – Sheep Welfare Scheme and GLAS — An audit by the European Court of Auditors took place in September 2022. Letter of closure received in March 2023 with comments in relation to Sheep Welfare Scheme and GLAS. DG AGRI has opened an inquiry on foot of the audit and have requested information in relation to the observations by the Court of Auditors in their 2022 statement of assurance audit. The latest information was provided to DG AGRI in July 2023. The Department is awaiting an update from DG AGRI. This process is ongoing.

Credit guarantee schemes

The COVID-19 Credit Guarantee Scheme (CCGS) was launched by the Department of Enterprise, Trade and Employment (DETE) in September 2020 to assist businesses that were negatively impacted by COVID-19 and closed to lending on 30 June 2022. An agreement between DETE and the Department of Agriculture, Food and the Marine (DAFM) was made to include farmers and the agri-food and seafood sectors in the scheme.

The Scheme provided a State guarantee of 80% to participating 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 was available to SMEs, small mid-caps and primary producers that met the eligibility criteria.

The Ukraine Credit Guarantee Scheme (UCGS) was launched in January 2023 by the Department of Enterprise, Trade and Employment (DETE). The Scheme was developed to assist businesses impacted by cost increases arising from the conflict in Ukraine. An agreement between DETE and the DAFM was made to include farmers and the agri-food and seafood sectors in the scheme.

The Scheme makes €1.2 billion in loans available to SMEs and small mid-caps for working capital and investment purposes. Loans of up to €1 million are available from participating lenders, which includes banks, non-bank providers and credit unions. The Scheme is administered by the Strategic Banking Corporation of Ireland (SBCI) and is available until 31 December 2024.

In the case of each of these Schemes, the guarantee is paid by the State (the guarantor) to the participating lender on the unrecovered outstanding principal balance on a loan in the event of a borrower defaulting on the repayments. DAFM liability is limited to the principal balance related to loans to farmers and the agri-food and seafood sectors.

The total maximum exposure for the Department in relation to loans outstanding at 31 December 2023 was €32.677 million (2022: €45.347 million).

Businesses availing of these Schemes are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead C.10 SBCI loan scheme. The costs of payments to the SBCI to operate the scheme are borne by DETE.

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.

2.15 Other liabilities

Future Growth Loan Scheme

The Future Growth Loan Scheme (FGLS) is a long-term capital investment loan that was developed by DAFM and DETE, in partnership with the Department of Finance, the SBCI and the European Investment Fund (EIF).

The FGLS benefited from a guarantee from the European Union under the European Fund for Strategic Investments (EFSI).

The Scheme was launched by the SBCI in June 2019.

It was delivered through participating finance providers and made up to €300 million of investment loans available to eligible Irish businesses, including farmers and the agri-food and seafood sectors. The loans were competitively priced (an initial maximum loan interest rate of 4.5% for loans less than €250,000), were for terms of 8-10 years and supported strategic long-term investment in a post-Brexit environment. A minimum loan amount of €100,000 up to a maximum of €3,000,000 per applicant applied.

The significant and sudden financial impact of the Covid-19 pandemic on businesses prompted the launch in 2020 of a second tranche of €500 million, with up to 40% available to the agri-food sector.

The cost of the initial €300 million available was €62 million, €25 million of which was funded by DAFM.

The increased capacity cost was €106 million, €42 million of which was provided by DAFM.

Direct cost of FGLS to DAFM

	2019 – 2022 €000	2023 €000	2024-2030 €000	Total €000
EIF first loss	48,000	—	—	48,000
EIF management fees	1,130	773	2,612	4,515
SBCI first loss	9,797	—	—	9,797
SBCI management fees	4,380	—	—	4,380
Total cost [a]	63,307	773	2,612	66,692

Note [a] The total costs of the scheme will change at the completion of the scheme when the overall value of the expense on claims on defaulted claims will be known and deducted from the first loss contributions made by the Department. The balance will be made available to the Department at that point, which will decrease the cost of the scheme,

Analysis of FGLS loans issued to date

Year of loan issue	2019 – 2022		2023	
	Number of loans	Value of loans €000	Number of loans	Value of loans €000
Drawn loans	1,589	233,335	1	3,000
Repaid loans	102	12,935	—	—
Defaulted loans	37	5,584	—	—
Claims paid	16 [a]	1,107 [b]	—	—
Live Loans (repaid amount)	1,450	57,494	1	265
Balance outstanding [c]	1,450	156,215 [d]	1	2,735

Note
[a] Included in the defaulted loans figures.
[b] Claims paid do not reflect the whole outstanding balance on loans. The overall value of claims paid in the 16 cases is €277,000 lower than the balance outstanding on these loans.
[c] Potential liability to the Department as at 31 December 2023 is €127.16 million (80% of overall balance outstanding).
[d] Balance excludes claims paid.

Growth and Sustainability Loan Scheme

The Growth and Sustainability Loan Scheme (GSLS) is a long-term investment loan, launched in September 2023, delivered by the SBCI which provides an uncapped 80% guarantee to participating lenders. The European Investment Bank Group (EIBG) provides a counter guarantee to SBCI such that the risk share for the scheme is as follows: 20% finance providers, 16% SBCI and 64% EIBG.

A minimum of 30% of the lending volume is targeted towards environmental sustainability purposes with the aim of helping SMEs to invest in sustainability and energy efficiency. The remaining (up to) 70% of lending is for lending for strategic investments with a view to increasing productivity and competitiveness and thus underpinning future business sustainability and growth.

The costs for the GSLS are shared by DETE and DAFM on a 60:40 basis. The contribution of the DAFM to the GSLS supports up to 40% of lending for the agri-food sector.

The costs associated with a €500 million scheme will be approximately €117.3 million, with DAFM providing €45 million between 2022 and 2026. This funding covers a first loss guarantee (i.e. the State guarantees to cover the first portion of losses on any defaults) and administrative costs for both the EIF and SBCI.

Direct cost of GSLS to DAFM

	2022 €000	2023 €000	2024-2036 €000	Total €000
EIF first loss	13,000	13,000	—	**26,000**
EIF management fees	57	696	5,089	**5,842**
SBCI first loss	—	3,252	—	**3,252**
SBCI management fees	4,250	596	4,348	**9,194**
Total cost [a]	**17,307**	**17,544**	**9,437**	**44,288**

Note [a] The total costs of the scheme will change at the completion of the scheme when the overall value of the expense on claims on defaulted claims will be known and deducted from the first loss contributions made by the Department. The balance will be made available to the Department at that point, which will decrease the cost of the scheme.

Analysis of GSLS loans issued to date

Year of loan issue	2023	
	Number of loans	Value of loans €000
Drawn loans	19	1,654
Repaid loans	—	—
Defaulted loans	—	—
Claims paid	—	—
Live Loans (repaid amount)	19	2
Balance outstanding [a]	**19**	**1,652**

Note [a] Potential liability to the Department as at 31 December 2023 is €1.322 million (80% of overall balance outstanding).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

			2023		2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
i	Salaries, wages and allowances				
	Original	239,862			
	Supplementary	200			
			240,062	237,904	225,624
ii	Travel and subsistence		8,396	8,393	7,260
iii	Training and development and incidental expenses		9,985	6,797	5,803
iv	Postal and telecommunications services		5,900	5,648	5,248
v	Office equipment and external IT services				
	Original	68,267			
	Supplementary	10,280			
			78,547	79,295	65,822
vi	Office premises expenses				
	Original	24,060			
	Supplementary	60,906			
			84,966	75,133	10,316
vii	Consultancy and VFM and policy reviews		369	52	124
viii	Supplementary measures for EU		1,278	1,261	821
ix	Laboratory services				
	Original	11,900			
	Supplementary	310			
			12,210	12,612	9,971
			441,713	**427,095**	**330,989**

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 €9.985 million; outturn €6.797 million

The shortfall in expenditure of €3.188 million relative to the original estimate was due to several factors. The main aspects are: savings of €232,000 were made in communications/ advertising costs; savings of €295,000 were made in a technical accounting provision allowing for foreign currency losses which was not needed; and a provision of €1 million made for possible legal cases was not required.

vi Office premises expenses

Estimate provision €24.060 million; outturn €75.133 million

The increase in expenditure of €51.073 million relative to the original estimate was due to the implementation of the UK's decision to leave the EU. Additional physical infrastructure had to be put in place at Dublin Port and Rosslare Europort to ensure Ireland can effectively manage the requirements for checks and controls on products moving between Great Britain and Ireland.

The upgrade to Rosslare Europort is a critical infrastructure project to develop the necessary permanent infrastructure to comply with Customs, sanitary and phytosanitary and official food controls as a consequence of Brexit. The Department paid the Office of Public Works a portion of its costs associated with the upgrade of Rosslare Europort, amounting to €63.900 million.

vii Consultancy services and value for money and policy reviews

Estimate provision €369,000; outturn €52,000

The shortfall in expenditure of €317,000 relative to the original estimate was due to a planned consultancy not proceeding as there were no responses received to the relevant tender request.

Programme A Food Safety, Animal and Plant Health and Animal Welfare

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		140,177	139,033	131,856
A.2	Administration − non pay				
	Original	80,468			
	Supplementary	70,716			
			151,184	136,638	63,516
A.3	Food safety, animal and plant health and animal welfare				
	Original	117,110			
	Supplementary	1,710			
			118,820	109,263	79,980
A.4	Bovine TB and brucellosis eradication				
	Original	51,210			
	Supplementary	20,600			
			71,810	74,284	57,452
			481,991	**459,218**	**332,804**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Food safety, animal health and plant health and animal welfare

Estimate provision €117.110 million; outturn €109.263 million

The shortfall in expenditure of €7.847 million relative to the original estimate was due to savings across a number of schemes, mainly as follows: savings of €4.5 million arose in the Brexit Adjustment Reserve funded meat and bonemeal disposal and equine e-passport schemes, due to procurement difficulties and other delays on the projects encountered by the successful grant applicants.

Savings of €1.9 million in mink farm compensation arose due to the level of claims processed in 2023 being lower than expected.

A.4 Bovine TB and brucellosis eradication

Estimate provision €51.210 million; outturn €74.284 million

The increase in expenditure of €23.074m relative to the original estimate is due to the slight increase in the level of bovine TB in Ireland during 2023. The funding supported an additional €15 million for the On Farm Market Valuation Scheme which is the principal compensation measure available to herd owners whose herds are affected by disease under the TB eradication scheme.

An additional €4 million was allocated for the payment of private veterinary practitioners (PVPs) for carrying out TB testing and another €4 million was allocated for the TB eradication supplies budget because of an increase in the number of animals being tested in 2023.

Programme B Farm/Sector Support and Controls

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		68,592	68,032	64,521
B.2	Administration − non pay				
	Original	33,479			
	Supplementary	780			
			34,259	35,919	28,574
B.3	Agri-environmental schemes				
	Original	160,737			
	Supplementary	(27,110)			
			133,627	122,084	268,570
B.4	Areas of natural constraint scheme				
	Original	250,000			
	Supplementary	(1,000)			
			249,000	248,386	246,451
B.5	Development of agriculture and food (farm)				
	Original	40,917			
	Deferred surrender	27,500			
	Supplementary	400			
			68,817	42,473	65,581
B.6	Beef sustainability schemes				
	Original	57,000			
	Supplementary	3,000			
			60,000	51,909	72,510
B.7	Knowledge transfer		25	—	1
B.8	Animal welfare scheme for sheep				
	Original	20,000			
	Supplementary	1,440			
			21,440	20,958	17,562
B.9	Early retirement scheme		—	(11)	12
B.10	Forestry and bio energy				
	Original	112,415			
	Supplementary	(13,483)			
			98,932	73,746	74,086
B.11	Control and other support scheme costs				
	Original	22,931			
	Supplementary	(2,500)			
			20,431	18,672	15,548
B.12	Other schemes				
	Original	18,108			
	Supplementary	22,000			
			40,108	39,037	96,193

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.13	Carbon tax measures				
	Original	13,650			
	Supplementary	(7,000)			
			6,650	2,905	3,465
B.14	Agri-Climate Rural Environmental Scheme				
	Original	160,000			
	Supplementary	(14,000)			
			146,000	94,143	—
B.15	Organic Farming Scheme		12,684	13,332	—
B.16	Brexit Beef Scheme				
	Original	28,000			
	Supplementary	3,000			
			31,000	31,247	—
			991,565	**862,832**	**953,074**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.3 Agri-environmental schemes

Estimate provision €160.737 million; outturn €122.084 million

The shortfall in expenditure of €38.653 million relative to the original estimate was due to savings across a number of schemes. The cost-of-living crisis and supply issues had some impact on the completion of projects and as a result of increasing costs in the construction industry, some applicants deferred or scaled back projected works.

B.5 Development of agriculture and food (farm)

Estimate provision €68.417 million; outturn €42.473 million

The shortfall in expenditure of €25.944 million relative to the original estimate was mainly due to TAMS 3 scheme development involving a significant upgrade of systems to cater for the new investments and increased ceilings across the various schemes. This resulted in delays in the issue of approvals to commence works until late 2023.

Furthermore, some farmers may have decided not to proceed with their current investment approval and instead submitted an application under TAMS 3 which attracts a higher level of grant aid for certain schemes.

B.6 Beef sustainability schemes

Estimate provision €57.000 million; outturn €51.909 million

The shortfall in expenditure of €5.091 million relative to the original estimate was due to 2023 being the first year of the new Suckler Carbon Efficiency Programme (SCEP) and a number of participants were not paid due to inability to meet the scheme requirements.

B.10 Forestry and bio energy

Estimate provision €112.415 million; outturn €73.746 million

The shortfall in expenditure of €38.669 million relative to the original estimate was due to the delay in receiving European Commission approval for the new forestry programme. The €3 billion forestry programme is targeted on the creation of new afforestation of 8,000 hectares per year. It was not possible to meet this target in 2023 due to the timing of the roll out of the programme.

B.11 Control and other support scheme costs

Estimate provision €22.931 million; outturn €18.672 million

The shortfall in expenditure of €4.259 million relative to the original estimate was mainly due to the successful outcome of EU CAP audits which resulted in potential EU audit disallowances not materialising, or being reduced following completion of the audit process.

B.12 Other schemes

Estimate provision €18.108; outturn €39.037 million

The increase in expenditure of €20.929 million relative to the original estimate was mainly due to payments of €20 million issued to farmers under the 2023 Fodder Support Scheme which was introduced in response to difficulties and market volatility within the farming industry.

B.13 Carbon tax measures

Estimate provision €13.650 million; outturn €2.905 million

The shortfall in expenditure of €10.745 million relative to the original estimate is mainly due to €10 million which was provided for the Bioeconomy Demonstration Initiative Scheme. Due to the complexities in establishing the scheme, this allocation was not utilised.

B.14 Agri-Climate Rural Environment Scheme

Estimate provision €160.000 million; outturn €94.143 million

The shortfall in expenditure of €65.857 million relative to the original estimate was due to the complexity with the roll out of the Agri-Climate Rural Environment Scheme (ACRES). Not all applicants received their payment and payments due under the Co-operation Project (CP) stream did not commence in 2023 as planned.

B.15 Organic Farming Scheme

Estimate provision €12.684 million; outturn €13.332 million

The increase in expenditure of €648,000 is due to a higher number of farmers participating in the scheme than originally expected.

B.16 Brexit Beef Scheme

Estimate provision €28.000 million; outturn €31.247 million

The increase in expenditure of €3.247 million relative to the original estimate was due to the approval during 2023 of an additional scheme – the Bovine Genotyping Programme. This scheme was funded by the Brexit Adjustment Reserve (BAR).

Programme C Policy and Strategy

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay				
	Original	19,548			
	Supplementary	200			
			19,748	19,388	18,387
C.2	Administration − non pay		8,691	8,565	6,841
C.3	Research, quality and certification				
	Original	28,224			
	Supplementary	10,853			
			39,077	38,621	39,027
C.4	Development and promotion of agriculture and food (non-farm)				
	Original	30,766			
	Supplementary	(16,400)			
			14,366	15,816	12,417
C.5	Teagasc grant				
	Original	162,196			
	Supplementary	(2,000)			
			160,196	156,476	148,957
C.6	An Bord Bia grant				
	Original	55,290			
	Supplementary	1,000			
			56,290	55,486	52,300
C.7	Horse and Greyhound Racing Fund				
	Original	92,000			
	Supplementary	(1,000)			
			91,000	91,000	94,231
C.8	Cedra Rural Innovation and Development Fund		1,500	1,482	1,467
C.9	Food aid donations – World Food Programme				
	Original	—			
	Supplementary	25,000			
			25,000	25,000	25,000
C.10	SBCI loan scheme		20,100	18,517	17,532

				2023	2022
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
C.11	Other services				
	Original	14,141			
	Supplementary	1,300			
			15,441	12,679	14,513
C.12	Other equine supports				
	Original	7,100			
	Supplementary	(1,000)			
			6,100	4,647	—
			457,509	**447,677**	**430,672**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

C.3 Research, quality and certification

Estimate provision €28.224 million; outturn €38.621 million

The increase in expenditure of €10.397 million relative to the original estimate was due to the commencement of the Department's provision of funding to Bord Bia towards the Sustainable Beef and Lamb Assurance Scheme.

C.4 Development and promotion of agriculture and food (non-farm)

Estimate provision €30.766 million; outturn €15.816 million

The shortfall in expenditure of €14.95 million relative to the original estimate was mainly due to the following. Savings of €8.244 million arose in the Brexit Capital Investment Scheme operated by Enterprise Ireland. Such capital investment schemes can be complex and require significant preparation and planning. The scheme will be on-going for several years and funding will be drawn down as capital projects are completed.

Savings of €3.923 million arose in the setup of the new office of the National Food Ombudsman. Given the complexity of the legislative processes and timelines, the office was not established until December 2023.

C.9 Food aid donations – World Food Programme

Estimate provision €nil; outturn €25.000 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement in respect of the Irish 2024 contribution under the strategic partnership agreement 2022-2024. This payment was made in late 2023 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 Strategic Banking Corporation of Ireland (SBCI) loan schemes

Estimate provision €20.100 million; outturn €18.517 million

The shortfall in expenditure of €1.583 million relative to the original estimate was due to the demand for the loan based schemes being lower than expected.

C.11 Other services

Estimate provision €14.141 million; outturn €12.679 million

The shortfall in expenditure of €1.462 million relative to the original estimate was due to the annual prudent provision for legal services not being required during the year.

C.12 Other equine supports

Estimate provision €7.100 million; outturn €4.647 million

The shortfall in expenditure of €2.453 million relative to the original estimate was due to the redevelopment of the Irish Equine Centre not proceeding and the €1.9 million allocated for this not being drawn down. Savings of €553,000 arose in the non-thoroughbred horse sector as some approved projects were not completed before year end.

Programme D Seafood Sector

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		11,545	11,451	10,860
D.2	Administration − non pay		7,517	8,069	6,434
D.3	Fisheries				
	Original	82,433			
	Supplementary	7,000			
			89,433	86,500	43,054
D.4	Marine Institute grant		41,421	41,405	44,439
D.5	Bord Iascaigh Mhara grant				
	Original	166,353			
	Supplementary	12,000			
			178,353	178,642	51,065
D.6	Sea Fisheries Protection Authority				
	Original	28,081			
	Supplementary	(4,600)			
			23,481	21,623	20,933
D.7	Haulbowline remediation project		100	25	74
			351,850	**347,715**	**176,859**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

D.5 Bord Iascaigh Mhara grant

Estimate provision €166.353 million; outturn €178.642 million

The increase in expenditure of €12.289 million relative to the original estimate is due to a higher drawdown of demand led Brexit Adjustment Reserve (BAR) schemes than originally anticipated.

D.6 Sea Fisheries Protection Authority

Estimate provision €28.081 million; outturn €21.623 million

The shortfall in expenditure of €6.458 million relative to the original estimate is due mainly to the following.

Savings in pay and pension of €2.387 million mainly attributed to the delayed timing of recruitment of new staff and lower than expected retirements.

Capital savings of €547,000 attributable to changes in the timelines associated with proposed works.

Savings in non-pay of €3.524 million mainly due to re-tendering of support services associated with a number of projects in EMFF/ EMFAF which impacted on the delivery of these projects during 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

		Subhead	2023 Estimated €000	2023 Realised €000	2022 Realised €000
1	Recoupment of salaries etc. of officers on loan to outside bodies		720	563	748
2	Forfeited deposits and securities		1	2,373	43
3	Receipts from inspection fees at meat plants	A.3			
	Original	25,112			
	Supplementary	(7,200)			
			17,912	21,133	23,223
4	Receipts from veterinary inspection fees for live exports	A.3	685	1,029	1,051
5	Receipts from fees for dairy premises inspection services	A.3	4,300	3,971	4,597
6	Receipts from the sale of vaccines etc.	A.3	675	510	536
7	Receipts from seed testing fees etc.	C.3	3,150	3,472	2,515
8	Receipts from farmer contributions regarding eradication of TB	A.3	7,501	8,045	8,299
9	Land Commission receipts		255	141	228
10	Other receipts		1,626	7,669	6,970
11	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9			
	Original	226,000			
	Supplementary	(80,000)			
			146,000	141,570	310,847
12	Veterinary Fund	A.3	335	2,094	3,255
13	Other EU Guarantee receipts (Agriculture)	B.11	52	9	52
14	Proceeds of fines and forfeitures in respect of sea fisheries	D.3	100	11	—
15	Receipts under the 1933 and 1954 Acts	D.3	100	160	139
16	Aquaculture licence fees	D.3	406	639	660

		Subhead	Estimated	2023 Realised	2022 Realised
			€000	€000	€000
17	EU receipts for EMFF	D.3			
	Original	49,600			
	Supplementary	(46,400)			
			3,200	6,792	5,611
18	Receipts from Sustainable Food Systems Ireland		100	127	163
19	Receipts from additional superannuation contributions on public service remuneration		10,792	11,833	11,427
20	NGEU receipts	B.3			
	Original	45,000			
	Supplementary	(12,000)			
			33,000	33,202	28,354
21	Forestry licencing receipts	B.10	100	51	78
	Total		**231,010**	**245,394**	**408,796**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €131.216 million lower than the original estimate.

1 Recoupment of salaries, etc of officers on load to outside bodies

Estimate: €720,000; realised: €563,000

The decrease of €157,000 is due to a number of invoices for 2023 not being processed until 2024.

2 Forfeited deposits and securities

Estimate: €1,000; realised: €2.373 million

The increase of €2.372 million is due to some securities being forfeited to the Department as a result of non-fulfilment of obligations associated with import licences.

3 Receipts from inspection fees at poultry and other meat plants.

Estimate €25.112 million; realised €21.133 million

The decrease of €3.979 million is mainly due to a combination of lower slaughter levels for some species in 2023 of €5.572 million and an increase of €2.336 million in import inspection fees.

4 Receipts from veterinary inspection fees for live exports

Estimate €685,000; realised €1.029 million

The increase of €344,000 is due to higher export levels resulting in the following additional receipts:

Veterinary inspection on cattle (€231,000) and on horse (€143,000) exports; inspection fees on live animals €30,000; and reductions in the fees on pigs €57,000 and sheep €5,000.

5 Receipts from fees for dairy premises inspection services

Estimate €4.300 million; realised €3.971 million

The decrease of €329,000 is due to decreased relevant activity in the dairy processing sector.

6 Receipts from the sale of vaccines etc.

Estimate €675,000; realised €510,000

The decrease of €165,000 is due to receipts being dependent on external factors, including the demand for laboratory testing by private veterinary practitioners and the market price for farm livestock. Consequently, it can be difficult to accurately predict income from these sources in any given year.

7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm

Estimate €3.150 million; realised €3.472 million

The increase of €322,000 is due to an increase in the levels of seed testing and certification and in the level of pesticide registration fees received.

8 Receipts from farmer contributions towards the cost of eradicating bovine disease

Estimate €7.501 million; realised €8.045 million

The increase of €544,000 is due to increased export levy receipts in 2023 and the expansion of the dairy herd leading to increased milk production and associated levies.

9 Land Commission receipts

Estimate €255,000; realised €141,000

The decrease of €114,000 is due to a lower than anticipated level of receipts of annual annuities due, early redemptions and arrears. This is a consequence of a continuing reduction in the number of Land Commission annuitants.

10 Other receipts

Estimate €1.626 million; realised €7.669 million

The increase of €6.043 million is mainly due to: receipts of €2.418 million for intervention stock losses due to Ireland following the clearance of the EU 2022 account; an increase in receipts for pet passports of €109,000; Teagasc pension receipts of €2.392 million and Sea Fishery Protection Agency (SFPA) pension receipts of €376,000.

11 EAFRD (European Agricultural Fund for Rural Development)

Estimate €226.000 million; realised €141.570 million

The decrease of €84.430 million is due to certain payments not issuing in the EU 2023 financial year and the receipts relating to these payments now fall due in 2024.

12 Veterinary Fund

Estimate €335,000; realised €2.094 million

The increase of €1.759 million is as a result of receipts of €1.595 million in 2023 relating to TB Eradication Vet Programme for 2022.

16 Aquaculture licence fees

Estimate €406,000; realised €639,000

The increase in receipts of €233,000 is due to an increase in the number of aquaculture licences issued in 2023.

17 EU receipts for EMFF

Estimate €49.600 million; realised €6.792 million

The decrease of €42.808 million is due to the following: EMFF- of the €42.4 million budgeted, €33.31 million was not paid due to the continued engagement around the results of a DG Mare audit; €2.298 was not claimed, and is expected to be claimed in 2024. The balance of €6.792 was received. EMFAF- €7.2 million was anticipated to be claimed in 2023 but wasn't claimed, and it is expected to be claimed in 2024.

19 Receipts from additional superannuation contributions on public service remuneration

Estimate €10.792 million; realised €11.833 million

The increase of €1.041 million is due to an increase in DAFM staff numbers which resulted in increased pension levy deductions of €670,000 and the impact of pay increases of €371,000 in bodies under the aegis of the Department.

20 NGEU receipts

Estimate €45.000 million; realised €33.202 million

The decrease of €11.798 million is due to EURI receipts which are based on expenditure incurred on certain support schemes during the 2023 financial year, being lower than anticipated.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Department	3,840	3,760
Agencies [a]	1,751	1,707
Total	**5,591**	**5,467**

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	2023 €000	2022 €000
Pay	211,823	201,281
Higher, special or additional duties allowances	554	304
Other allowances	2,760	2,746
Overtime and extra attendances	3,236	3,151
Shift allowances	2,178	2,165
Employer's PRSI	18,148	16,660
Total pay	**238,699**	**226,307**

Remuneration of Agency staff	2023 €000	2022 €000
Pay	99,305	93,415
Higher, special or additional duties allowances	1,397	1,270
Other allowances	485	491
Overtime and extra attendances	116	122
Gratuity payments	430	124
Employer's PRSI	4,380	4,118
Total pay	**106,113**	**99,540**

5.3 Allowances and overtime payments - Department

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	147	14	18,391	14,451
Shift allowances	289	80	27,254	26,870
Miscellaneous	1,235	31	60,624	86,926
Overtime and extra attendance	784	93	32,653	32,764
Extra remuneration in more than one category	533	231	45,091	48,609

Allowances and overtime payments – agencies

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	127	76	27,025	26,657
Other allowances	457	49	19,294	21,600
Overtime	215	53	28,802	28,393
Extra remuneration in more than one category	109	80	34,746	33,450

5.4 Department employee pay bands

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	2,684	2,761
60,000	69,999	444	417
70,000	79,999	285	241
80,000	89,999	165	178
90,000	99,999	130	88
100,000	109,999	79	97
110,000	119,999	99	96
120,000	129,999	39	20
130,000	139,999	17	10
140,000	149,999	10	2
150,000	159,999	1	1
160,000	169,999	3	6
170,000	179,999	2	3
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	—	1
220,000	229,999	1	—
230,000	239,999	—	—
240,000	249,999	—	—
250,000	259,999	—	—
260,000	269,999	—	—
270,000	279,999	—	—
280,000	289,999	—	—
290,000	299,999	—	—
300,000	309,999	1	—

5.5 Other remuneration arrangements

Nine retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €23,277. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €2,623,441 in respect of 40 officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

This account does not include expenditure in respect of 23 officers who were serving outside the Department for all or part of 2023 in other Government Departments/Offices and whose salaries were not recouped by the Department.

5.6 Payroll overpayments

at 31 December	**Number of recipients**	**2023**	**2022**
		€	**€**
Overpayments	378	781,953	679,872
Recovery plans in place	74	173,936	216,750

11 overpayment recovery plans in respect of 11 individuals to the value of €11,301 were transferred to six Government departments/offices in 2023.

5.7 Remuneration and benefits of Accounting Officer

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

	2023	**2022**
	€000	**€000**
Basic pay	227	213

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

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 includes 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 €7,463,946 for EU Funding which has been disallowed due to conformity clearance decisions and €1,889,402 in late payments.

The account includes interest of €51,849 paid on short-term borrowings of €670 million borrowed in 2022 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2023 along with interest.

A total of €670 million in short-term funds were borrowed in 2023 to fund EAGF Guarantee expenditure pending EU recoupment in 2024.

EU-funded income and expenditure managed by the Department of Agriculture, Food and the Marine

	2023	2022
	€m	€m
Direct payment/basic payment scheme	1,120	1,180
Other market supports	11	27
Other	(3)	(11)
Co-funded receipts (measures co-funded by the EU) [a]		
	2023	**2022**
	€m	**€m**
EAFRD Rural Development Programmes	157	339
Veterinary Fund	1.6	2.8
Other co-financing receipts	2	1
Fisheries		
EMFF - European Maritime and Fisheries Fund 2014-2020 [b]	6.8	5.6
Total pay	**1,295**	**1,544**

Note
[a] Only the EU co-funding on these programmes is shown in this table.
[b] EMFF receipts of €13.9 million are held in a suspense account (EU advances) in accordance with public financial procedures.
[c] Under EU regulation 908/2014 Article28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

6.2 Scheme overpayments

	2023 €000	2022 €000
Scheme overpayments at 1 January	1,743	668
Restatement adjustment to opening balance	—	1,455
Overpayments raised in the year	11,031	15,710
Corrections	(325)	(1,040)
Recoveries	(11,230)	(14,958)
Write-offs (note 6.3)	(41)	(92)
Scheme overpayments at 31 December	**1,178**	**1,743**

6.3 Write-offs

The following sums were written off in the year	2023 €	2022 €
Scheme overpayments:		
Afforestation scheme	—	69,011
Rural environment protection scheme	20,239	11,378
Miscellaneous EU premia and area based schemes	2,151	2,169
Miscellaneous Vote premia	10,923	2,951
Early retirement scheme	7,528	6,311
	40,841	**91,820**
Customers:		
Customers no longer trading	3,521	2,373
Other reasons	920	1,814
	4,441	**4,187**
	45,282	**96,007**

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Personal injury claims by		Total	Total
	employees	members of the public	2023	2022
Number of cases	4	5	9	13
	€000	€000	€000	€000
Department's own legal costs	—	—	—	—
Payments by/on behalf of Department				
Compensation	125	140	265	87
Legal costs	102	184	286	574
Other costs	6	—	6	12
2023 Total	**233**	**324**	**557**	**673**
2022 Total	150	523	673	

Note [a] At 31 December 2023, the following claims are outstanding:
General litigation cases 85 (2022: 87 cases)

[b] At 31 December 2023, the Department/Office has included in other creditors due, €13,106 being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2023

	Personal Injury claims by		Total
	employees	members of the public	
Number of cases	4	5	9
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	125	140	265
Legal costs	101	184	285
Other costs	2	0	2
Total	**228**	**324**	**552**

6.5 Arbitration and conciliation costs

No expenditure in 2023 (2022: €0.990 million) was made as a result of conciliation and arbitration proceedings.

6.6 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2022-2024, was signed by the World Food Programme (WFP) Executive Director and the Department in December 2021. 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 €25 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €75 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 2024 allocation. The Department agreed to an early payment of €25 million of the 2024 allocation, with payment being made in December 2023, and this amount is included in prepayments in the statement of financial position. This payment concludes the Department's funding commitment to WFP under the 2022-2024 Strategic Partnership Agreement.

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 FAO enables FAO to work in 130 countries on the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2023 amounted to €4.25 million (2022: €3.359 million).

6.7 Deferred surrender

Deferred surrender comprises savings in 2023 of €45.600 million in capital expenditures, in the following subheads, that were carried over to 2024.

		€000
B.5	Development of agriculture and food	22,400
B.10	Forestry and bio energy	19,900
B.13	Carbon Tax measures	3,300
		45,600

6.8 Fraud and suspected fraud

	Number of cases	2023 €000	2022 €000
Suspected fraud	4	105	88

The Department became aware of four suspected fraud cases during 2023 (2022: five).

One of the four suspected fraud cases noted in the table above relates to Strategic Banking Corporation of Ireland (SBCI) backed loans (Brexit Loan Scheme/Covid Working Capital Scheme). A total of eleven loans had been obtained by borrowers using suspected fraudulent identification documents and/or fraudulent financial information. The total value of the loans was €1.21 million. SBCI has confirmed that no DAFM/Agri clients were involved in the suspected fraud.

A €40,000 loss is applicable to DAFM due to the nature of the funding split of these loans, 60:40 between DETE and DAFM.

6.9 Bovine Tuberculosis Eradication Programme

In 2023, the cost of the scheme (excluding staff salary costs) amounted to €74.284 million.

The cost of all elements of compensation paid to farmers came to €39.817 million. This comprises of the On Farm Market Valuation Scheme, Income Supplement Scheme, Hardship Scheme and the Depopulation Scheme.

In addition to exchequer funding, the cost of the programme is funded through bovine disease levies and EU funding. In respect of the 2022 TB programme, paid in 2023, Ireland received funding from the EU of €1.595 million. In addition, receipts from disease levies amounted to €8.039 million in 2023.

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2023

	2023 €000	2022 €000
Balance at 1 January	—	—
Receipts (subhead C.7)	91,000	88,000
Payments		
Horse Racing Ireland	(72,800)	(70,400)
Rásaíocht Con Éireann	(18,200)	(17,600)
Balance at 31 December	**—**	**—**

Payments under the Fund issue to Horse Racing Ireland (HRI) and Rásaíocht Con Éireann (RCÉ) (formerly Bord na gCon) as provided for under Section 12 of the Horse and Greyhound Racing Act 2001 and associated regulations.

Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations

Property	Area Hectares
Cork	
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	
Cooloo	52.1
Kilcooley	1.7
Kylenalmelly	1.3
Meelickmore	12.4
Rosmore	3.2
Sylaun	1.7
Lands, Teagasc College, Athenry	14.0
Kerry	
Land Commission non-agricultural lands	
Ballydunlea	284.6
Glanlea	4.0
Forest plot, Kenmare	0.2

Kildare	
Stacumny Cottage, Backweston	—
Farm Manager's House, Backweston	—
Lands, Backweston	150.0
Kilkenny	
Lands, Kildalton Teagasc College, Pilltown	18.0
Leitrim	
Land Commission non-agricultural land, Rossbeg	79.0
Limerick	
Regional Veterinary Laboratory, Limerick	1.2
Forest plots, Adare	3.0
Mayo	
Land Commission non-agricultural lands	
Ballymacrah	12.1
Derry	34.8
Forest plot, Foxford	3.0
Offaly	
Land Commission non-agricultural lands	
Annaghmore	69.4
Ballyegan	44.7
Clorhane	8.2
Killananny	0.4
Rathlumber	7.2
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 plots, Lough Key	16.0

Sligo	
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, Kilsheelan	1.9
Westmeath	
Land Commission non-agricultural land, Clonthread	26.6
Forest plot, Lough Ennell	14.5
Creggan Lower	0.5
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.

Appropriation Account 2023

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 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €27.507 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, National Development Plan Delivery and Reform in circular 22 of 2023 have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired and developed software	10 years	10%

Statement on internal financial control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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. I continue to proactively review and revise systems and structures to support good governance as well as reinforce appropriate behaviours and have also commissioned a review of the Department's financial control framework. An independent external reviewer has been appointed with the review to be complete by quarter 3 2024.

Organisation changes

Significant organisational changes of note during 2023 included

- An Assistant Secretary for the Irish Coast Guard (IRCG) was appointed, with responsibility for driving and delivering a transformation programme for the Coast Guard, to ensure that the IRCG is best placed to succeed in the 21st Century. A new Director for the Irish Coast Guard has also been appointed.
- An Assistant Secretary with responsibility for maritime policy was appointed, to drive and deliver government policy in the maritime sector and ensure that it meets international obligations and domestic needs, including connectivity, safety, sustainability, and climate goals. Offshore renewable energy is an emerging priority for the Department and a new team was established to support the development and implementation of offshore renewable energy ports policy by the Department.
- Significant work was undertaken in 2023 in relation to data and analytics and the development of a new 'Digital Hub', which will centralise our ICT and digital functions with a citizen-centric focus. The Department has seconded expertise from the Central Statistics Office to build our data and analytics function and work closely with the Driver and Vehicle Computer Services Division of the Department and our agencies.

Shared services

The shared services arrangements are an important aspect of our delivery framework ensuring consistency of approach and enabling our corporate functions to focus on their strategic agenda.

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 between this Department and the National Shared Services Office for the provision of payroll and human resource shared services.

Financial control environment

The Department has a mature financial management framework in place enhanced in early 2021 by a financial management system upgrade and in 2021 and 2022 by successful implementation and extension of robotic process automation capability in the accounts processing area. The Finance Division's payments operations system continued to be ISO certified.

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an active Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- Relevant training is provided as necessary.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- a risk management system operates within the Department.
- there are systems aimed at ensuring the security of the ICT systems and
- there are appropriate capital investment control guidelines and formal project management disciplines.

With respect to its management procedures, the Finance Division of the Department has been certified as compliant with the ISO 9001:2015 standard, 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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €3,499.4 million in 2023.

The Department has provided details of five non-competitive contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform amounting to €1,767,564.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of four contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €320,725 (exclusive of VAT) as set out below.

- One contract with a value of €52,743 relating to the cleaning services in the Department's office in Shannon. This contract has been rolled over pending a decision regarding the relocation of the Division.
- One contract with a value of €27,200 relating to the replacement of pagers that were urgently required and had to be compatible with the existing paging system. While a competitive (request for quotes) process was held, the ex-VAT value was in excess of €25,000.
- One contract with a value of €212,974 relating to the service/repair of boats. A request for tenders was sent for publication in quarter 4 2023 and is currently at evaluation stage with a view to contract award during 2024.
- One contract with a value of €27,808 relating to the provision of printing services was procured via request for quotes rather than an open tender process.

During 2023, the Department increased the resourcing of its Procurement Team to support and strengthen its procurement practice. The Procurement Team provide advice and guidance in the conduct of compliant procurement and has engaged with the Office of Government Procurement to hold a competitive process for the provision of a bespoke training programme in 2024.

Internal audit and Audit Committee

The Department has an internal audit function with appropriately trained personnel, and which operates in accordance with a written charter which I have approved. The work of the internal audit function 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.

In August 2023, the Head of Internal Audit retired and additional support was provided to the existing team by the Department's Governance Division. In addition, at that time I commissioned an independent external quality assurance review of the Internal Audit function. I received the report from the independent expert in February 2024 and am committed to implementing the recommendations arising from the review. Guided by the report recommendations, the position of the Head of Internal Audit has been upgraded to Principal Officer level and the capacity of the Internal Audit Unit will be increased. The Department is currently engaging in a recruitment process for the Internal Audit Head role and the additional resources.

I have put procedures in place to ensure that the reports of the internal audit function are followed up on a timely basis and that the audit function and the Committee receive all the support they need from across the Department.

During 2021, an internal audit of arrangements in place for management and monitoring of cyber security in the Driver and Vehicle Computer Services Division (DVCSD) was completed. These recommendations have been addressed and, as a result of the creation of a new Digital Hub incorporating the DVCSD Division, the cyber function has been centralised in a new unit established within the Digital Hub, which is now completing a departmental/ enterprise approach across all the Department's systems.

During 2022, the IAU made several key recommendations following the audits listed below.

Audit of IT arrangements in the Railway Accident Investigation Unit (RAIU).

The report contains two high level findings. The first of these relates to the service agreement between the Department and their managed IT service provider. IAU has recommended that the service level agreement be reviewed regularly and amended to ensure that it is comprehensive, current, and relevant. The service level agreement has a target completion date of 31 July 2024.

The other finding and recommendation relate to the need to review ICT security configurations and make any necessary adjustments. All necessary actions have been taken and this recommendation is closed.

Audit of IT arrangements in the Air Accident Investigation Unit (AAIU)

The report contains three high level findings. IAU has recommended that the AAIU undertake a process review to assess the approach taken in respect of data provided by the Irish Aviation Authority (IAA).

IAU has made some recommendations to improve the security of the AAIU European Co-ordination Centre for Accident and Incident Reporting Systems which can be used by any aviation authority in Europe to record data relating to accidents and incidents.

IAU also recommended improvements in respect of the security of the AAIU shared drive which was hosted on the Department's servers.

All recommendations in this audit are closed.

Audit of the arrangements in place in the Department of Transport to support effective and compliant procurement.

This report contains two high level findings. The first of these notes several instances of failure to comply with all procurement requirements and gaps in record keeping. The associated recommendation is that full compliance should be the norm.

The second high level finding and recommendation relates to the need to have comprehensive procurement policies and manuals in place, and the need to support business units with appropriate training and advice.

Work has been completed on a number of the sub recommendations within each of the high findings and the first high finding is now closed. On the second high finding a procurement training partner has been identified via OGP framework and Department is at point of signing a contract. It is expected that the Corporate Procurement plan will be completed by December 2024.

During 2023, the IAU made key recommendations following the audits listed below.

Review of the arrangements for granting of flight authorisations and granting of exemptions for carriage of munitions of war.

The report contains one high level finding. The finding relates to the application processes for flight authorisations (scheduled and non-scheduled) and munitions of war exemptions. IAU has recommended that all necessary approvals are in place for each application prior to issuing permits, update standard operating procedures and develop a process for monitoring the expiration of insurance certificates. This recommendation has been implemented.

The other findings and recommendations relate to the management of applications, updating policies and procedures, raising awareness of the application process, the development data classification policies and security classifications.

Audit of Zero Emission Vehicles Ireland (ZEVI)

The report contains one high level finding. IAU has recommended that agreements are put in place with the State bodies in charge of managing the ZEVI-funded schemes and the Department is actively engaging with the appropriate agencies.

IAU has also made a recommendation to further enhance compliance with financial procedures, which the Division has now implemented.

Forensic investigation

The statement on internal financial control in the 2021 appropriation account referenced the report published in October 2021 by the Comptroller and Auditor General concerning the procurement of vehicles by the Irish Coast Guard. The report included several recommendations, all of which have been accepted by the Department and have been actioned. The Department also secured the services of a third-party independent expert to conduct an additional forensic examination of procurement processes in the Irish Coast Guard and other relevant records over an extended period. The forensic investigation has concluded. The Department has identified next steps, and these are being actively progressed. All relevant Departmental policies have been reviewed and revised in parallel with this process.

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. The Department's Risk Management Framework comprises the risk management policy, risk registers recording operational and strategic risks, a risk officer and risk management committee, and alignment of risk to annual business planning.

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 responsibility for operation of controls assigned to specific staff. The risk register is reviewed quarterly by management locally, and at the risk management committee. A quarterly update on risk management activities and the risk register are shared with the Department's Audit Committee and the Chair of the Risk Management Committee met with the Audit Committee in 2023. The Risk Register is presented to the Management Board twice a year and the Accounting Officer is informed of all risks once the rating reaches a certain level.

Developments of note in risk management during 2023 included

- enhancement of risk reporting for individual divisions and the Department as a whole
- further development and enhancement of the integration between the Department's statement of strategy/business planning and risk management
- quarterly collation and reporting of risks.

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

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 on an ongoing basis. All staff have a responsibility to ensure that the best practices are upheld in the stewardship of public monies.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss. There is always room for further development of our approaches to ensure that each line of assurance is working effectively to support the overall financial control environment. In tandem with the enhanced focus during 2023 there is a programme of work identified for 2024 to further develop and ensure that the structures, systems, financial controls, and guiding behaviours are aligned in support of my priority of good governance as Accounting Officer.

Ken Spratt
Accounting Officer
Department of Transport

10 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 31 Transport for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Forensic investigation

The statement on internal financial control refers to a forensic investigation of certain procurements. The investigation was commissioned by the Department of Transport following an examination by my Office of the procurement of vehicles for the Irish Coast Guard, which I reported upon in October 2021.

Appraisal of rail project investments

Chapter 9 of my report on the accounts of the public services for 2023 examines the application of the capital project appraisal procedures in respect of the MetroLink and Limerick to Foynes rail line projects.

Seamus McCarthy
Comptroller and Auditor General

18 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 31 Transport

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Sustainable mobility − active travel and greenways				
	Original	358,665			
	Deferred surrender	19,000			
	Supplementary	50,000			
			427,665	400,888	352,897
B	Sustainable mobility − carbon reduction and public transport				
	Original	1,607,283			
	Deferred surrender	96,966			
	Supplementary	(7,700)			
			1,696,549	1,602,129	1,579,777
C	Road networks and road safety				
	Original	1,387,053			
	Deferred surrender	11,340			
	Supplementary	34,235			
			1,432,628	1,402,707	1,432,141
D	Civil aviation				
	Original	53,443			
	Deferred surrender	4,900			
			58,343	43,990	59,522
E	Maritime transport and safety				
	Original	109,825			
	Deferred surrender	5,750			
	Supplementary	4,933			
			120,508	114,898	106,752

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Gross expenditure					
	Original	3,516,269			
	Deferred surrender	137,956			
	Supplementary	81,468			
			3,735,693	**3,564,612**	**3,531,089**
	Deduct				
F	**Appropriations-in-aid**		**25,455**	**22,801**	**20,846**
Net expenditure					
	Original	3,490,814			
	Deferred surrender	137,956			
	Supplementary	81,468			
			3,710,238	**3,541,811**	**3,510,243**

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. €140.920 million of unspent allocations in respect of the capital elements of all subheads was carried forward to 2024.

	2023	2022
	€	€
Surplus	168,426,821	174,750,674
Deferred surrender	(140,920,000)	(137,956,000)
Surplus to be surrendered	**27,506,821**	**36,794,674**

Ken Spratt
Accounting Officer
Department of Transport

10 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		3,510,235	3,484,103
Pay		42,387	38,071
Non pay		11,990	8,915
Gross expenditure		**3,564,612**	**3,531,089**
Deduct			
Appropriations-in-aid		22,801	20,846
Net expenditure		**3,541,811**	**3,510,243**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(4,860)		
Disposals cash	50		
Profit on disposals	(50)		
Depreciation	1,740		
Intangible assets (note 2.2)			
Purchases	(866)		
Amortisation	588		
		(3,398)	(1,235)
Changes in net current assets			
Decrease in inventories	352		
Decrease in prepayments	492		
Increase in accrued expenses	1,148		
		1,992	(1,708)
Direct expenditure		**3,540,405**	**3,507,300**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		20,235	19,093
Notional rents		3,721	3,721
Net programme cost		**3,564,361**	**3,530,114**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	17,625	16,997
Vote 13	Office of Public Works	1,124	803
Vote 18	National Shared Services Office	64	60
Vote 20	Garda Síochána	135	2
Vote 43	Office of the Government Chief Information Officer	805	748
Central Fund − ministerial pensions		442	442
		20,235	**19,093**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	11,330	8,210
Intangible assets	2.2	1,659	1,381
Total fixed assets		**12,989**	**9,591**
Current assets			
Bank and cash	2.3	158,934	145,284
Inventories	2.4	2,309	2,661
Prepayments	2.5	3,817	4,309
Other debit balances	2.6	1,677	5,030
Total current assets		**166,737**	**157,284**
Less current liabilities			
Accrued expenses	2.7	5,315	4,167
Other credit balances	2.8	22,137	1,785
Net Exchequer funding	2.9	138,474	148,529
Total current liabilities		**165,926**	**154,481**
Net current assets		811	2,803
Net assets		**13,800**	**12,394**
Represented by:			
State funding account	2.10	**13,800**	**12,394**

2.1 Property, plant and equipment

	Buildings	Office equipment and motor vehicles	Specialist equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023 [a]	2,014	22,945	24,132	1,046	1,870	52,007
Additions	—	383	62	—	4,415	4,860
Disposals	—	(93)	—	—	—	(93)
Transfers	5,436	—	30	—	(5,466)	—
At 31 December 2023	7,450	23,235	24,224	1,046	819	56,774
Accumulated depreciation						
At 1 January 2023 [a]	—	19,734	23,059	1,004	—	43,797
Depreciation for the year	—	1,200	534	6	—	1,740
Depreciation on disposals	—	(93)	—	—	—	(93)
At 31 December 2023	—	20,841	23,593	1,010	—	45,444
Net assets						
At 31 December 2023	**7,450**	**2,394**	**631**	**36**	**819**	**11,330**
At 31 December 2022	2,014	2,407	1,877	42	1,870	8,210

Note [a] With effect from 1 January 2023, acquired and developed software assets were reclassified as intangible assets (note 2.2).

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Gross assets			
At 1 January 2023 [a]	4,586	444	5,030
Additions	475	391	866
Transfers	444	(444)	—
At 31 December 2023	5,505	391	5,896
Accumulated amortisation			
At 1 January 2023 [a]	3,649	—	3,649
Amortisation for the year	588	—	588
At 31 December 2023	4,237	—	4,237
Net assets			
At 31 December 2023	**1,268**	**391**	**1,659**
At 31 December 2022	937	444	1,381

Note [a] With effect from 1 January 2023, acquired and developed software assets were reclassified from property, plant and equipment (note 2.1).

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	158,868	144,978
Commercial bank account balances	66	306
	158,934	**145,284**

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 the proceeds to the Exchequer. This is accounted for separately in the Motor Tax Account.

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Specialised consumables (Irish Coast Guard)	**2,309**	**2,661**

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Software licences and maintenance	3,578	3,376
Rentals	143	130
Other	96	803
	3,817	**4,309**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
OPW agency services	701	4,990
Payroll suspense	930	—
Other	46	40
	1,677	**5,030**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Driver and Vehicle Computer Services Division: operating expenses	1,275	1,011
Search and rescue helicopter services	848	907
Regional airports: rotations	443	573
Professional consultancy fees	482	286
OPW	68	80
National Transport Authority	1,362	417
Other	837	893
	5,315	**4,167**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Professional services withholding tax	127	92
Value added tax	424	373
Relevant contract tax	6	6
Pension charges	76	29
Extra Exchequer receipts	19,487	—
	20,120	500
Due to agencies	2,006	1,229
Other credit suspense items	11	56
	22,137	**1,785**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	27,507	36,795
Deferred surrender	140,920	137,956
Exchequer grant undrawn	(29,953)	(26,222)
Net Exchequer funding	**138,474**	**148,529**
Represented by:		
Debtors		
Bank and cash	158,934	145,284
Debit balances: suspense	1,677	5,030
	160,611	150,314
Creditors		
Due to the State	(20,120)	(500)
Credit balances: suspense	(2,017)	(1,285)
	(22,137)	(1,785)
	138,474	**148,529**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			12,394	9,925
Disbursements from the Vote				
Estimate provision	Account	3,710,238		
Deferred surrender	Account	(140,920)		
Surplus to be surrendered	Account	(27,507)		
Net vote			3,541,811	3,510,242
Expenditure (cash) borne elsewhere	1.1		20,235	19,093
Non cash item – capital asset adjustment			—	(473)
Non cash expenditure – notional rent	1		3,721	3,721
Net programme cost	1		(3,564,361)	(3,530,114)
Balance at 31 December			**13,800**	**12,394**

2.11 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	793,434	128,834
Capital grant programmes	9,372	48,335
Total of legally enforceable commitments	**802,806**	**177,169**

Commitments under procurement subheads	**2023 €000**	**2022 €000**
Search and rescue helicopter services [a]	766,000	96,000
Airports [b]	8,961	12,964
Vehicle/driving licensing [c]	14,151	15,785
Air Accident Investigation Unit [d]	1,080	751
Information technology [e]	243	920
Sustainable mobility (investment and policy) [f]	550	1,207
Coast Guard services [g]	959	1,182
Climate adaptation, research and energy [h]	1,220	—
Corporate services	181	—
Emergency planning	45	—
Marine survey	44	25
	793,434	**128,834**

Note

[a] The current search and rescue (SAR) helicopter service contract with CHC Ireland commenced on 1 July 2012 for a period of ten years, to June 2022. An option to extend the contract for up to a further three years was availed of, and the contract was extended to June 2025 to facilitate the procurement of a new service in accordance with *Public Spending Code* requirements and a seamless transition from one service to another. In August 2023, the Department signed a new service contract with Bristow Ireland Limited (BIL). The new SAR contract will run for ten years, with options to extend out to 13 years (2036). The initial 10-year term will cost approximately €670 million (excluding VAT) in nominal terms, inclusive of price increases assumed to be 2% a year, linked to the CPI. Any extensions beyond the initial contract term will be at discretion of the Minister for Transport having regard to a range of strategic, economic, and operational considerations in the years to come.

[b] Public service obligation (PSO) for air services between Donegal and Dublin.

[c] New contracts awarded for the supply of motor tax discs, IT support and development.

[d] Willis Tower Watson insurance premiums commitment.

[e] Provision of services to support the development, support and maintenance of a new Road Transport Operator Licencing IT (RTOL) system.

[f] Contract awarded to Ove Arup and Partners Ireland Limited for an all-Island strategic rail review.

[g] License fee, site rental and a contract for the provision and implementation of a new integrated Incident Coordination and Management System (ICAMS).

[h] Provision of consulting and research, development and demonstration (RD&D) services.

b) Non-capital grant programmes	2023 €000	2022 €000
Opening balance	—	—
New grant commitments	367	367
Grants paid in the year	(367)	(367)
Closing balance	—	—

c) Capital grant programmes	2023 €000	2022 €000
Opening balance	48,335	71,469
New grant commitments	99,600	94,682
Grants paid in the year	(92,402)	(101,925)
Grants cancelled	(46,161)	(15,891)
Closing balance	**9,372**	**48,335**

d) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Limerick to Foynes freight line phase 1	64,000	4,000	37,000	105,000	105,000
	64,000	**4,000**	**37,000**	**105,000**	**105,000**

Other major capital projects/public private partnerships (PPPs) are funded through bodies under the aegis of the Department.

2.12 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end.	**481**	**3,567**

2.13 Contingent liabilities

The Department is involved in 12 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.

			2023	2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	43,500	42,387	38,071
ii	Travel and subsistence	1,219	1,402	986
iii	Training, development and incidental expenses	1,592	3,931	2,988
iv	Postal and telecommunications services	320	367	275
v	Office equipment and external IT services	2,135	3,974	1,934
vi	Office premises expenses	1,246	1,812	1,595
vii	Consultancy services and value for money and policy reviews	1,016	503	1,137
		51,028	**54,376**	**46,986**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.6 million; outturn €3.9 million

The increase in expenditure of €2.3 million relative to the original estimate is primarily due to an increase in advertising spend during the year attributable to the active travel campaign - Your Journey Counts (€2.0 million) with the remaining variance attributed primarily to an increase in training due to a higher staff complement (€0.4 million) and legal settlements (€0.1 million).

v Office equipment and external IT services

Estimate provision €2.1 million; outturn €4.0 million

The increase in expenditure of €1.9 million relative to the original estimate is primarily due to additional digital modernisation and reform related support.

vi Office premises expenses

Estimate provision €1.2 million; outturn €1.8 million

The increase in expenditure of €0.6 million relative to the original estimate is primarily due to unanticipated gas and electricity cost increases.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.0 million; outturn €0.5 million

The reduction in expenditure of €0.5 million relative to the original estimate is primarily due to projects being deferred to 2024 due to project reprioritisation and procurement delays.

Programme A Sustainable mobility – active travel and greenways

			2023		2022
			Estimate provision	Outturn	Outturn
			€000	€000	€000
A.1	Administration – pay		868	848	761
A.2	Administration − non pay		147	240	178
A.3	Active travel infrastructure				
	Original	297,650			
	Deferred surrender	2,000			
	Supplementary	50,000			
			349,650	349,818	309,110
A.4	Greenways				
	Original	60,000			
	Deferred surrender	17,000			
			77,000	49,982	42,848
			427,665	**400,888**	**352,897**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Active travel infrastructure

Estimate provision €299.7 million; outturn €349.8 million

The increase in expenditure of €50.1 million relative to the original estimate is primarily due to a greater number of National Transport Authority (NTA) infrastructure projects (walking and cycling) progressing to construction/ completion than was originally forecast for the year coupled with construction cost inflation. A re-allocation of €50 million in a technical supplementary from subhead B.5 Public transport to subhead A.3 was approved to meet expenditure on active travel projects.

A.4 Greenways

Estimate provision €77.0 million; outturn €50.0 million

The reduction in expenditure of €27 million relative to the original estimate is primarily due to

- an underspend by Donegal County Council on the Northwest Greenway (€2.6 million)
- contingency funding provision not required by Louth County Council (€5 million)
- Transport Infrastructure Ireland (TII) project delays in the planning process and land acquisition (€14 million)
- contingency funding to cover potential clawback arising from the withdrawal of the Ulster Canal Greenway project from the INTERREG programme not required (€1.3 million)
- underspend on Greenways monitoring programme, project liaison officer costs and content creation campaign (€4.1 million).

Programme B Sustainable mobility – carbon reduction and public transport

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		4,785	4,663	4,188
B.2	Administration − non pay		838	1,319	980
B.3	Carbon reduction				
	Original	114,772			
	Deferred surrender	20,560			
			135,332	114,207	81,427
B.4	Public service provision payments				
	Original	563,774			
	Deferred surrender	450			
	Supplementary	60,900			
			625,124	607,683	619,338
B.5	Public transport investment				
	Estimate provision	876,504			
	Deferred surrender	75,956			
	Supplementary	(68,600)			
			883,860	835,343	837,199
B.6	Public transport agencies expenses		46,610	38,906	36,507
B.7	Miscellaneous services		—	8	138
			1,696,549	**1,602,129**	**1,579,777**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.3 Carbon reduction

Estimate provision €135.3 million; outturn €114.2 million

The reduction in expenditure of €21.1 million relative to the original estimate is primarily due to

- procurement and drawdown delays in low emission vehicle (LEV) infrastructure (€10.3 million) and climate research programmes (€2.4 million)
- LEV delivery delays resulting in LEV grants not drawn down (€7.3 million)
- over allocation to SEAI administrative expenses (€0.9 million).

B.4 Public service provision payments

Estimate provision €564.2 million; outturn €607.7 million

The net overspend in expenditure amounting to €43.5 million relative to the original estimate is primarily due to

- €57.4 million additional funding required to bridge the gap between the gross cost of operating the PSO programme and passenger fare revenues, due to various public transport fare initiatives (Young Adult Card (YAC), 20% average fare reduction and 90-minute fare), the continued migration from cash fares to leap cards, and higher operating costs. A supplementary was approved for this subhead.
- Additional rural transport services required to meet the unpredictable influx of Ukrainian refugees (€3.2 million). A supplementary was approved for this subhead.
- Savings in Rural Transport Programme (RTP) as a result of tendering process delays in the NTA IT Management System (ITMS) and EU Transition Fund project implementation plans not being approved by the European Commission (€1.0 million).
- Savings due to the delays in the Irish Rail planned heavy rail maintenance projects as a result of delays in planned improvement works (€2.8 million).
- Savings in new PSO routes and route variations due to the delayed BusConnects phases as a result of bus driver shortages and recruitment challenges (€13 million).
- Savings due to delays in the rollout of Connecting Ireland and new town services (€0.4 million).

B.5 Public transport investment

Estimate provision €952.5 million; outturn €835.3 million.

The reduction in expenditure of €117.2 million relative to the original estimate is primarily due to

- An underspend in heavy rail safety and development and public transport infrastructure due to planning and procurement delays including
    - railway station redevelopments, Galway Ceannt and Limerick Colbert (€10 million)
    - delays in awarding signaling contract as part of Cork Area Commuter Rail (€18 million)
    - new Greater Dublin Area (GDA) Railway Station Programme, which includes projects such as construction of Woodbrook station and work to open Kishoge station New GDA Railway Station (€5 million)
    - Limerick Rail Upgrade Programme, which includes planning and construction of Moyross station and twin tracking from Limerick-to-Limerick junction (€1 million)
    - €2.5m on the Connolly valeting plant upgrades and depot refurbishment project
    - NTA office move delayed until 2024 (€11 million)
    - BusConnects depot programme, including the BusConnects Dublin depot electrification programme (€10 million)
    - Core Bus Corridor construction postponed until 2024 (€13 million)
    - Various country wide park and ride programmes (€6 million).

- An underspend in public transport investment due to fleet delivery delays including
    - purchase of 41 new Inter-City railcars (€3.7 million)
    - BusConnects (€6 million) and BusConnects Urban fleet (€26 million)
    - Regional commuter fleet renewals and non-city urban buses (€25 million)
    - Hydrogen buses (€1 million)
- An overspend of €15 million due to a second milestone payment for the Dart+ programme.

B.6 Public transport agencies expenses

Estimate provision €46.6 million; outturn €38.9 million

The difference in expenditure of €7.7 million relative to the original estimate is primarily due to

- NTA payroll savings due to a revised recruitment plan, ongoing staff turnover and backfilling of staff at lower entry scales (€3.1 million)
- savings on legal and professional fees and activities, and savings in licencing support costs due to delays in on-boarding call centre and back-office staff (€4.6 million).

Programme C Road networks and road safety

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay		13,485	13,140	11,802
C.2	Administration − non pay		2,362	3,717	2,764
C.3	National roads investment				
	Original	678,168			
	Deferred surrender	9,000			
			687,168	660,045	728,901
C.4	Regional and local roads investment				
	Original	625,916			
	Supplementary	18,600			
			644,516	641,049	607,233
C.5	Transport Infrastructure Ireland operational costs		35,440	34,593	33,323
C.6	Road safety agencies and expenses		8,282	7,652	7,279
C.7	Vehicle and driver licensing expenses				
	Original	23,400			
	Deferred surrender	2,340			
	Supplementary	15,635			
			41,375	42,511	40,839
			1,432,628	**1,402,707**	**1,432,141**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

C.6 Road safety agencies and expenses

Estimate provision €8.3 million; outturn €7.7 million

The reduction in expenditure of €0.6 million relative to the original estimate is due to lower than forecast spending in the Medical Bureau of Road Safety due to

- payroll savings due to staff retention challenges and unfilled vacancies (€0.3 million)
- savings in consumable stocks due to sufficient levels of 2022 carryover stocks (€0.2 million)
- repair savings in replacement instruments still under warranty (€0.1 million).

C.7 Vehicle and driver licensing expenses

Estimate provision €25.7 million; outturn €42.5 million

The net increase in expenditure of €16.8 million relative to the original estimate is primarily due to

- an overspend of €2 million due to increased administration cost such as increase bank charges, postage and stationery cost
- payments made to licensed road haulage operators under the Licensed Haulage Support Scheme of €15.6 million
- savings of €0.9 million between profiled and actual expenditure on the Road Transport Operator Licensing online system as a result of milestones not being met due to development complexities.

A supplementary of €15.6 million was approved for this subhead for the Licensed Haulage Support Scheme. As the scheme was introduced after the estimates process had been completed, it was not included in the profile.

Programme D Civil aviation

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		4,786	4,663	4,188
D.2	Administration − non pay		838	1,319	981
D.3	Regional airports				
	Original	27,648			
	Deferred surrender	4,900			
			32,548	20,121	22,552
D.4	Miscellaneous services		11,171	10,502	9,593
D.5	Aviation Covid supports		9,000	7,385	22,208
			58,343	**43,990**	**59,522**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

D.3 Regional airports

Estimate provision €32.5 million; outturn €20.1 million

The reduction in expenditure of €12.4 million relative to the original estimate is primarily due to

- estimated expenditure not incurred on the Cork Airport Cat 3 security screening project, awaiting assessment in accordance with the *Public Spending Code* (€6.0 million)
- regional airports programmes not fully completed in 2023, mainly due to case design delays, as well as supply chain difficulties impacting delivery timelines (€2.4 million)
- the Shannon Heritage business operation together with the heritage sites in County Clare being transferred to Clare County Council in May 2023 (€4.0 million).

D.4 Miscellaneous services

Estimate provision €11.2 million; outturn €10.5 million

The reduction in expenditure of €0.7 million relative to the original estimate is primarily due to lower than estimated reimbursements to the Irish Navigation Services (AirNav Ireland) for the cost of aeronautical communication and air navigation services provided.

D.5 Aviation Covid supports

Estimate provision €9.0 million; outturn €7.4 million

The reduction in expenditure of €1.6 million relative to the original estimate is primarily due to

- fewer than expected insolvency claims by the licensed trade sector under the Travel Agents and Tour Operators Scheme (€0.8 million)
- savings due to the level of actual operational costs supported at Shannon Airport being limited to the same level of operational supports provided to other regional airports, ensuring proportionality of funding, as required under the Regional Airports Programme (€0.8 million).

Programme E Maritime transport and safety

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
E.1	Administration − pay		19,576	19,074	17,132
E.2	Administration − non pay		3,343	5,396	4,012
E.3	Irish Coast Guard (IRCG)				
	Original	78,755			
	Deferred surrender	5,600			
	Supplementary	4,933			
			89,288	82,412	78,494
E.4	Commissioner of Irish Lights				
	Estimate provision	6,268			
	Deferred surrender	150			
			6,418	6,360	6,122
E.5	Marine Casualty Investigation		732	435	335
E.6	Marine Survey Office and maritime transport		61	40	31
E.7	Miscellaneous services		1,090	1,181	626
			120,508	**114,898**	**106,752**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

E.5 Marine Casualty Investigation

Estimate provision €732,000 outturn €435,000

The reduction in expenditure of €297,000 results from costs not incurred due to a delay in legislation providing for the establishment of a new Marine Accident Investigation Unit (MAIU).

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
	Administration			
1	Receipts from additional superannuation contributions on public service remuneration	3,827	3,108	2,578
	Civil aviation			
2	Irish Aviation Authority refund of subscriptions to international organisations	8,074	8,196	7,157
3	Irish Aviation Authority recoupment of rents, etc.	394	400	394
4	AirNav Ireland (formally Irish Aviation Authority) payment for associated costs	2,800	3,312	2,985
	Land transport			
5	Road transport licence fees	1,000	1,032	1,396
6	Miscellaneous land transport receipts	8,185	5,779	5,335
	Maritime transport and safety			
7	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	525	477	447
	Miscellaneous receipts			
8	Miscellaneous receipts	650	497	554
	Total	**25,455**	**22,801**	**20,846**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.8 million; realised €3.1 million

The 2023 estimate was based on the Department reaching a certain level of recruitment and increasing its staffing complement by the end of the year. The shortfall of €700,000 was due to the Department's external recruitment for both general and technical grades being lower than anticipated.

4 AirNav Ireland (formerly Irish Aviation Authority) payment for associated costs

Estimate €2.8 million; realised €3.3 million

The current year's estimate was based on the previous year's associated costs, but an increase in subscription and staff costs in the current year resulted in an additional recovery from AirNav in 2023.

6 Miscellaneous land transport receipts

Estimate €8.2 million; realised €5.8 million

The Department's expenditure on projects under the INTERREG programme has not been as high as expected for various reasons, including delays to the delivery of cross-border Greenway projects due to factors such as planning and land acquisition issues, as well as slower-than-expected delivery of electric vehicle charging infrastructure under the FASTER Programme. As such, the subsequent reimbursement of funding from the EU has in turn been lower than forecasted.

8 Miscellaneous receipts

Estimate €650,000; realised €497,000

Lower than estimated miscellaneous actual receipts from the European Regional Development Fund (ERDF).

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	16	36
Shannon Development rents [a]	16	10
Road Safety Authority pension contributions and notional service [b]	468	499
Ten-T upgrade	3,446	1,006
National Oil Reserve Agency [c]	—	7,878
NTA unspent grant refunded [d]	16,716	—
Voluntary surrender of pay	16	16
National Access Point Coordination Organisation for Europe (NAPCORE) [e]	—	33
Transfer of service	—	244
Sale of vehicle [f]	—	40
Climate Innovation and Networks Executive Agency (CINEA) [g]	2,187	—
Transferred to the Exchequer	(3,378)	(9,746)
Balance at 31 December	**19,487**	**16**

Note

[a] Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.

[b] 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, National Development Plan Delivery and Reform.

[c] Under the biofuel obligation, suppliers of certain fuels to the road transport market are required to include a certain proportion of biofuels as part of their fuel mix. A buy-out charge however allows obligated parties under the scheme to discharge part or their entire biofuel obligation through the payment of a buy-out charge. This was set at €0.45 per litre in 2021 under SI 644/2010 National Oil Reserves Agency Act 2007 (Biofuel Obligation Buy-out Charge) Regulations 2010.

[d] Savings on Public Service Obligations due to lower than forecasted draw down requirement by service providers.

[e] Pre-financing from NAPCORE, a newly formed organisation to coordinate and harmonise more than 30 mobility data platforms all over Europe.

[f] Auction proceeds received on behalf of Kerry Airport.

[g] Final payment for the City Centre re-signalling project.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2023	2022
Department	635	579
Agencies [a]	1,224	1,018
	1,859	**1,597**

Note [a] Includes staffing of the following agencies: Commission for Aviation Regulation; Marine Casualty Investigation Board; Commission for Railway Regulation; National Transport Agency; Transport Infrastructure Ireland; Medical Bureau of Road Safety and Road Safety Authority.

5.2 Pay – Department and agencies

Remuneration of Department staff

	2023 €000	2022 €000
Pay	36,601	33,035
Higher, special or additional duties allowances	840	877
Overtime	464	449
Other allowances	1,027	753
Employer's PRSI	3,455	2,957
Total pay [a]	**42,387**	**38,071**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

Remuneration of agency staff

Pay	81,186	67,569
Higher, special, or additional duties allowances	689	799
Overtime	986	457
Other allowances	811	646
Employer's PRSI	7,900	6,189
Total pay [a]	**91,572**	**75,660**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Department staff [a]				
Higher, special or additional duties allowances	147	19	44,624	35,505
Overtime	118	19	39,232	27,141
Other allowances	71	37	18,760	31,050
Extra remuneration in more than one category	72	52	61,149	52,013

Note [a] The details above relate to the Department's staff paid directly from the Vote under programmes A to E.

Staff of agencies				
Higher, special or additional duties allowances	9	1	15,463	13,356
Overtime	3	6	27,391	16,807
Other allowances	41	2	16,000	13,356
Extra remuneration in more than one category	6	—	—	21,871

5.4 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €3,408. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €370,927 in respect of five officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

This account does not include expenditure in respect of four seconded officers who were serving outside the Department for all or part of 2023 whose salaries were paid by other Government departments/offices.

5.5 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	328	355
60,000	69,999	58	55
70,000	79,999	63	47
80,000	89,999	53	38
90,000	99,999	45	47
100,000	109,999	20	23
110,000	119,999	24	16
120,000	129,999	10	3
130,000	139,999	3	1
140,000	149,999	—	4
150,000	159,999	6	—
160,000	169,999	—	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	—	1
220,000	229,999	1	—

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	42	153,807	138,747
Recovery plans in place	15	64,174	78,116

Note [a] No overpayment recovery plans were transferred to other departments in the year.

5.7 Severance/redundancy

During 2023, no redundancy or severance payments were made.

5.8 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	227	213

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

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.

The Review Board report was published on 5 November 2021 and the final report can be found at Final Report.pdf (aaiu.ie)

Fixed purpose commission	Year of appointment	Cumulative expenditure to end of 2023 [a]	2023	2022
		€000	€000	€000
Review Board	2020	1,502	—	1,136

Note [a] Total expenditure (2023: €nil; 2022: €1,136,000; 2021: €266,000; 2020: €100,000).

6.2 Compensation and legal cost

Payments/costs paid by the Department in the year

	Claims by			Total	Total
	employees	members of the public		2023	2022
	Personal injuries	Loss or damage	Personal injuries		
Number of cases	3	9	—	12	13
	€000	€000	€000	€000	€000
Department's own legal costs	—	—	—	—	66
Payments by/on behalf of Department					
Compensation	—	—	—	—	228
Legal costs	200	122	—	322	1,471
Other costs	2	9	—	11	54
2023 Total	**202**	**131**	—	**333**	**1,819**
2022 Total	38	1,507	274	1,819	

Cumulative costs of cases completed in 2023

	Claims by		
	employees	members of the public	Total
Number of cases	1	4	5
	€000	€000	€000
Department's own legal costs			
Payments to/on behalf of Department			
Compensation	120	7	127
Legal costs	175	1	176
Other costs	1	—	1
Total	**296**	**8**	**304**

6.3 Late payment interest

No interest payments were made in terms of the European Communities (Late Payment in Commercial Transactions) Regulation 2012.

6.4 Fraud and suspected fraud

No fraud was detected during the period under review.

6.5 EU funding

The outturn shown in A.3 Active travel infrastructure includes payment in respect of activities which are co-financed from the European Regional Development Fund (ERDF). The Department received €674,000 in funding and paid claims totalling €3,940,000.

		2023 Estimate €000	2023 Outturn €000	2022 Outturn €000
Subhead description				
A.3	Active travel infrastructure	3,940	3,940	—

6.6 Deferred surrender

Deferred surrender comprises savings in 2023 of €140.9 million in capital expenditures in the following subheads that were carried over to 2024.

		€000
A.4	Greenways	30,000
B.3	Carbon reduction	18,350
B.4	Public service provision payments	825
B.5	Public transport investment	45,500
C.3	National roads investment	31,000
C.7	Vehicle and driver licencing expenses	1,000
D.3	Regional airports	8,245
E.3	Maritime administration and Irish Coast Guard (IRCG)	6,000
		140,920

Appropriation Account 2023

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 2023 for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for the payment of certain subsidies and grants and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €596.851 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account with the exception of the following.

Depreciation

Assets are depreciated monthly on a straight-line basis over their estimated useful life, starting with a full month's depreciation charged in the month of purchase and none charged in the month of disposal.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- 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

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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €14.9 million in 2023.

The Department has provided details of six non-competitive contract in excess of €25,000 (exclusive of VAT) in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of two contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €183,789 (exclusive of VAT) as set out below.

- One procurement with a cumulative value of €131,208 that covered the purchase of three discrete cleaning services across the Department's offices, each of which expired during 2022 without a new contract being in place. In one instance, the replacement procurement process was completed in February 2023 and in the remaining two cases, both contracts were signed in May 2024.

- A second procurement with a cumulative overall value of €52,581 that covered the purchase of three discrete contracts for the provision of legal services and advice in relation to the implementation of emergency measures taken in response to the invasion of Ukraine in the form of the Ukraine Credit Guarantee Scheme, a rapid response to provide lending facilities to SMEs via the Covid Credit Guarantee Scheme and an amendment of the funding agreement under a tight deadline for the Growth and Sustainability Loan Scheme. It was not possible to carry out a competitive procurement in these instances.

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

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

Suspected fraud in loans schemes managed on the Department's behalf

Whilst no weaknesses in internal financial control were identified in relation to 2023, the Strategic Banking Corporation of Ireland (SBCI) alerted the Department to concerns regarding a small number of loans issued by lenders who were participants in loans schemes managed on the Department's behalf by the SBCI and covered by guarantees funded in part from the Department's Vote. Specifically, the SBCI had been notified by a participating on-lender that a small number of SBCI loans may have been approved by the on-lender on the basis of fraudulent financial information presented by the borrowers. The on-lender has confirmed that these cases were reported to the relevant authorities and that investigations are ongoing. The Department is being updated by the SBCI in relation to the progress of the investigations. This issue has also been disclosed under note 6.4 Fraud and suspected fraud of this account.

Companies Registration Office – strike-off process

The Companies Acts require companies to file annual returns with the Companies Registration Office (CRO) and empower that Office to strike off the register companies who fail to file returns. The strike-off process involves the CRO providing a number of warnings to companies who have not filed returns reminding them of their obligation to do so and of the need to take remedial action within a specified period. In instances where companies remain non-compliant after this period, the CRO then publishes a 1st Notice in its Gazette listing companies for impending strike-off if remedial action was not taken within the requisite period. After this further period, remaining non-compliant companies are struck off and listed in the CRO Gazette (2nd Notice).

In response to the difficulties experienced by companies by the advent of Covid, the CRO suspended its enforcement activity in March 2020. The process recommenced in the latter part of 2023. In January 2024, the CRO became aware of an IT issue which resulted in a cohort of companies not being listed for impending strike-off in the CRO Gazettes which had been published in its 22 and 29 November 2023 editions. The CRO withdrew the said Gazettes and replaced them with versions that contained the additional companies. The companies in question (those included in both the original and replacement Gazettes) were subsequently struck-off the Register on 26 January and 2 February 2024.

On becoming aware of this issue, the CRO sought advice from the Attorney General's Office (AGO) and external counsel in relation to the manner of the strike off process followed in this instance. The CRO was advised that it should take action to correct the status of the affected companies to 'normal' on the companies register including by writing directly to the affected companies and their directors and addressing the issues relating to the CRO Gazettes. The CRO duly corrected the status of the affected companies, published a special edition of its Gazette and wrote to all affected companies and directors. In addition, the CRO suspended further involuntary strike-off activity temporarily. Work is ongoing in the CRO to review its ICT procedures and controls and staff training so as to ensure that the involuntary strike off process, when recommenced, is robust.

Declan Hughes
Accounting Officer
Department of Enterprise, Trade and Employment

23 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 32 Enterprise, Trade and Employment for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Vote accounting and budget management

Chapter 3 of my report on the accounts of the public services for 2023 includes a section which reports on the high level of surrender of funding on Vote 32 at the end of 2023, arising to a significant degree from the lower than expected uptake on the Temporary Business Energy Support Scheme (TBESS) and on the Business Users Support Scheme for Kerosene (BUSSK).

Seamus McCarthy
Comptroller and Auditor General

23 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 32 Enterprise, Trade and Employment

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Jobs and enterprise development				
	Original	1,246,222			
	Deferred surrender	54,500			
	Supplementary	(6,293)			
			1,294,429	729,531	584,946
B	Innovation				
	Original	258,700			
	Supplementary	7,185			
			265,885	224,286	200,612
C	Regulation				
	Original	116,491			
	Supplementary	(891)			
			115,600	111,956	99,116
Gross expenditure					
	Original	1,621,413			
	Deferred surrender	54,500			
	Supplementary	1			
			1,675,914	**1,065,773**	**884,674**
	Deduct				
D	**Appropriations-in-aid**		**71,921**	**78,631**	**78,577**
Net expenditure					
	Original	1,549,492			
	Deferred surrender	54,500			
	Supplementary	1			
			1,603,993	**987,142**	**806,097**

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 subheads A.5 and A.7 were carried forward to 2024.

	2023 €	2022 €
Surplus	616,850,553	769,491,787
Deferred surrender	(20,000,000)	(54,500,000)
Surplus to be surrendered	**596,850,553**	**714,991,787**

Declan Hughes
Accounting Officer
Department of Enterprise, Trade and Employment

23 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		1,017,536	841,033
Pay		37,667	34,981
Non pay		10,570	8,660
Gross expenditure		**1,065,773**	**884,674**
Deduct			
Appropriations-in-aid		**78,631**	**78,577**
Net expenditure		**987,142**	**806,097**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(92)		
Depreciation	375		
Disposals cash	—		
Loss on disposals	24		
Loss on transfer to CEA	348		
Intangible assets (note 2.2)			
Purchases	(1,803)		
Amortisation	902		
Loss on transfer to CEA	105		
		(141)	(79)
Changes in net current assets			
Decrease in prepayments	118		
Decrease in accrued income	720		
Increase in accrued expenses	1,088		
Increase in deferred income	1,329		
		3,255	(7,506) [a]
Direct expenditure		**990,256**	**798,512**
Expenditure borne elsewhere			
Net allied services expenditure (cash) (note 1.1)		29,066	28,511
Notional rents (non-cash)		2,847	2,847
Net programme cost		**1,022,169**	**829,870**

Note [a] Figure restated. See note 2.4.

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	62	87
Vote 12	Superannuation and Retired Allowances	24,257	22,916
Vote 13	Office of Public Works	3,868	4,672
Vote 18	National Shared Services Office	134	123
Vote 20	Garda Síochána	251	251
Vote 43	Office of the Government Chief Information Officer	153	123
Central Fund – ministerial pensions		341	339
		29,066	**28,511**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	603	1,258
Intangible assets	2.2	5,647	4,851
Total fixed assets		**6,250**	**6,109**
Current assets			
Bank and cash		19,993	84,093
Prepayments	2.3	1,714	1,832
Accrued income	2.4	338	1,058[a]
Other debit balances	2.5	926	980
Total current assets		**22,971**	**87,963**
Less current liabilities			
Accrued expenses	2.6	3,970	2,882
Deferred income	2.7	4,169	2,840
Other credit balances	2.8	5,639	5,627
Net Exchequer funding	2.9	15,280	79,446
Total current liabilities		**29,058**	**90,795**
Net current assets/(liabilities)		(6,087)	(2,832)
Net assets		**163**	**3,277**
Represented by:			
State funding account	2.10	**163**	**3,277**

Note [a] Figure restated. See note 2.4.

2.1 Property, plant and equipment [a]

	Office and IT equipment	Furniture and fittings	Motor vehicles	Total
	€000	€000	€000	€000
Cost or valuation [b]				
At 1 January 2023	7,011	3,079	207	10,297
Additions	92	—	—	92
Disposals	(112)	(152)	—	(264)
Transfers to Corporate Enforcement Authority [c]	(448)	(71)	(207)	(726)
At 31 December 2023	6,543	2,856	—	9,399
Accumulated depreciation				
At 1 January 2023	6,221	2,815	3	9,039
Depreciation for the year	313	62	—	375
Depreciation on disposals	(112)	(128)	—	(240)
Transfers to Corporate Enforcement Authority [c]	(304)	(71)	(3)	(378)
At 31 December 2023	6,118	2,678	—	8,796
Net assets				
At 31 December 2023	**425**	**178**	**—**	**603**
At 31 December 2022	790	264	204	1,258

Note [a] Cost or valuation include certain assets acquired for less than €10,000 prior to 1 January 2021.

[b] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (see note 2.2).

[c] The Corporate Enforcement Authority, which was established as an independent agency on 7 July 2022, subsumed the functions of the Office of the Director of Corporate Enforcement. Ownership of the assets transferred to the authority for nil charge on 1 January 2023.

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	32,193	85	32,278
Additions	—	1,803	1,803
Transfers	267	(267)	—
Transfers to Corporate Enforcement Authority [b]	(210)	—	(210)
At 31 December 2023	32,250	1,621	33,871
Accumulated amortisation			
At 1 January 2023	27,427	—	27,427
Amortisation for the year	902	—	902
Transfers to Corporate Enforcement Authority [b]	(105)	—	(105)
At 31 December 2023	28,224	—	28,224
Net assets			
At 31 December 2023	**4,026**	**1,621**	**5,647**
At 31 December 2022	4,766	85	4,851

Note [a] Software acquisition and development assets were included in property, plant and equipment in prior years.

[b] The Corporate Enforcement Authority, which was established as an independent agency on 7 July 2022, subsumed the functions of the Office of the Director of Corporate Enforcement. Ownership of the assets transferred to the authority for nil charge on 1 January 2023.

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT services and support	1,369	1,709
Administration	345	123
	1,714	**1,832**

2.4 Accrued income

at 31 December	2023	2022
	€000	€000
Income due from Competition and Consumer Protection Commission	165	214
Employment permit income due	123	52
Income due to DETE offices for services	30	42
Credit guarantee schemes	20	750[a]
	338	**1,058**

Note [a] Figure restated for 2022. Premia due to DETE for 2022 from SBCI under schemes operated under the Credit Guarantee Act were omitted in error.

2.5 Other debit balances

at 31 December		2023	2022
	€000	€000	€000
Advances to OPW		15	35
Miscellaneous debit balances		678	785
Recoupable expenditure			
Travel	78		
Shared services	155		
		233	160
		926	**980**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
Humanitarian relief scheme	2,932	—
Employment permit refunds due	349	1,638
Administration expenses	337	421
Inter-departmental recoupments	132	147
IT services and support	181	136
Legal expenses	2	268
Credit guarantee schemes	37	272
	3,970	**2,882**

2.7 Deferred income

at 31 December	2023	2022
	€000	€000
Employment permit receipts for unprocessed applications	2,457	1,277
CRO customer balances	1,712	1,563
	4,169	**2,840**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	1,220	1,180
Pay related social insurance	797	715
Local property tax	7	7
Professional services withholding tax	165	161
Value added tax on intra EU acquisitions	104	68
Universal social charge	239	223
	2,532	2,354
Share of patent renewal fees payable to the European Patents Office	1,882	1,907
Staff pay-overs	450	656
Pension liability	4	53
Recoupable salaries	159	159
Other miscellaneous balances	612	498
	5,639	**5,627**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	596,851	714,992
Deferred surrender	20,000	54,500
Exchequer grant undrawn	(601,571)	(690,046)
Net Exchequer funding	**15,280**	**79,446**
Represented by:		
Debtors		
Bank and cash	19,993	84,093
Other debit balances	926	980
	20,919	85,073
Creditors		
Due to the State	(2,532)	(2,354)
Other credit balances	(3,107)	(3,273)
	(5,639)	(5,627)
	15,280	**79,446**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			3,277	(4,308)
Disbursements from the Vote				
Estimate provision	Account	1,603,993		
Deferred surrender	Account	(20,000)		
Surplus to be surrendered	Account	(596,851)		
Net vote			987,142	806,097
Expenditure (cash) borne elsewhere	1.1		29,066	28,511
Non cash expenditure – notional rent	1		2,847	2,847
Net programme cost	1		(1,022,169)	(829,870)
Balance at 31 December			**163**	**3,277**

2.11 Commitments

a) Global commitments [a]	2023	2022
at 31 December	€000	€000
Procurement of goods and services	123,890	121,084
Non-capital grant programmes	5,774	3,837
Capital grant programmes	1,295,163	1,153,153
Total	**1,424,827**	**1,278,074**

b) Non-capital grant programmes	2023	2022
	€000	€000
Opening balance	3,837	3,965
New grant commitments	22,700	15,621
Grants paid in the year	(20,288)	(14,546)
Grants cancelled	(475)	(1,203)
Closing balance	**5,774**	**3,837**

c) Capital grant programmes	2023	2022
	€000	€000
Opening balance	1,153,153	1,258,845
New grant commitments	784,610	533,993
Grants paid in the year	(474,567)	(488,434)
Grants cancelled	(168,033)	(151,251)
Closing balance	**1,295,163**	**1,153,153**

Notes [a] Includes commitments that will be funded from own resource income generated by State bodies under the aegis of the Department.

d) Major capital projects

Capital grants involving total expenditure of €10 million or more is shown below.

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022[a]
	€000	€000	€000	€000	€000
Agency commitments					
IDA Ireland (A.5)	43,800	51,600	155,900	251,300	202,600
Enterprise Ireland (A.7)	422,742	32,793	153,967	609,502	593,170
Enterprise Ireland (B.4)	13,749	7,142	2,609	23,500	23,500
Department commitments					
INTERREG (A.10)	17,119	2,675	19,400	39,194	20,816
Strategic Banking Corporation of Ireland loan schemes (A.14)	55,000	11,891	—	66,891	67,483
	552,410	**106,101**	**331,876**	**990,387**	**907,569**

Note [a] Excludes projects completed by end of 2022.

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 2022.

IDA Ireland (A.5)

Increase in expected total spend: €49 million

The increase relates to nine projects with an average increase of over €5 million for each project.

Enterprise Ireland (A.7)

Increase in expected total spend: €16 million

The increase principally relates to €15 million for one new project and a net increase in commitments of €1 million over seven projects.

INTERREG (A.10)

Increase in expected total spend: €18.4 million

The increase relates to €19.4 million commitment for the new PEACEPLUS Programme as adjusted for grants cancelled of €1 million from the previous INTERREG VA programme.

Strategic Banking Corporation of Ireland loan schemes (A.14)

Decrease in expected total spend: €600,000

The decrease was due to the completion of the Growth and Sustainability Loan Scheme requiring an adjustment for €600,000 for grant cancelled.

2.12 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	**146**	**141**

2.13 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 participating lenders of 80% on eligible loans or performance bonds to viable micro, small and medium-sized enterprises (SMEs). The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the CGS was €458,000 (2022: €703,000).

The COVID-19 Credit Guarantee Scheme (CCGS) was launched in September 2020 to assist businesses that were negatively impacted by COVID-19 and closed to lending on 30 June 2022. The Scheme provided a State guarantee of 80% to participating 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 was available to SMEs, small Mid-Caps and primary producers that met the eligibility criteria. The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the CCGS was €280.39 million (2022: €409.74 million).

The Ukraine Credit Guarantee Scheme (UCGS) was launched in January 2023. The Scheme was developed to assist businesses impacted by cost increases arising from the conflict in Ukraine. The Scheme makes €1.2 billion in loans available to SMEs and small mid-caps for working capital and investment purposes. Loans of up to €1 million are available from participating lenders, which includes banks, non-bank providers and credit unions. The Scheme is administered by the Strategic Banking Corporation of Ireland (SBCI) and is available until 31 December 2024. The maximum exposure for the Department in relation to loans outstanding at 31 December 2023 for the UCGS was €82.96 million (2022: Nil).

In the case of each of these schemes, the guarantee is paid by the State (the guarantor) to the participating lender on the unrecovered outstanding principal balance on a loan in the event of a borrower defaulting on the repayments.

The total maximum exposure for the Department in relation to all loans outstanding at 31 December 2023 was €363.81 million (2022: €410.44 million).

Businesses availing of these Schemes 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.

		2023		2021-2023
		€000		€000
Receipts in relation to premiums paid by SMEs		3,284		9,502
Recovery on defaulted loans		101		109
Scheme expenditure				
Scheme administration	(2,877)		(8,813)	
Claims paid	(5,785)		(10,878)	
Total cost of schemes		(8,662)		(19,691)
Net cost of schemes		(5,277)		(10,080)

European Consumer Centre Ireland (ECCI)

The Department, in conjunction with the Competition and Consumer Protection Commission (CCPC), may also have a liability in relation to certain costs related to the voluntary wind up of the ECCI. The ECCI is a private company limited by guarantee incorporated in February 2003. The ECCI essentially assumed the functions of its predecessor, the European Consumer Centre, and was co-funded by the then Office of the Director of Consumer Affairs (now the CCPC) from monies allocated in the DETE Vote and the European Commission. ECCI was also designated as a recognised body for the purposes of certain EU regulations and received modest amounts of funding from the DETE Vote in relation to this recognition. The Department also had a member of staff acting as a Director of the ECCI.

The ECCI is being dissolved and its functions are being assumed by the CCPC. On the recommendation of the ECCI's directors and with the agreement of the department and the CCPC, it was decided that the ECCI should be dissolved by way of a members (solvent) voluntary liquidation so as to ensure that the rights and obligations to ECCI staff could be fully respected. The Department and the CCPC committed to supporting the ECCI through the voluntary wind-up process. The contingent liability relates to the costs of the wind-up process which cannot be readily estimated at this time.

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.

2.14 Loan schemes

Future Growth Loan Scheme

The Future Growth Loan Scheme (FGLS) is a long-term capital investment loan that was developed by this department and the Department of Agriculture, Food and the Marine, in partnership with the Department of Finance, the Strategic Banking Corporation of Ireland (SBCI) and the European Investment Fund (EIF).

The FGLS benefited from a guarantee from the European Union under the European Fund for Strategic Investments (EFSI).

The scheme was launched by the SBCI in June 2019.

It was delivered through participating finance providers and made up to €300 million of investment loans available to eligible Irish by SMEs, including farmers and fishers, and small mid-caps. The loans were competitively priced (an initial maximum loan interest rate of 4.5% for loans less than €250,000), were for terms of 7-10 years and supported strategic long-term investment in a post-Brexit environment. A minimum loan amount of €100,000 up to a maximum of €3 million per applicant applied.

The significant and sudden financial impact of the Covid-19 pandemic on businesses, prompted the launch in 2020 of a second tranche of €500 million.

The cost of the initial €300 million available was €63 million, €38 million of which was funded by this department.

The increased capacity cost was €104 million, €62 million of which was provided by this department.

Direct cost of FGLS to DETE

	2018 – 2022	2023	2024-2030	Total
	€000	€000	€000	€000
EIF first loss	69,300	—	—	69,300
EIF management fees	2,431	—	—	2,431
SBCI first loss	19,528	—	—	19,528
SBCI management fees	8,732	—	—	8,732
Total cost	**99,991**	—	—	**99,991**
Claims on defaulted loans paid [a]	29	259	401	**689**

Note [a] The claims paid have been applied against the first loss payments made.

Analysis of FGLS loans issued to date

Year of loan issue	2019 – 2022		2023	
	Number of loans	Value of loans €000	Number of loans	Value of loans €000
Drawn loans	1,910	523,706	7	7,719
Repaid loans	157	60,588	—	—
Defaulted loans	43	3,792	—	—
Claims paid	28	1,008	—	—
Live loans (repaid amount)	1,682	128,570	7	680
Balance outstanding	**1,682**	**329,748**	**7**	**7,039**

Growth and Sustainability Loan Scheme

The Growth and Sustainability Loan Scheme (GSLS) is a long-term investment loan, launched in September 2023, delivered by the SBCI which provides an 80% guarantee to participating lenders. The European Investment Bank Group (EIBG) provides a counter guarantee to SBCI such that the risk share for the scheme is as follows: 20% finance providers, 16% SBCI and 64% EIBG.

A minimum of 30% of the lending volume is targeted towards environmental sustainability purposes with the aim of helping SMEs to invest in sustainability and energy efficiency. The remaining (up to) 70% of lending is for lending for strategic investments with a view to increasing productivity and competitiveness and thus underpinning future business sustainability and growth.

The costs for the GSLS are shared by this department and DAFM on a 60:40 basis.

The costs associated with the €500 million scheme will be approximately €112 million, with this department providing €67 million between 2022 and 2023. This funding covers a first loss guarantee (i.e. the State guarantees to cover the first portion of losses on any defaults) and administrative costs for both the EIF and SBCI.

Direct cost of GSLS to DETE

	2022 €000	2023 €000	2024-2036 €000	Total €000
EIF first loss	41,000	6,300	—	47,300
EIF management fees	—	—	—	—
SBCI first loss	13,506	1,576	—	15,082
SBCI management fees	494	4,008	—	4,502
Total cost	**55,000**	**11,884**	**—**	**66,884**

Analysis of GSLS loans issued to date

	Year of loan issue	2023
	Number of loans	Value of loans €000
Drawn loans	17	1,750
Repaid loans	—	—
Defaulted loans	—	—
Claims paid	—	—
Live Loans (repaid amount)	17	3
Balance outstanding	**17**	**1,747**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	40,618			
	Supplementary	(3,400)			
			37,218	37,667	34,981
ii	Travel and subsistence		612	1,020	606
iii	Learning and development and incidental expenses		1,738	1,668	1,636
iv	Postal and telecommunications services		349	270	306
v	Office equipment and external IT services		4,830	5,152	4,191
vi	Office premises expenses		866	709	646
vii	Consultancy services and value for money and policy reviews		1,454	1,206	913
viii	Advertising and information resources		461	545	362
			47,528	**48,237**	**43,641**

Significant variations

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

ii Travel and subsistence

Estimate provision €612,000; outturn €1.020 million

The excess of €408,000 on travel and subsistence was due to the additional cost of servicing and representing the Department's interests at an increased number of EU and international meetings and trade missions throughout the year.

Programme A Jobs and Enterprise Development

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay				
	Original	15,061			
	Supplementary	(1,258)			
			13,803	14,025	12,889
A.2	Administration − non pay		3,402	3,734	2,554
A.3	Agency legacy pensions		40,170	40,054	40,283
A.4	InterTrade Ireland		11,586	11,638	11,585
A.5	IDA Ireland				
	Original	238,001			
	Deferred surrender	30,500			
	Supplementary	4,000			
			272,501	238,990	226,410
A.6	NSAI – grant for administration and general expenses		10,334	10,334	8,015
A.7	Enterprise Ireland				
	Original	220,367			
	Deferred surrender	24,000			
	Supplementary	(35,840)			
			208,527	178,725	172,321
A.8	Local enterprise development				
	Original	47,797			
	Supplementary	2,330			
			50,127	49,050	39,081
A.9	Temporary partial credit guarantee scheme				
	Original	5,000			
	Supplementary	6,000			
			11,000	8,662	4,698
A.10	Matching funding for INTERREG				
	Original	1,389			
	Supplementary	1,400			
			2,789	2,675	2,640
A.11	Subscriptions to international organisations, etc.		3,650	3,807	3,073
A.12	Commissions, committees and special inquiries		201	70	1

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.13	Legal costs and other services				
	Original	130			
	Supplementary	1,500			
			1,630	1,494	76
A.14	Strategic Banking Corporation of Ireland loan schemes				
	Original	1			
	Supplementary	12,000			
			12,001	11,891	55,709
A.15	Humanitarian relief scheme				
	Original	1			
	Supplementary	5,500			
			5,501	3,681	105
A.16	Micro Finance Ireland		1	—	—
A.17	National Design Centre		1	—	—
A.18	Temporary Business Energy Support Scheme (TBESS)				
	Original	649,130			
	Supplementary	(1,925)			
			647,205	150,701	5,506
			1,294,429	**729,531**	**584,946**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.5 IDA Ireland

*Estimate provision €268.501 million; outturn €*238.99 *million*

The underspend of €29.5 million was primarily due to savings of €33.5 million in capital expenditure. The capital underspend arose from €6 million in funding for grants not being drawn down as had been expected and €27.5 million in funding for construction projects also not being drawn down as a result of supply chain and related challenges which led to delays in a number of key building and infrastructure projects. The underspend was partially offset by an overspend of €4 million in current expenditure which was allocated in the supplementary estimate approved by the Dáil in December 2023 to meet costs arising from the implementation of the IDA's marketing strategy.

A.7 Enterprise Ireland

Estimate provision €244.367 million; outturn €178.725 million

The underspend of €65.642 million was primarily due to savings in capital expenditure. The capital savings were due to slower than expected activity on a number of EI programmes, including EI's Seed and Venture Programme which was due to an overall decline in seed and venture market activity. In addition, capital financial supports to industry were less than anticipated as a result of slower than expected drawdown of employment, training and fixed assets supports. The drawdown of EI's discrete Climate and Digitalisation Transitions supports were also less than expected. Delays in launching discrete regional programmes, such as the Smart Regional Enterprise Initiative, also added to the capital underspend.

A.9 Temporary Partial Credit Guarantee Scheme

Estimate provision €5 million; outturn €8.662 million

The overspend of €3.662 million was due to the number of claims against the various credit guarantee schemes being more than anticipated. The funding allocated to the Temporary Partial Guarantee Scheme is to cover the cost of providing the guarantee in respect of loan schemes under the Credit Guarantee Act 2012. Schemes operating under this Act are the Credit Guarantee Scheme, the COVID-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme.

The cost of providing guarantees under the Act mainly relate to the payment of claims to finance providers in respect of defaulted loans covered by the guarantee and the administration costs of the Strategic Banking Corporation of Ireland (SBCI) who administer the Guarantee Schemes on behalf of the Department as well as other costs relating to legal advice and legal services. Of the €8.66 million expended on the Temporary Partial Credit Guarantee Scheme in 2023, €5.78 million was to financial providers in respect of defaulted loans and €2.88 million was in respect of administration costs in 2023 to the SBCI.

The reality inherent in guarantee schemes is that the number of claims on the guarantee can vary from year-to-year depending on loan default rates. As it happened, the number of claims against the guarantee schemes in 2023 was greater than anticipated.

A.10 Matching funding for INTERREG

Estimate provision €1.389 million; outturn €2.675 million

The excess of €1.286 million was due to the additional cost of meeting outstanding commitments under the INTERREG VA Programme. The VA Programme was one of 60 cross-border programmes operating under the main INTERREG umbrella. The programme ran over a number of years and encompassed the six Border counties of Ireland, Northern Ireland and part of Western Scotland. The Department of Enterprise, Trade and Employment co-funded the 'Research and Innovation' strand of the Programme in conjunction with its counterpart Department in Northern Ireland. The Department's commitment was to provide a total of funding of €20.816 million over the lifetime of the Programme. The €2.675 million provided to the Programme in 2023 was required to meet all outstanding commitments under the VA programme. The programme has now ceased and will be replaced by its successor, the PEACEPLUS Programme.

A.12 Commissions, committees and special enquiries

Estimate provision €201,000; outturn €70,000

The underspend of €131,000 relates to savings arising from the cancellation of a planned Joint Economic Commission with South Korea. Originally a plenary session of the Ireland/South Korea Joint Economic Commission was planned to take place in February 2020 but had to be cancelled due to health and safety concerns arising from the global spread of Covid 19. In July 2023, a decision was made to hold Trade Mission Week, which is part of the Trade and Investment Strategy, in Korea and it was deemed logical to combine this with a Joint Economic Commission in South Korea. This considerably reduced the costs incurred as associated costs were divided amongst a number of Departments.

A.13 Legal costs and other services

Estimate provision €130,000; outturn €1.494 million

It is prudent vote management to provide some level of contingency funding in respect of possible legal and other matters in the event that any unforeseen costs arise during the year. As it happened, the level of contingency expenditure was higher than estimated due to the Department's obligation to meet legal costs arising from a case taken in relation to the constitutionality of certain provisions of the EU-Canada Comprehensive Economic and Trade Agreement, known as CETA. Following an appeal from the High Court, the Supreme Court in a majority decision decided that the Constitution of Ireland precluded the Government and Dáil Éireann from ratifying CETA as Irish law stood but that it could be ratified by the Oireachtas if certain changes were made to domestic legislation. With the Supreme Court having ruled in favour of the opposing party, it fell to the Department to pay their costs as per legal norms. Following negotiations managed by the State Claims Agency on the Department's behalf, costs of €1.476 million were agreed and paid to the opposing party. The remaining €18,000 was required to meet modest contingencies in a number of other areas.

A.14 Strategic Banking Corporation of Ireland loan schemes

Estimate provision €1,000; outturn: €11.891 million

The excess of €11.89 million relates to funding required to meet the Department's obligations under the Growth and Sustainability Loan Scheme (GSLS). Following a review of the previous Future Growth Loan Scheme (FGLS), the GSLS was launched in September 2023 as a successor in the provision of long term finance to small and medium enterprises.

Sixty percent of the cost of the GSLS is funded by the Department of Enterprise, Trade and Employment with the remaining forty percent funded by the Department of Agriculture, Food and the Marine. €55 million in funding was provided through the Department's Vote in 2022 by way of an initial payment of this commitment. The final €11.891 million being paid in 2023.

The payment of this funding covered the administrative and management costs of the Strategic Banking Corporation of Ireland (SBCI) and European Investment Bank Group (EIBG) as well as covering first loss costs related to loan defaults as modelled for the Growth and Sustainability Scheme (GSLS).

A.15 Humanitarian relief scheme

Estimate provision €1,000; outturn €3.681 million

The humanitarian relief scheme is an ad hoc scheme to provide assistance in defined circumstances to small companies and community and voluntary organisations adversely affected by flooding events across the country. The scheme provides a contribution towards the costs of returning business premises and community, voluntary and sporting bodies to their pre-flood condition including the replacement of flooring, fixtures and fittings and damaged stock. The scheme is administered by the Irish Red Cross on behalf of the Department. The nominal allocation of €1,000 reflects the uncertainty of foretelling emergency events. As it transpired, there were a number of flooding events in the course of 2023 which required the establishment of a number of ad hoc humanitarian relief schemes.

A.18 Temporary Business Energy Support Scheme (TBESS)

Estimate provision €649.13 million; outturn €150.701 million

The underspend of €498.429 million was due to a number of factors, primarily that uptake of the Temporary Business Energy Support Scheme (TBESS) was lower than had been anticipated. The TBESS, which was introduced following the enactment of the Finance Act in December 2022, was designed to support businesses impacted by increases in their electricity or natural gas (energy) costs. The Revenue Commissioners were charged with the responsibility of administering applications under the Scheme, albeit the funding to support the Scheme was provided from the Department of Enterprise, Trade and Employment's Vote.

The provision of €1.3 billion to cover the cost of the scheme, of which €650 million was allocated in the 2022 Estimate and €649.13 million in the 2023 Estimate, was based on likely scenarios/estimates prepared as part of Budget 2023 and were predicated on what was the expected worst-case scenario of wholesale energy price rises and consumption. The reality was that the worst-case scenario in terms of energy pricing did not actually happen due to a number of factors such as a milder than expected winter which reduced demand as well as mitigation measures which were put in place across Europe including increased storage capacity for natural gas. As a result, prices actually fell rather than continuing to increase as had been expected.

The Department of Finance, as required by the terms of the Finance Act, carried out a number of assessments of the Scheme. Following on from these assessments, the TBESS Scheme was enhanced and extended to give businesses an opportunity to avail of the scheme. Notwithstanding these enhancements, only €150.701 million was expended under the Scheme in 2023.

The original TBESS Scheme as administered by the Revenue Commissioners was targeted at supporting businesses who used electricity and natural gas as their primary energy sources. The Government agreed that a discrete scheme should be developed to support businesses who used kerosene as their primary source of energy. The Business Users Support Scheme for Kerosene (BUSSK), which was rolled out in October 2023, provided targeted supports to businesses to reimburse half of the increased cost of kerosene purchased in the eligible period from March to December 2022, compared to the average retail price during the reference period of March to December 2021. The estimated cost of payments to be made under the scheme was between €3.3 million and €16.5 million. These funds were allocated from unspent TBESS monies. A total of 461 successful applications were made under the scheme which was significantly less than the number expected to uptake the scheme estimated by the Department with the consequence that total expenditure under the BUSSK in 2023 was €1.345 million. As in the case of TBESS there were a number of reasons why expenditure under the BUSSK was less than expected.

These reasons included

- the fact that the window for businesses making applications for BUSSK support was relatively short i.e two months,

- the scheme was a retrospective payment for increased costs experienced in 2022 that was available to businesses in late 2023, at a point when the increased costs had been absorbed. Kerosene prices had returned to a more normal level from January 2023
- the retrospective nature of the scheme meant that some potential applicants had not retained invoices or other supporting documentation to allow for applications to be completed.

Programme B Innovation

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay				
	Original	9,736			
	Supplementary	(816)			
			8,920	9,116	8,429
B.2	Administration − non pay		2,784	2,841	2,374
B.3	Intellectual Property Office of Ireland		3,589	3,443	3,274
B.4	Science and Technology Programme		158,109	142,199	130,133
B.5	Subscriptions to international organisations, etc.				
	Original	23,351			
	Supplementary	8,000			
			31,351	31,379	27,651
B.6	Commissions, committees and special inquiries		1	1	1
B.7	Legal costs and other services				
	Original	130			
	Supplementary	1			
			131	179	—
B.8	Disruptive Technologies Innovation Fund		61,000	35,128	28,750
			265,885	**224,286**	**200,612**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

B.4 Science and Technology Development Programme

Estimate provision €158.109 million; outturn €142.199 million

The underspend of €15.91 million arose as a result of savings on a number of capital programmes. The savings arose mainly because of lower than expected demand on a number of Enterprise Ireland's innovation, research, collaboration and high performance start up programmes as well as delays experienced in the operationalisation of particular European Regional Development Fund programmes.

B.5 Subscriptions to international organisations, etc.

Estimate provision €23.351 million; outturn €31.379 million

The excess of €8.028 million arose as a result of additional funding being provided to the European Space Agency (ESA) through the supplementary estimate approved by the Dáil in December 2023. The additional funding provided to ESA ensured that Irish companies could secure more new contracts to a commensurate value with the Agency and also helped to meet the targets for ESA contracts in the National Space Strategy as well as assisting the funding of immediately identifiable activities that Irish based companies could not compete for in the absence of such funding.

B.8 Disruptive Technologies Innovation Fund

Estimate provision €61 million; outturn €35.128 million

The Disruptive Technologies Innovation Fund (DTIF) is one of the four headline funds under the National Development Plan (NDP). Under the NDP, a total of €500 million in funding has been committed to support collaborative disruptive innovation and commercially orientated projects over the lifetime of the Plan. The purpose of the DTIF Programme is to fund collaborative projects in the development and deployment of disruptive innovative technologies on a commercial basis, targeted at tackling national and global challenges.

To-date there have been six calls under the DTIF Programme. The underspend of €25.872 million is due to a number of factors, primarily related to claims from projects consortia approved for DTIF funding being submitted somewhat slower than expected. In addition, other factors affecting the drawdown of funding included the cancellation of a number of approved projects, the granting of no cost extensions due to the impact of Covid-19 restrictions and the requirement under state aid rules to complete undertaking in difficulty assessments.

Programme C Regulation

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
C.1	Administration – pay				
	Original	15,821			
	Supplementary	(1,326)			
			14,495	14,526	13,663
C.2	Administration − non pay		4,124	3,995	3,732
C.3	Workplace Relations Programme		21,447	20,695	19,737
C.4	Grants for trade union education and advisory services – cash limited		900	900	853
C.5	Health and Safety Authority – grant for administration and general expenses				
	Original	27,359			
	Supplementary	1,550			
			28,909	28,909	24,671
C.6	Trade union amalgamations		60	—	—
C.7	Corporate Enforcement Authority				
	Original	9,706			
	Supplementary	(1,540)			
			8,166	7,235	5,175
C.8	Competition and Consumer Protection Commission				
	Original	*20,315*			
	Supplementary	700			
			21,015	20,425	18,158
C.9	Personal Injuries Assessment Board		487	311	2,526
C.10	Consumer support		120	—	64
C.11	Companies Registration Office and Registry of Friendly Societies – grant for administration and general expenses				
	Original	8,424			
	Supplementary	(700)			
			7,724	7,639	7,200
C.12	Irish Auditing and Accounting Supervisory Authority		1,701	1,318	1,232

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.13	Subscriptions to international organisations, etc.		1,569	1,650	1,318
C.14	Commissions, committees and special inquiries		320	221	220
C.15	Legal costs and other services				
	Original	928			
	Supplementary	425			
			1,353	1,192	271
C.16	Low Pay Commission		510	240	296
C.17	Digital Services Coordinator		2,700	2,700	—
			115,600	**111,956**	**99,116**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

C.5 Health and Safety Authority – grant for administration and general expenses

Estimate provision €27.359 million; outturn €28.909 million

The excess of €1.55 million was due mainly to increased funding required to meet the extraordinary cost incurred by the Health and Safety Authority (HSA) in the statutory investigation into a particular workplace safety incident. The investigation, which began in late 2022 and concluded in June 2023, required the Authority to procure bespoke containers for the purpose of securing evidential material. The HSA worked with An Garda Síochána, and several other public bodies on the investigation. The investigation was very detailed and complex and required a forensic demolition of the scene of the incident to support the retrieval, securing and storing of evidence.

C.7 Corporate Enforcement Authority

Estimate provision €9.706 million; outturn €7.235 million

The underspend of €2.471 million was made up of pay savings of €1 million and non-pay savings of €1.471 million.

The pay savings arose mainly because of difficulties in recruiting staff, particularly specialist staff, in a tight labour market as well as some churning of staff in the course of the year. In terms of non-pay, the saving relates to the fact that legal costs in the year were somewhat lower than had been expected. Legal costs for the CEA are difficult to forecast as it has little or no control over the timing of when cases may be determined, the outcome of the cases in terms of costs orders, and the difficulty in anticipating the scale of costs that could be awarded.

C.9 Personal Injuries Assessment Board

Estimate provision €487,000; outturn €311,000

The funding provided to the Personal Injuries Assessment Board is to enable the Board to meet its pension obligations. The underspend of €176,000 was primarily due to the deferral of a retirement.

C.10 Consumer support

Estimate provision €120,000; outturn €Nil

The allocation to consumer support was to fund suitable consumer protection and welfare projects. It had originally been intended to provide funding to the European Consumer Centre Ireland to undertake such projects. Following a review, the Department decided to consolidate the funding for consumer projects through the allocation provided to the Competition and Consumer Protection Commission. Hence there was no draw down on the discrete consumer support allocation.

C.11 Companies Registration Office and Registry of Friendly Societies

Estimate provision €8.424 million; outturn €7.639 million

The underspend of €785,000 was made up of pay savings of €172,000 and non-pay savings of €613,000. In terms of pay, the savings arose for a number of reasons including difficulties in filling staff vacancies in a tight labour market, a number of retirements and staff availing of flexible working arrangements.

The non-pay savings arose principally as a result of delays in completing a number of IT related projects. Savings also arose as a result of enforcement activity only being resumed in 2023 following its suspension during the course of the pandemic as well as efficiencies being achieved through the introduction of electronic processing and returning of submissions.

C.12 Irish Auditing and Accounting Supervisory Authority

Estimate provision €1.701 million; outturn €1.318 million

The underspend of €383,000 arose mainly from savings in travel and subsistence and administration costs arising from the transition to remote working. Additional savings were achieved in consultancy and legal costs and other services.

C.15 Legal costs and other services

Estimate provision €928,000; outturn €1.192 million

It is prudent vote management to provide some level of contingency funding in respect of possible legal and other such matters in the event that any unforeseen costs arise during the year. As it happened, the level of expenditure was higher than estimated due to the Department's obligation to meet costs arising from a number of legal cases.

One of the main reasons for the overspend of €264,000 related to a challenge taken in relation to the constitutionality of certain provisions of the legislation which established the Workplace Relations Commission (WRC). The case was initially heard before the High Court and was subsequently appealed to the Supreme Court. Whilst the Supreme Court found that the provisions of the legislation were not in conflict with the constitution, it was of the view that the challenge had been in the public interest and awarded legal costs to the appellant. The State Claims Agency managed the negotiations in relation to the legal costs on behalf of the WRC and total of costs of €997,000 were agreed in respect of the High and Supreme Court actions.

Other cases which gave rise to the overspend included judicial review proceedings in relation to the granting of a legal permit, challenges to the wage setting mechanisms of the Labour Court.

C.16 Low Pay Commission

Estimate provision €510,000; outturn €240,000

The underspend of €270,000 was primarily as a result of savings in pay of €169,000 and non-pay of €101,000.

In terms of pay, the saving arose as the pay cost of some of the Low Pay Commission (LPC) secretariat staff were not fully apportioned to the LPC subhead but rather were borne in the administration pay subhead. In terms of non pay, the underspend arose as a result of delays in research projects and expenditure on advertising being less than had been expected.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
Employment rights and industrial relations				
1	Receipts from the Social Insurance Fund	75	204	136
2	Employment permit fees	26,000	27,051	27,671
3	Employment agency licences	400	534	486
4	WRC fixed penalty notices	22	2	2
5	WRC court award costs	20	40	59
Insurance and company law				
6	Companies Registration Office	16,250	18,691	17,389
7	Beneficial ownership of companies and industrial and provident societies	200	378	406
Trade, competition and market rights				
8	Receipts under the Trade Marks Act 1963 and Patents Act 1964	10,000	10,220	10,338
9	Occasional trading licences	1	—	—
10	Competition and Consumer Protection Commission – consumer credit	501	546	542
11	Competition and Consumer Protection Commission – court costs	1	—	1
12	Competition and Consumer Protection Commission – fixed payment notices	6	12	1
13	Merger notifications	550	528	608
Other				
14	CEA legal	50	490	12
15	Miscellaneous	200	1,054	577
16	Enterprise policy [a]	6,405	4,534	8,570
17	Competition and Consumer Protection Commission [b]	1,565	1,389	971
18	PIAB superannuation	1,168	1,245	1,203
19	HSA superannuation	650	646	650

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
20	Temporary Loan Guarantee Scheme	1,400	3,385	2,164
21	Expert Group on Future Skills Needs	557	498	481
22	Receipts from additional superannuation contributions on public service remuneration	5,900	7,184	6,310
	Total	**71,921**	**78,631**	**78,577**

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, and former agency SFADCo.

[b] Receipts under this line are in part-recoupment of the expenditure under subhead C.8.

Significant variations

Overall appropriations-in-aid were €6.71 million higher than the estimate. Explanations for variances (+/- 5% and €100,000) are set out below.

1 Receipts from the Social Insurance Fund

Estimate €75,000; realised €204,000

The costs incurred by the Department's employment rights bodies in processing employment rights claims, including claims under the Redundancy and Insolvency Payments Acts, are recoupable from the Social Insurance Fund (SIF). The additional monies recouped from the SIF were due to a significant increase in the volume of such claims processed in 2023.

3 Employment agency licences

Estimate €400,000; realised €534,000

Employment agency licences must be renewed each year. The number of new licences can be difficult to forecast. The excess in licence fees was because the number of licences issued in 2023 was greater than had been expected.

6 Companies Registration Office

Estimate €16.25 million; realised €18.691 million

The fees generated by the Companies Registration Office are dependent on the activity and the timeliness of returns made by companies having regard to their statutory obligations and can, therefore, be difficult to forecast accurately. The excess in fees realised in 2023 of €2.441 million was primarily due to a significant increase in late payment fees.

7 Beneficial ownership of companies and industrial and provident societies

Estimate €200,000; realised €378,000

The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021 obliges financial institutions and other prescribed bodies to inspect the Register of Beneficial Owners as part of their due diligence obligations. The excess in fees of €178,000 was in part due to greater than expected customer accounts top-ups for the Register of Beneficial Owners enquiries and court awarded costs.

14 CEA legal

Estimate €50,000; realised €490,000

The excess receipts of €440,000 relates to monies recouped arising from the appointment of inspectors in relation to a particular statutory investigation as well as costs recouped in judicial review proceedings taken in relation to the investigation.

15 Miscellaneous

Estimate €200,000; realised €1.054 million

The excess of €854,000 in miscellaneous receipts primarily relates to monies received from the Dormant Accounts Fund in respect of expenditure incurred on the Balance for Better Business initiative, together with additional funds received by the Intellectual Property Office of Ireland arising from its participation in a number of European Intellectual Property Office co-operation activities and programmes.

16 Enterprise policy

Estimate €6.405 million; realised €4.534 million

The shortfall in receipts of €1.871 million is due primarily to delays in the processing of expenditure claims relating to the INTERREG VA Programme. Claims in respect of the refund of INTERREG expenditure from the European Regional Development Fund are managed by the appointed Special EU Programmes Body (SEUPB). The SEUPB certifies all such claims. The certification process can be subject to delays which makes the accurate forecasting of receipts difficult.

17 Competition and Consumer Protection Commission

Estimate €1.565 million; realised €1.389 million

The receipts in this area derive from fees imposed by the Competition and Consumer Protection Commission on regulated entities to defray the cost of certain regulatory functions that it carries out. The fees received by the Commission from the entities concerned are in part recoupment of expenditure incurred under subhead C.8. The shortfall of €176,000 was primarily due to savings in pay arising from difficulties experienced in recruiting staff in a tight labour market.

20 Temporary Loan Guarantee Scheme

Estimate €1.4 million; realised €3.385 million

Schemes operating under the Credit Guarantee Act 2012, which include the Covid-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme, provide a state backed guarantee on loans under the schemes.

The framework of the schemes requires that a premium is paid on loans provided with State backed guarantees. Premia received are based on the number of loans, the size of the company and the term of the loans. Premia received in 2023 were €1.985 million higher than expected due to the demand-led nature of these schemes

22 Receipts from additional superannuation contributions on public service remuneration

Estimate €5.9 million; realised €7.184 million

The excess of €1.284 million in additional superannuation contributions receipts arose directly as a result of the increase in staff numbers recruited in the course of 2023.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Local Enterprise Offices – current [a]	18	12
Local Enterprise Offices – capital [b]	—	44
Local Enterprise Offices – refundable aid [c]	14,032	—
Enterprise Ireland- excess own resource income [d]	20,057	1,567
Enterprise Ireland- return of unused Restart grant [e]	19	10
Miscellaneous	—	21
Transferred to the Exchequer	(34,126)	(1,654)
Balance at 31 December	—	—

Note

[a] Local Enterprise Offices − current: this is related to unused funds in subhead A.8 for operational expenditure.

[b] Local Enterprise Offices – capital: this is related to unused funds in subhead A.8 for particular capital programmes.

[c] Local Enterprise Offices – refundable aid: this is related to the return of refundable aid balances from 28 Local Enterprise Offices to Enterprise Ireland.

[d] Enterprise Ireland – excess own resource income: this is related to own resource income generated by Enterprise Ireland in excess of the amount sanctioned by DPENDR for their own use in the year.

[e] Enterprise Ireland − return of unused Restart grants: the terms of the Restart Scheme required that all unused funds be returned to the Exchequer. The scheme was administered by the local authorities in conjunction with Enterprise Ireland. The €19,000 represents a return of unused grants by local authorities to Enterprise Ireland who in turn returned monies to the Department and the Exchequer.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department and Offices:		
Department [a]	599	569
Intellectual Property Office of Ireland	41	43
Workplace Relations Commission	196	206
Companies Registration Office	109	117
Labour Court	30	35
	975	**970**
Agencies [b]	1,962	1,823
	2,937	**2,793**

Note
[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

	2023 €000	2022 €000
Pay	203,006	189,836
Higher, special or additional duties allowances	1,265	1,093
Other allowances	3,225	2,598
Overtime	615	591
Employer's PRSI	16,092	14,656
Total pay	**224,203**	**208,774**

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

	2023 €000	2022 €000
Pay [a, b]	54,606	51,613
Higher, special or additional duties allowances	875	734
Other allowances	1,194	990
Overtime	357	433
Employer's PRSI	4,501	4,148
Total pay [c]	**61,533**	**57,918**

Note
[a] Includes pension payments to 29 former members of the Labour Court/Labour Relations Commission and the Competition and Consumer Protection Commission (CCPC).
[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.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 2023 €	Highest individual payment 2022 €
Higher, special or additional duties allowances	113	15	48,485	54,429
Other allowances	41	12	226,246	153,649
Overtime	121	8	21,553	17,920
Extra remuneration in more than one category	22	13	28,984	25,079

5.5 Agencies

The agencies included here are the Corporate Enforcement Authority, Competition and Consumer Protection Commission, Enterprise Ireland, Health and Safety Authority, Industrial Development Authority, National Standards Authority of Ireland, InterTrade Ireland and the Irish Auditing and Accounting Supervisory Authority.

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.

	2023 €000	2022 €000
Pay	148,400	138,223
Higher, special or additional duties allowances	390	359
Other allowances	2,031	1,608
Overtime	258	158
Employer's PRSI	11,591	10,508
Total pay	**162,670**	**150,856**

5.6 Allowances and overtime payments — agency staff

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023 €	2022 €
Higher, special or additional duties allowances	82	9	55,904	54,429
Other allowances	304	30	96,918	91,948
Overtime	74	6	32,805	28,910
Extra remuneration in more than one category	21	5	33,844	14,095

5.7 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 €9,250. The payments made were consistent with the principles of the Public Service (Single Scheme and other provisions) Act 2012.

This account includes expenditure of €505,340 in respect of seven officers who were serving outside the Department for 2023 and whose salary was paid by the Department.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay		
Dr Orlaigh Quinn – retired 31 May 2023	117	213
Declan Hughes – appointed 1 June 2023	138	—
	255	**213**

The value of retirement benefits earned in the period is not included above. The retired Accounting Officer was a member of the non-contributory pension scheme for established civil servants. The current Accounting Officer is a member of the contributory pension scheme for established civil servants.

5.9 Department staffing by pay band

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

Pay bands (€)		Number of employees [a]	
From	To	2023	2022
20,000	59,999	623	668
60,000	69,999	114	80
70,000	79,999	69	69
80,000	89,999	62	61
90,000	99,999	41	28
100,000	109,999	12	21
110,000	119,999	20	18
120,000	129,999	10	1
130,000	139,999	1	1
140,000	149,999	1	—
150,000	159,999	2	3
160,000	169,999	6	4
170,000	179,999	3	4
180,000	189,999	—	2
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	1	1

Note [a] Includes staff of the Offices of the Department.

5.10 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	60	167,171	132,704
Recovery plans in place	19	75,751	77,635

Five overpayment recovery plans relating to five individuals to the value of €6,595 were transferred to five other departments in the year.

5.11 Severance/redundancy

During 2023, two staff members received severance and redundancy payments due to change of a Minister to the Department. These payments totalled €58,702.

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		2023 €000	2022 €000
A.4	InterTrade Ireland	2,233	2,482
A.10	Matching funding for INTERREG [a]	1,195	5,581
B.3	Intellectual Property Office of Ireland [a]	330	326
B.4	Enterprise Ireland	954	843
C.5	Health and Safety Authority	11	11
		4,723	**9,243**

Note [a] This funding was received directly into the department.

6.2 Commissions, committees and special inquiries

	Year of establishment	2023 €000	2022 €000
Permanent/open-ended			
Joint Labour Committees	1946	4	3
Joint Economic Commissions	2020	—	—
Company Law Review Group	2000	35	25
Departmental Audit Committee	2004	3	3
Balance for Better Business	2021	181	190
		223	**221**

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2023	2022
Number of cases	—	6	6	12
	€000	€000	€000	€000
Department's own legal costs	—	1,020	1,020 [a]	27
Payments by/on behalf of Department				
Compensation	—	—	—	42
Legal costs	—	341	341 [b]	184
Other costs	—	—	—	—
2023 total	—	**1,361**	**1,361** [c]	**253**
2022 total	**69**	**184**	**253**	

Note [a] Two cases in total which includes a single case exceeding €50,000.

[b] Four cases in total which includes three single cases exceeding €50,000 each.

[c] There are no payments in relation to claims for personal injuries or for loss/ damage included in the total.

6.4 Fraud and suspected fraud

The Strategic Banking Corporation of Ireland (SBCI) alerted the Department to concerns regarding a small number of loans issued by lenders who were participants in loans schemes managed on the Department's behalf by the SBCI and covered by guarantees funded in part from the Department's Vote. Specifically, the SBCI had been notified by a participating on-lender that a small number of SBCI loans may have been approved by the on-lender on the basis of suspected fraudulent financial information presented by the borrowers.

The SBCI initially gave notice of its concerns in its 2021 Annual Report and gave further details of the suspected fraud in its 2022 and 2023 Reports. The 2023 report confirmed that following investigation SBCI established that two risk sharing schemes had been affected, being (i) the COVID-19 Credit Guarantee Scheme (CCGS) and (ii) the Brexit Loan Scheme and COVID-19 Working Capital Loan Scheme (BLS/CWCS). A total of eleven suspected fraudulent loans had been identified with a total value of €1.2 million.

The Department has no role in the administration of these schemes which are managed on its behalf by the SBCI. The SBCI engages with the participating on-lenders in relation to the manner in which loans are administered under both schemes.

Three of the suspected fraudulent loans totalling €0.25 million were obtained under the BLS/CWCS. Costs borne for the BLS/CWCS including first loss has been funded on a 60:40 basis by this department and the Department of Agriculture, Food and the Marine (DAFM).

The Guarantee from EIF on these loans was 40% and the guarantee provided by SBCI is 40%. The on-lender is liable for €50,000 i.e. 20% of these claims. The first loss funding paid by this department and DAFM to the SBCI and EIF would have covered the cost of the guarantees under the BLS/CWCS including the guarantees in respect of the three suspected fraudulent loans. The Department is seeking further legal advice in relation to this matter.

The remaining eight of the suspected fraudulent loans totalling €1 million were obtained under the CCGS. Under this Scheme, the on-lender is liable for €0.2 million of the losses and the balance of €0.8 million potentially falls to be borne by the Department.

In terms of the CCGS scheme, the SBCI submitted claims in error, for the payment of the guarantee of €192,000 (i.e 80%) in respect of two of the eight suspected fraudulent loans totalling €240,000. The Department remitted this payment to the SBCI in November 2022. The Department was subsequently alerted in January 2023 to the possibility that these loans may have obtained based on false information. Pending clarity on the matter, the Department netted off the €192,000 related to the suspected loans from next batch of claims from the SBCI which were due for payment in June 2023.

The SBCI confirmed that an independent review was undertaken by the on-lender's internal audit team and the SBCI legal team reviewed the loan documentation. The on-lender provided an attestation to SBCI confirming that the on-lender had applied its standard policies and procedures to the suspected fraudulent loans. SBCI confirmed that following its review, it was satisfied that the on-lender had applied its standard processes to the suspected fraudulent loans. Separately, the Department sought legal advice in relation to this matter and this advice also confirmed that the on-lender had not breached the terms of its agreement in respect of the guarantee. The Department subsequently met directly with the on-lender in relation to the netting off of the guarantee payments relating to the two loans and as to how the lender wished to resolve the matter. The on-lender has requested that payment be made in respect of all of the outstanding claims under CCGS as well as a repayment of the 'netted off' sum of €192,000 in lieu of the two claims submitted in November 2022.

In terms of the eleven suspected fraudulent loans, the SBCI confirmed that the cases were reported to the relevant authorities and that investigations into the cases are ongoing. The SBCI is keeping the Department updated as to the progress of the investigations. The SBCI has moved to minimise the risk of a recurrence of this issue by reviewing the applicable lender's loan approval and drawdown procedures and agreed changes to strengthen them were necessary.

6.5 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 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 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.

	2023	2022
	€000	€000
Received from Revenue Commissioners	13	33
Paid into the Exchequer	13	33

6.6 Deferred surrender

Deferred surrender comprises savings in 2023 of €20 million in capital expenditures in the following subheads that were carried over to 2024.

	€000
Subhead	
A.5 IDA Ireland	15,305
A.7 Enterprise Ireland	4,695
	20,000

Appropriation Account 2023

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 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €34.903 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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.

Intangible assets

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	5 years	20%
Acquired/developed software	5 years	20%

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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.

Procurement

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 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €94,907 (exclusive of VAT).

- One contract with a value of €53,295 related to a competitively procured change in service provider which resulted in some intervening costs and exit charges. A new contract awarded under a central framework process is now in place.
- One contract with value of €41,612 arose due to a service provider unexpectedly ceasing operations. Interim business critical services were needed until a new competitively procured contract could be put in place in 2023.

The above contracts have been included in the 40/2002 annual return referenced above.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Feargal Ó Coigligh
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

27 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Measuring the performance of arts and sports spending

Chapter 10 of my report on the accounts of the public services for 2023 examines the practical usefulness of the estimates performance information at programme level for two of the expenditure programmes – programme B Arts and culture and programme D Sports and recreation services.

Seamus McCarthy
Comptroller and Auditor General

16 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Tourism services				
	Original	230,758			
	Supplementary	(11,500)			
			219,258	205,310	281,716
B	Arts and culture				
	Original	356,982			
	Deferred surrender	6,500			
			363,482	346,858	366,847
C	Gaeltacht				
	Original	95,893			
	Deferred surrender	2,000			
	Supplementary	(4,000)			
			93,893	85,192	77,894
D	Sports and recreation services				
	Original	175,236			
	Deferred surrender	11,500			
	Supplementary	11,500			
			198,236	184,187	212,871
E	Broadcasting				
	Original	306,640			
	Supplementary	20,000			
			326,640	288,889	288,457
Gross expenditure					
	Original	1,165,509			
	Deferred surrender	20,000			
	Supplementary	16,000			
			1,201,509	**1,110,436**	**1,227,785**
	Deduct				
F	**Appropriations-in-aid**		**252,843**	**218,153**	**237,455**
Net expenditure					
	Original	912,666			
	Deferred surrender	20,000			
	Supplementary	16,000			
			948,666	**892,283**	**990,330**

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. Unspent allocations in respect of capital elements of the following subheads were carried over to 2024: A.8 (€4.38 million), B.7 (€7.8 million), C.3 (€2.0 million), C.8 (€0.5 million), and D.7 (€6.8 million).

	2023 €	2022 €
Surplus	56,383,182	51,493,987
Deferred surrender	(21,480,000)	(20,000,000)
Surplus to be surrendered	**34,903,182**	**31,493,987**

Feargal Ó Coigligh
Accounting Officer
Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		1,080,648	1,201,967
Pay		25,754	22,764
Non pay		4,034	3,054
Gross expenditure		**1,110,436**	**1,227,785**
Deduct			
Appropriations-in-aid		**218,153**	**237,455**
Net expenditure		**892,283**	**990,330**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(214)		
Depreciation	300		
Loss on disposals	1		
Intangible assets (note 2.2)			
Purchases	(20)		
Amortisation	78		
		145	434
Changes in net current assets			
Decrease in inventories	114		
Decrease in prepayments	16,911		
(Increase)/decrease in accrued income	—		
Increase in accrued expenses	341		
Increase in deferred income	1		
		17,367	(23,013)
Direct expenditure		**909,795**	**967,751**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		14,686	13,462
Notional rents		1,136	1,136
Net programme cost		**925,617**	**982,349**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	12,184	11,247
Vote 13	Office of Public Works	1,420	1,431
Vote 18	National Shared Services Office	48	42
Vote 24	Justice – Financial Shared Services Centre	570	538
Vote 20	Garda Síochána	222	9
Vote 43	Office of the Government Chief Information Officer	47	—
Central Fund – ministerial pensions		155	154
		14,686	**13,462**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	3,339	3,435
Intangible assets	2.2	126	184
Total fixed assets		**3,465**	**3,619**
Current assets			
Bank and cash	2.3	39,920	29,110
Inventories	2.4	—	114
Prepayments	2.5	11,080	27,991
Other debit balances	2.6	95	181
Accrued income	2.7	2	2
Total current assets		**51,097**	**57,398**
Less current liabilities			
Accrued expenses	2.8	1,380	1,039
Deferred income	2.9	2	1
Other credit balances	2.10	1,204	953
Net Exchequer funding	2.11	38,811	28,338
Total current liabilities		**41,397**	**30,331**
Net current assets		9,700	27,067
Net assets		**13,165**	**30,686**
Represented by:			
State funding account	2.12	**13,165**	**30,686**

2.1 Property, plant & equipment

	Land and Buildings	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	3,596	4,173	2,124	9,893
Additions	—	214	—	214
Transferred [a]	—	(23)	—	(23)
Disposals	—	(82)	—	(82)
At 31 December 2023	3,596	4,282	2,124	10,002
Accumulated depreciation				
At 1 January 2023	843	3,735	1,880	6,458
Depreciation for the year	72	211	17	300
Depreciation on transfers [a]	—	(14)	—	(14)
Depreciation on disposals	—	(81)	—	(81)
At 31 December 2023	915	3,851	1,897	6,663
Net assets				
At 31 December 2023	**2,681**	**431**	**227**	**3,339**
At 31 December 2022	2,753	438	244	3,435

Note [a] A number of ICT assets transferred to Vote 34, which is managed by the Department of Housing, Local Government and Heritage (DHLGH).

2.2 Intangible assets

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023 [a]	4,086	4,086
Additions	20	20
At 31 December 2023	4,106	4,106
Accumulated amortisation		
At 1 January 2023 [a]	3,902	3,902
Amortisation for the year	78	78
At 31 December 2023	3,980	3,980
Net assets		
At 31 December 2023	**126**	**126**
At 31 December 2022	184	184

Note [a] With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balance and cash	39,740	29,054
Petty cash balance	2	2
Commercial bank account balances	178	54
	39,920	**29,110**

Note [a] The commercial bank account balance in 2023 includes €165,187 (2022: €23,514) in respect of a commercial bank account operated by the Department of Justice – Financial Shared Services.

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Stationery	—	8
Equipment consumables	—	1
Janitorial supplies and first aid	—	3
IT consumables	—	102
	—	**114**

Note [a] In line with circular 22 of 2023 *Requirements for Appropriation Accounts 2023*, high-volume low-value consumables have been expensed when purchased and are no longer recognised as inventory.

2.5 Prepayments

	2023	2022
	€000	€000
Office equipment and external IT services	326	148
General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery	—	1,373
Cultural infrastructure and development	5,638	3,487
Culture Ireland	954	483
National Museum of Ireland	—	2,348
National Library of Ireland	1,153	1,600
National Gallery of Ireland	—	1,360
Gaeltacht support schemes	555	1,130
Irish language support schemes	1,074	1,005
20 Year Strategy for the Irish Language 2010-2030	65	271
Sport Ireland	—	14,030
Miscellaneous	1,315	756
	11,080	**27,991**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Office of Public Works	35	135
Paypath	2	—
Other debit suspense items	58	46
	95	**181**

2.7 Accrued income

at 31 December	2023	2022
	€000	€000
National Archives	2	2
	2	**2**

2.8 Accrued expenses

	2023	2022
	€000	€000
National Archives	121	102
Cultural infrastructure and development	155	—
Culture Ireland	—	69
Decade of Centenaries 1912-1922	103	15
Irish language support schemes	770	177
Miscellaneous	231	676
	1,380	**1,039**

2.9 Deferred income

at 31 December	2023	2022
	€000	€000
National Archives	2	1
	2	**1**

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	443	388
Pay related social insurance	270	225
Professional services withholding tax	37	44
Value added tax	23	5
	773	662
Crowley Bequest Fund (note 7.2)	128	142
Other	303	149
	1,204	**953**

2.11 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus	34,903	31,494
Deferred surrender	21,480	20,000
Exchequer grant undrawn	(17,572)	(23,156)
Net Exchequer funding	**38,811**	**28,338**
Represented by:		
Debtors		
Bank and cash	39,920	29,110
Debit balances: suspense	95	181
	40,015	29,291
Creditors		
Due to the State	(773)	(662)
Credit balances: suspense	(431)	(291)
	(1,204)	(953)
	38,811	**28,338**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			30,686	8,214
Disbursements from the Vote				
Estimate provision	Account	948,666		
Deferred surrender	Account	(21,480)		
Surplus to be surrendered	Account	(34,903)		
Net vote			892,283	990,330
Expenditure (cash) borne elsewhere	1.1		14,686	13,462
Non cash expenditure – fixed assets transfers	2.1		(9)	(107)
Non cash expenditure – notional rent	1		1,136	1,136
Net programme cost	1		(925,617)	(982,349)
Balance at 31 December			**13,165**	**30,686**

2.13 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	22,029	25,759
Non-capital grant programmes (b)	92,441	125,142
Capital grant programmes (c)	163,520	215,188
Capital projects	35,414	31,704
Total of legally enforceable commitments	**313,404**	**397,793**

b) Non-capital grant programmes	2023 €000	2022 €000
Opening balance	125,142	28,322
Grants paid in the year	(71,855)	(40,760)
New grant commitments	40,967	138,347
Grants cancelled	(1,813)	(767)
Closing balance	**92,441**	**125,142**

c) Capital grant programmes	2023 €000	2022 €000
Opening balance	215,188	106,716
Grants paid in the year	(63,181)	(48,532)
New grant commitments	12,536	157,373
Grants cancelled	(1,023)	(369)
Closing balance	**163,520**	**215,188**

Note [a] The Department has recalculated the 2022 closing balances for commitments. Consequently the closing balances have been restated from €398.707 million to €397.793 million.

2.14 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	**175**	**98**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,329	25,754	22,764
ii	Travel and subsistence	700	542	461
iii	Training and development and incidental expenses	1,294	802	659
iv	Postal and telecommunications services	393	201	309
v	Office equipment and external IT services	2,726	1,761	1,277
vi	Office premises expenses	572	472	346
vii	Consultancy services and value for money and policy reviews	440	256	2
		34,454	**29,788**	**25,818**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.294 million; outturn €802,000

The saving was due to delays in progressing specific programmes. In addition, the continued use of online meetings and training have saved significantly on incidental costs.

iv Postal and telecommunications services

Estimate provision €393,000; outturn €201,000

The saving was due mainly due to the Department moving to Microsoft Teams during the year for a large proportion of voice and video communications resulting in a decrease in telecommunications costs.

v Office equipment and external IT services

Estimate provision €2.726 million; outturn €1.761 million

The war in Ukraine affected the global supply chain for suitable hardware giving rise to some savings in this area.

vii Consultancy services and value for money and policy reviews

Estimate provision €440,000; outturn €256,000

This saving arose as the full provision was not required in 2023.

Programme A Tourism services

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		2,794	2,366	2,132
A.2	Administration − non pay		613	371	303
A.3	Fáilte Ireland		94,666	94,136	147,338
A.4	Tourism Ireland Limited		20,762	20,762	18,620
A.5	Tourism Marketing Fund		63,173	61,925	81,823
A.6	Tourism product development				
	Original	36,500			
	Supplementary	(11,500)			
			25,000	18,000	31,500
A.7	Brexit adjustment reserve		7,750	7,750	—
A.8	EU just transition fund		4,500	—	—
			219,258	**205,310**	**281,716**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.6 Tourism product development

Estimate provision €36.5 million; outturn €18.0 million

The saving of €18.5 million was mainly due to capacity constraints within Fáilte Ireland's strategic partners which meant that moneys allocated could not be drawn down. Also, as a result of inflation, projects had to be re-scoped in line with the existing budget which led to delays with re-design and re-tendering.

A.8 EU just transition fund

Estimate provision €4.5 million; outturn €nil

The saving of €4.5 million mainly arose as approval of a number of funding programmes was not granted by the EU until late in Q3 of 2023. As a result, the funding (€4.38 million) was carried forward into 2024.

Programme B Arts and culture

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay		13,405	11,788	10,716
B.2	Administration − non pay		2,414	1,531	1,205
B.3	Payments to match resources generated by National Archives		40	29	40
B.4	General expenses of the National Archives and National Archives Advisory Council		2,726	1,933	1,981
B.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (note 7.1)		27,360	27,360	28,104
B.6	Regional museums, galleries, cultural centres and projects		22,755	21,039	21,764
B.7	Cultural infrastructure and development				
	Original	30,192			
	Deferred surrender	6,500			
			36,692	25,783	24,588
B.8	Culture Ireland		6,600	6,598	5,190
B.9	An Chomhairle Ealaíon (part funded by the National Lottery)		130,488	130,488	135,180
B.10	General expenses of the National Museum of Ireland		18,666	18,666	21,481
B.11	General expenses of the National Library of Ireland		9,995	9,995	9,919
B.12	Fis Éireann/Screen Ireland		37,946	37,946	36,818
B.13	General expenses of the National Gallery of Ireland		13,395	13,395	13,875
B.14	European City of Culture		1,000	798	—
B.15	Decade of Centenaries 1912-1922		5,000	5,000	4,963
B.16	Cultural supports		35,000	34,509	11,373
B.17	Live performance supports		—	—	39,650
			363,482	**346,858**	**366,847**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

B.4 General expenses of the National Archives and National Archives Advisory Council

Estimate provision €2.726 million; outturn €1.933 million

The saving of €793,000 was for a number of reasons including elective work coming in below initial estimated costs, and energy costs, exhibition and outreach costs not being as significant as expected. In addition, a number of high worth tenders did not elicit a response.

B.6 Regional museums, galleries, cultural centres and projects

Estimate provision €22.755 million; outturn €21.039 million

The saving of €1.716 million was mainly due a delay in the recruitment of Night Time Advisors by the relevant local authorities. In addition, expenditure on Creative Ireland – Shared Island programme was less than anticipated due to the need to invest in widespread stakeholder agreement before programmes were developed.

B.7 Cultural infrastructure and development

Estimate provision €36.692 million; outturn €25.783 million

The saving of €10.909 million was due to a number of large scale projects across a number of schemes which did not progress as expected in 2023 due to various issues including COVID-19 related delays and, legal processes which needed to be finalised, as well as some cost increases and design and planning delays in relation to National Cultural Institutions. €7.8 million of this funding was carried forward into 2024.

B.14 European City of Culture

Estimate provision €1.0 million; outturn €798,000

The saving of €202,000 was because the finalisation of the performance delivery agreement with the Galway Culture Company (GCC) took longer than anticipated and this impacted the amount drawn down by GCC in 2023.

Programme C Gaeltacht

		Estimate provision	2023 Outturn	2022 Outturn
		€000	€000	€000
C.1	Administration – pay		6,503	5,228	4,764
C.2	Administration − non pay		1,697	1,108	884
C.3	Gaeltacht support schemes				
	Original	13,199			
	Deferred surrender	500			
	Supplementary	(600)			
			13,099	8,737	8,035
C.4	Irish language support schemes (part funded by National Lottery)				
	Original	11,700			
	Deferred surrender	1,000			
	Supplementary	(3,400)			
			9,300	8,876	6,515
C.5	An Coimisinéir Teanga		1,307	1,135	1,099
C.6	Údarás na Gaeltachta – administration		14,199	14,599	13,386
C.7	Údarás na Gaeltachta – current programme expenditure		6,750	6,750	6,000
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises				
	Original	14,454			
	Deferred surrender	500			
			14,954	14,454	15,454
C.9	Cross border co-operation/comhoibriú thuaidh theas		18,534	16,948	17,227
C.10	Language planning process		6,550	6,750	4,530
C.11	Tionscnaimh seirbhíse poiblí/ public service initiatives		1,000	607	—
			93,893	**85,192**	**77,894**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

C.3 Gaeltacht support schemes

Estimate provision €13.699 million; outturn €8.737 million

The saving of €4.962 million was due to a reduction in the number of applications received due to increased costs of construction and other issues in relation to capital projects. €2 million of this funding was carried forward into 2024.

C.4 Irish language support schemes

Estimate provision €12.7 million; outturn €8.876 million

The saving of €3.824 million was due to delays in the progressing of a number of large scale capital projects.

C.5 An Coimisinéir Teanga

Estimate provision €1.307 million; outturn €1.135 million

The saving of €172,000 relates to lower than anticipated salary demand in relation to the period.

C.9 Cross border co-operation/comhoibriú thuaidh theas

Estimate provision €18.534 million; outturn €16.948 million

The saving of €1.586 million was due to the non-operation of the North South Ministerial Council in 2023 which meant that the increased funding allocated to An Foras Teanga for 2023 could not be approved. Also, the progress on some Shared Islands projects was slower than originally anticipated.

C.11 Tionscnaimh seirbhíse poiblí/public service initiatives

Estimate provision €1.0 million; outturn €607,000

The saving of €393,000 was due to the delayed commencement of a project providing research services to the Department on foot of issues including the recruitment of suitably qualified personnel by the contractor.

Programme D Sports and recreation services

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration − pay		3,615	3,598	3,073
D.2	Administration − non pay		770	382	348
D.3	Sports capital and equipment programme				
	Original	34,535			
	Deferred surrender	11,500			
	Supplementary	9,000			
			55,035	53,765	40,013
D.4	Local authority swimming pool programme				
	Original	4,000			
	Supplementary	(2,000)			
			2,000	827	2,768
D.5	Sport Ireland (part funded by National Lottery)				
	Original	99,321			
	Supplementary	5,500			
			104,821	104,694	147,409
D.6	Dormant accounts funding for sports measures		12,000	12,000	12,000
D.7	Large scale sport infrastructure fund				
	Original	14,600			
	Supplementary	(1,000)			
			13,600	3,121	1,896
D.8	Major sport events		6,395	5,800	5,364
			198,236	**184,187**	**212,871**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

D.3 Sports capital and equipment programme

Estimate provision €46.035 million; outturn €53.765 million

There was a record allocation of €150 million announced under the Scheme in 2022 and there was some carryover of projects that were delayed due to Covid-19 and construction inflation. A supplementary estimate of €9 million was provided to meet this increased demand.

D.4 Local authority swimming pool programme

Estimate provision €4.0 million; outturn €827,000

The saving of €3.173 million was because this is a legacy programme with contingency requirement for remaining potential commitments.

D.5 Sport Ireland

Estimate provision €99.321 million; outturn €104.694 million

In 2023, as part of the supplementary estimates, an additional €5.5 million was made available to Sport Ireland for design and development work on key projects such as cricket facilities, additional office accommodation for national governing bodies, and other general design works associated with the Campus Masterplan.

D.7 Large scale sport infrastructure fund

Estimate provision €14.6 million; outturn €3.121 million

The saving of €11.479 million was mainly due to the high level of construction inflation which has resulted in grantees pausing some projects until they were in a position to secure the balance of the funding required to complete the works. Additional grant funding of €37.6 million was awarded to existing LSSIF projects in December 2023. €6.8 million of 2023 funding was carried forward into 2024.

D.8 Major sport events

Estimate provision €6.395 million; outturn €5.8 million

The saving of €595,000 was because EURO 2028 bid costs came in under budget and further potential events and costs did not materialise in 2023.

Programme E Broadcasting

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
E.1	Administration − pay		2,012	2,774	2,079
E.2	Administration − non pay		631	642	313
E.3	Grant to Raidió Teilifís Éireann for broadcasting licence fees		208,622	179,451	211,226
E.4	Payment to An Post for collection of broadcasting licence fees		12,457	8,419	9,964
E.5	Deontas i leith Theilifís na Gaeilge				
	Original	52,233			
	Supplementary	4,000			
			56,233	56,233	45,049
E.6	Broadcasting and media fund		22,885	19,570	19,826
E.7	Coimisiún na Meán		7,800	5,800	—
E.8	Interim funding for Raidió Teilifís Éireann				
	Original	—			
	Supplementary	16,000			
			16,000	16,000	—
			326,640	**288,889**	**288,457**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

E.3 Grant to Raidió Teilifís Éireann for broadcasting licence fees

Estimate provision €208.622 million; outturn €179.451 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and it is therefore difficult to estimate precisely the level of payments to be made to RTÉ. Total sales for 2023 were 824,278, which was down 123,646 (-13.04%) on 2022 sales and as such only the portion of TV licence receipts available to RTÉ in accordance with the provisions of the Broadcasting act 2009 could be paid over to RTÉ resulting in the underspend reported.

E.4 Payment to An Post for collection of broadcasting licence fees

Estimate provision €12.457 million; outturn €8.419 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and it is therefore difficult to accurately estimate the level of payments to be made to An Post. The An Post payment is based on a commission for TV licence sales and, therefore, the amount paid is directly linked to the number of TV licenses issued by An Post. An Post are paid this commission based on an incremental scale which incentivises An Post to maximise annual sales. Total sales for 2023 amounted to 824,278, a decrease of 123,646 (13.04%) on 2022 sales.

E.5 Deontas i leith Theilifís na Gaeilge

Estimate provision €52.233 million; outturn €56.233 million

Additional funding of €4 million was approved for this subhead by way of supplementary estimate in December 2023. This funding was provided to enable further investment in commissions from the Irish language production sector, aiding in the retention of Irish-speaking technical and creative talent and strengthening the growth of the sector, and supporting TG4 in the fulfilment of its strategic objectives.

E.6 Broadcasting and media fund

Estimate provision €22.885 million; outturn €19.57 million

Payments to the broadcasting fund are primarily based on the level of TV licence fee receipts, which are dependent on the level of actual television licence sales and the number of free television licences issued by the Department for Social Protection. It is therefore difficult to estimate precisely the annual level of receipts and therefore the corresponding payments to the broadcasting fund. Licence fee sales were down which impacted on TV licence funding for the broadcasting fund which receives 7% of net TV licence fee income.

E.7 Coimisiún na Meán

Estimate provision €7.8 million; outturn €5.8 million

The saving of €2 million relative to the estimate provision was because Coimisiún na Meán did not recruit staff at the pace that was expected in 2023.

E.8 Interim funding for Raidió Teilifís Éireann

Estimate provision €Nil; outturn €16.0 million

€16 million in interim funding had been recommended by the Future of Media Commission as the level of further funding, in addition to existing TV licence provision, required by RTÉ to carry on its statutory obligations. Following the decline in TV licence revenues, an analysis of RTÉ's funding needs was undertaken by NewERA who recommended €56 million in funding, €16 million of which was provided in December 2023 by way of supplementary estimate and the balance to be provided in 2024. This subhead was created to account for this interim funding.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Tourism Ireland pension receipts	312	431	348
2	National Archives fees	40	31	57
3	Miscellaneous receipts	659	875	773
4	Receipts from additional superannuation contributions on public service remuneration	2,563	3,322	3,237
5	Dormant accounts funding	12,000	12,000	12,000
6	Sport Ireland pension receipts	139	116	80
7	Broadcasting licence fees	237,130	201,378	220,960
	Total	**252,843**	**218,153**	**237,455**

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000).

1 Tourism Ireland pension receipts

Estimate €312,000; realised €431,000

The variance of €119,000 was due to higher than anticipated pension receipts from Tourism Ireland.

3 Miscellaneous receipts

Estimate €659,000; realised €875,000

The variance of €216,000 was mainly due to higher than anticipated pension receipts from agencies.

4 Receipts from additional superannuation contributions on public service remuneration

Estimate €2.563 million; realised €3.322 million

The variance of €759,000 was mainly due to higher than anticipated superannuation contributions from agencies.

7 Broadcasting licence fees

Estimate €237.13 million; realised €201.378 million

Broadcasting licence fee receipts are dependent on the level of television licence sales and the contribution received from the Department of Social Protection. The 2023 estimate for television licence receipts included scope for additional potential revenue which was not realised. Total sales for 2023 were 824,278, which was down 123,646 (-13.04%) on 2022 sales.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	22
Sport Ireland – balance of energy support moneys	5,995	—
Údarás na Gaeltachta – sale of shares	5,218	—
Fáilte Ireland – sale of property	1,114	—
Fáilte Ireland – sale of land	530	—
Fáilte Ireland – sale of Tourism product	500	—
Receipts from Gaeltacht loans	5	—
Receipts from voluntary surrender of ministerial salaries	37	21
Transferred to the Exchequer	(13,399)	(43)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	453	416
Agencies [a]	1,795	1,492
	2,248	**1,908**

Note [a] Includes staffing of the following agencies: Arts Council, Chester Beatty, Coimisiún na Meán, Crawford Art Gallery, Fáilte Ireland, Foras na Gaeilge, Irish Museum of Modern Art, National Concert Hall, National Gallery of Ireland, National Library of Ireland, National Museum of Ireland, Screen Ireland, Sport Ireland, Ulster Scots, Tourism Ireland, Údarás na Gaeltachta.

5.2 Pay

Remuneration of Department staff

	2023 €000	2022 €000
Pay	23,290	20,721
Higher, special or additional duties allowances	123	45
Other allowances	172	176
Overtime	61	39
Employer's PRSI	2,108	1,783
Total pay [a]	**25,754**	**22,764**

Note [a] The total pay figure is distributed across the relevant subheads.

Agency remuneration [b]

	2023 €000	2022 €000
Pay	108,490	96,189
Higher, special or additional duties allowances	436	302
Other allowances	342	327
Overtime	293	340
Employer's PRSI	5,615	4,564
Total pay	**115,176**	**101,722**

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	
			2023	2022
			€	€
Departmental staff				
Higher, special or additional duties allowances	14	4	35,251	13,870
Other allowances	58	4	23,481	22,755
Overtime	26	1	12,187	11,082
Extra remuneration in more than one category	87	10	17,410	16,091
Agency staff				
Higher, special or additional duties allowances	98	4	16,459	15,832
Other allowances	266	5	42,000	36,207
Overtime	149	9	18,872	17,564
Extra remuneration in more than one category	216	3	19,203	19,079

5.4 Department staffing by pay band

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

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	282	266
60,000	69,999	41	25
70,000	79,999	39	40
80,000	89,999	34	26
90,000	99,999	12	11
100,000	109,999	9	11
110,000	119,999	7	5
120,000	129,999	5	1
130,000	139,999	1	2
140,000	149,999	1	2
150,000	159,999	2	—
160,000	169,999	1	2
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

Eight retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €37,460. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €173,681 in respect of three officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	27	33,891	71,944
Recovery plans in place	9	25,240	27,998

5.7 Severance/redundancy

During 2023, one staff member whose employment was terminated, was paid a redundancy payment of €5,232 and severance payments of €11,372.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**215**	**202**

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

Note 6 Miscellaneous

6.1 National Lottery funding

		2023		2022
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
B.9	An Chomhairle Ealaíon (part funded by National Lottery)	130,488	130,488	135,180
C.4	Irish language support schemes (part funded by National Lottery)	9,300	8,876	6,515
D.3	Sports capital and equipment programme	55,035	53,765	40,013
D.5	Sport Ireland (part funded by National Lottery)	104,821	104,694	147,409
		299,644	**297,823**	**329,117**

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.

6.2 Deferred surrender

Deferred surrender comprises savings in 2023 of €21.48 million in capital expenditures in the following subheads that were carried over to 2024.

		€000
Description of subhead:		
A.8	EU just transition fund	4,380
B.7	Cultural infrastructure and development	7,800
C.3	Gaeltacht support schemes	2,000
C.8	Údarás na Gaeltachta – grants for projects and capital expenditure on premises	500
D.7	Large scale sport infrastructure fund	6,800
		21,480

6.3 Arbitration and conciliation costs

Expenditure in 2023 was €nil (2022: €6.657 million including VAT). There were no settled cases in 2023 (2022: one case).

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)

	2023 €000	2022 €000
Payments		
Irish Museum of Modern Art	7,540	8,184
Chester Beatty Library	3,917	3,750
National Concert Hall	13,501	13,614
Crawford Gallery, Cork	2,402	2,556
	27,360	**28,104**

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 2023

	2023 €000	2022 €000
Balance on 1 January	142	148
Payments	(14)	(6)
Balance on 31 December	**128**	**142**

7.3 Statement of loans for Gaeltacht housing

Loans issued towards Gaeltacht housing under the Housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof.

	2023 €000	2022 €000
Opening balance on 1 January	180	176
Interest written off	(8)	—
Annual penal interest accrued	3	4
Repayments of principal	(4)	—
Payments of Interest	(1)	—
Closing balance on 31 December	**170**	**180**

Appropriation Account 2023

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 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €14.254 million is liable for surrender to the Exchequer.

The statement of accounting policies and principles, the statement on internal financial control and notes 1 to 7 form part of the account.

Transfer of functions

Funding of the Electoral Commission, formerly under Local Government programme subhead C.5 in Vote 34 Housing, Local Government and Heritage, transferred to the newly established Vote 23 An Coimisiún Toghcháin with effect from 9 February 2023 under SI 31 of 2023 Electoral Reform Act 2022 (Establishment Day) Order 2023.

Ordnance Survey Ireland, formerly funded under Planning programme subhead D.11 in Vote 34 Housing, Local Government and Heritage transferred to Tailte Éireann (Vote 16) with effect from 1 March 2023 under SI 66 of 2023 Tailte Éireann Act 2022 (Establishment Day) Order 2023.

Statement of Accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

Valuation of assets

Ownership of six national parks is vested in the Minister for Housing, Local Government and Heritage. These are the Burren, Connemara, Glenveagh, Killarney, Wicklow Mountains and Wild Nephin national parks.

Land and buildings located within the national parks have not been valued, and are not reflected in the statement of fixed assets. Other assets located at the parks, such as equipment and vehicles, are included in the statement of fixed assets.

Heritage assets, the value of which cannot be adequately expressed in financial terms, are valued at a nil cost.

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
- software licences 20% per annum
- acquired/developed software 10% 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 functions 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

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

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 risks, including 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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €76 million in 2023.

The Department has provided details of 37 non-competitive contract in excess of €3.41 million in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contract extensions in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €419,484 (exclusive of VAT) as set out below:

- An extension of a contract with a value of €26,385 (ex. VAT) for the supply and hosting of audit management software was required to allow the adequate time to complete the tender process and the implementation of the selected solution.
- An extension of the contract for renewal of the WebEx licences with a value of €322,501 (ex. VAT) was required to allow the continuation of a critical business system used by Department on a daily basis prior to the upcoming move to Microsoft Teams. The Office of the Government Chief Information Officer (OGCIO) postponed their rollout of Microsoft Teams to 2024, necessitating the renewal of the current Cisco Webex licence. The Microsoft Teams project is now underway and further extensions to the Webex licence are not anticipated.
- An extension of an ICT telephony services contract, with expenditure during the 2023 of €70,598 (ex. VAT), continues pending the completion of a procurement process. Preparation and research for the procurement process is ongoing with the tender for telephony expected to issue in Q4 2024.

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 by the Management Board and assists the Management Board to respond accordingly, allocating resources if required, to ensure risks are managed to an acceptable level.

The risk register details mitigation measures 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

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

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

27 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 34 Housing, Local Government and Heritage for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Exceptional State funding of the Peter McVerry Trust

Chapter 11 of my report on the accounts of the public services for 2023 examined the Department's oversight arrangements in respect of regular funding provided to the Trust, the factors giving rise to the need for additional funding on an exceptional basis in 2023 and 2024, and the Department's monitoring of the conditions attached to the exceptional funding.

Delivery of Local Infrastructure Housing Activation Fund (LIHAF) projects

Chapter 12 of my report on the accounts of the public services for 2023 examined progress made in completing LIHAF target infrastructure projects, and the fund's impact on housing development to date in the project areas.

Seamus McCarthy
Comptroller and Auditor General

9 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 34 Housing, Local Government and Heritage

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Housing				
	Original	3,668,201			
	Deferred surrender	240,000			
	Supplementary	95,209			
			4,003,410	3,891,087	3,386,529
B	Water Services				
	Original	1,687,504			
	Deferred surrender	95,800			
	Supplementary	(21,087)			
			1,762,217	1,757,566	1,512,217
C	Local Government				
	Original	470,710			
	Supplementary	105,493			
			576,203	583,330	427,558
D	Planning				
	Original	224,051			
	Supplementary	(45,392)			
			178,659	179,905	106,711
E	Met Éireann				
	Original	56,428			
	Supplementary	(1,109)			
			55,319	38,241	36,118
F	Heritage				
	Original	215,537			
	Deferred surrender	4,200			
	Supplementary	13,120			
			232,857	213,004	163,348
Gross expenditure					
	Original	6,322,431			
	Deferred surrender	340,000			
	Supplementary	146,234			
			6,808,665	**6,663,133**	**5,632,481**
	Deduct				
G	**Appropriations-in-aid**				
	Original	75,171			
	Supplementary	(7,247)			
			67,924	**77,646**	**71,378**

	Estimate provision		2023 Outturn	2022 Outturn
	€000	€000	€000	€000
Net expenditure				
Original	6,247,260			
Deferred surrender	340,000			
Supplementary	153,481			
		6,740,741	**6,585,487**	**5,561,103**

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. €141 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2024 (note 6.8).

	2023 €	2022 €
Surplus	155,254,208	586,735,590
Deferred surrender	(141,000,000)	(340,000,000)
Surplus to be surrendered	**14,254,208**	**246,735,590**

Graham Doyle
Accounting Officer
Department of Housing, Local Government and Heritage

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		6,532,971	5,516,315
Pay		102,411	91,782
Non pay		27,751	24,384
Gross expenditure		**6,663,133**	**5,632,481**
Deduct			
Appropriations-in-aid		77,646	71,378
Net expenditure		**6,585,487**	**5,561,103**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(26,563)		
Depreciation	3,106		
Loss on disposals	22		
Intangible assets (note 2.2)			
Purchases	(1,396)		
Amortisation	20		
		(24,811)	(3,656)
Changes in net current assets			
Increase in inventories	(196)		
Increase in prepayments	(427)		
Decrease in accrued income	5,763		
Increase in Housing Agency revolving fund	(233)		
Increase in accrued expenses	4,948		
Decrease in deferred income	(4,648)		
		5,207	(2,394)
Direct expenditure		**6,565,883**	**5,555,053**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		33,888	31,906
Notional rents		4,231	4,231
Net programme cost		**6,604,002**	**5,591,190**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	41	41
Vote 12	Superannuation and Retired Allowances	29,264	27,848
Vote 13	Office of Public Works	1,942	2,130
Vote 18	National Shared Services Office	174	156
Vote 20	Garda Síochána	235	9
Vote 43	Office of the Government Chief Information Officer	2,125	1,615
Central Fund – ministerial pensions		107	107
		33,888	**31,906**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	90,145	67,125
Intangible assets	2.2	1,505	28
Total fixed assets		**91,650**	**67,153**
Current assets			
Bank and cash	2.3	183,317	364,675
Inventories	2.4	279	83
Prepayments	2.5	1,992	1,565
Accrued income	2.6	4,103	9,866
Housing Agency revolving acquisitions fund	7.2	67,987	67,754
Other debit balances	2.7	1,704	2,109
Total current assets		**259,382**	**446,052**
Less current liabilities			
Accrued expenses	2.8	29,076	24,067
Deferred income	2.9	—	4,648
Other credit balances	2.10	43,670	21,377
Net Exchequer funding	2.11	141,351	345,407
Total current liabilities		**214,097**	**395,499**
Net current assets		45,285	50,553
Net assets		**136,935**	**117,706**
Represented by:			
State funding account	2.12	**136,935**	**117,706**

2.1 Property, plant and equipment [a]

	Land and buildings	Vehicles and equipment	Office and IT equipment	Furniture and fittings	Assets under development	Total
	€000	€000	€000	€000	€000	€000
Cost or valuation						
At 1 January 2023 [b]	48,525	14,617	22,546	4,185	10,887	100,760
Adjustment [c]	(343)	(584)	(122)	(240)	—	(1,289)
Additions	17,213	6,906	1,307	200	897	26,523
Transfers	—	—	1,748	—	(1,748)	—
Disposals	—	(422)	(86)	(13)	—	(521)
At 31 December 2023	65,395	20,517	25,393	4,132	10,036	125,473
Accumulated depreciation						
At 1 January 2023 [b]	2,568	8,841	19,803	2,423	—	33,635
Adjustments [c]	—	(573)	(207)	(134)	—	(914)
Depreciation for the year	246	1,550	1,255	55	—	3,106
Depreciation on disposals	—	(401)	(85)	(13)	—	(499)
At 31 December 2023	2,814	9,417	20,766	2,331	—	35,328
Net assets						
At 31 December 2023	**62,581**	**11,100**	**4,627**	**1,801**	**10,036**	**90,145**
At 31 December 2022	45,957	5,776	2,743	1,762	10,887	67,125

Note [a] State-owned lands and buildings controlled or managed by the Department which do not have valuations are listed in the statement of accounting policies and principles.

[b] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (see note 2.2).

[c] Adjustment represents removal of assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Intangible assets

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023 [a]	3,561	—	3,561
Additions	—	1,497	1,497
At 31 December 2023	3,561	1,497	5,058
Accumulated amortisation			
At 1 January 2023	3,533	—	3,533
Amortisation	20	—	20
At 31 December 2023	3,553	—	3,553
Net assets			
At 31 December 2023	**8**	**1,497**	**1,505**
At 31 December 2022	28	—	28

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment (note 2.1).

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances and cash	183,311	364,386
Commercial bank account balance	6	289
	183,317	**364,675**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Building materials	117	—
Livestock	107	51
IT consumables	9	21
Other	46	11
	279	**83**

2.5 Prepayments

at 31 December	2023 €000	2022 €000
Software support	1,341	1,248
International contribution	29	100
Administration	446	31
Other prepayments	176	186
	1,992	**1,565**

2.6 Accrued income

at 31 December	2023 €000	2022 €000
Pension levy	3,413	3,367
Met Éireann receipts	681	77
Audit fees	9	3
Foreshore receipts	—	6,418
Services and charges at National Parks and Wildlife Service sites	—	1
	4,103	**9,866**

2.7 Other debit balances

at 31 December	2023 €000	2022 €000
Heritage projects		
Fáilte Ireland Strategic Partnership	397	388
BirdWatch Ireland 2020/2021	164	253
Killarney House	161	161
Tomies Wood	142	142
LIFE Strategic Nature project [a]	31	—
LIFE IP Peatlands and People [a]	26	—
Raised bog LIFE restoration project[a]	—	241
Other projects	324	336
Advances to OPW	135	301
Recoupable salary costs	159	152
Recoupable travel pass scheme	39	27
Recoupable travel costs	8	3
Imprests	5	14
Other debit suspense items	113	91
	1,704	**2,109**

Note [a] 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.

2.8 Accrued expenses

at 31 December	2023	2022
	€000	€000
IT services and support	253	286
Programme accrual		
A Housing	22,370	19,325
B Water Services	15	26
C Local Government	749	141
D Planning	267	1,990
E Met Éireann	203	46
F Heritage	3,906	1,264
Administration expenses	1,313	989
	29,076	**24,067**

2.9 Deferred income

at 31 December	2023	2022
	€000	€000
Foreshore licences [a]	—	4,648
	—	**4,648**

Note [a] Deferred foreshore licence income has been derecognised as responsibility for the foreshore transferred to the Department of the Environment, Climate and Communications and the Maritime Area Regulatory Authority in 2023.

2.10 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	1,544	1,368
Pay related social insurance	1,095	939
Value added tax	875	827
Professional services withholding tax	638	728
Pension contributions	375	325
Universal social charge	324	276
	4,851	4,463
Urban Development Fund [a]	14,903	1,428
LIFE 2022 SNaP Ireland [b]	6,101	—
LIFE MPA Ireland [b]	4,542	—
LIFE integrated project [b]	4,274	3,984
LIFE Wild Atlantic Nature [b]	2,859	3,364
LIFE on Machair [b]	1,885	2,338
Local Support group fund – Wild Atlantic Nature LIFE project [b]	1,075	—
LIFE Atlantic Crex [b]	498	881
Payroll deductions held in suspense	407	340
Rural Regeneration and Development Fund [c]	382	2,273
Raised Bog LIFE restoration project [b]	300	—
Kerry LIFE Project [b]	164	367
WaterLANDS project	123	734
LIFE Insular [b]	26	26
Other credit suspense items	1,280	1,179
	43,670	**21,377**

Note [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.

[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.

2.11 Net Exchequer funding

at 31 December	2023 €000	2022 €000
Surplus	14,254	246,736
Deferred surrender	141,000	340,000
Exchequer grant undrawn	(13,903)	(241,329)
Net Exchequer funding	**141,351**	**345,407**
Represented by:		
Debtors		
Bank and cash	183,317	364,675
Debit balances: suspense	1,704	2,109
	185,021	366,784
Creditors		
Due to the State	(4,851)	(4,463)
Credit balances: suspense	(38,819)	(16,914)
	(43,670)	(21,377)
	141,351	**345,407**

2.12 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			117,706	111,763
Disbursements from the Vote				
Estimate provision	Account	6,740,741		
Deferred surrender	Account	(141,000)		
Surplus to be surrendered	Account	(14,254)		
Net vote			6,585,487	5,561,103
Expenditure (cash) borne elsewhere	1.1		33,888	31,906
Non cash expenditure – notional rent	1		4,231	4,231
Prior year adjustment	2.1		(375)	(107)
Net programme cost	1		(6,604,002)	(5,591,190)
Balance at 31 December			**136,935**	**117,706**

2.13 Commitments

a) Global commitments

at 31 December	2023 €000	2022 €000
Procurement of goods and services	8,888	5,791
Non-capital grant programmes	1,280,513	1,182,917
Capital grant programmes	3,769,942	2,514,797
Public private partnership projects	546,672	573,156
Total of legally enforceable commitments	**5,606,015**	**4,276,661**

b) Non-capital grant programmes

	2023 €000	2022 €000
Opening balance	1,182,917	1,174,083
Grants paid in the year	(1,131,537)	(1,116,559)
New grant commitments	1,229,133	1,125,393
Closing balance	**1,280,513**	**1,182,917**

c) Capital grant programmes

	2023 €000	2022 €000
Opening balance	2,514,797	2,075,841
Grants paid in the year	(2,282,457)	(1,752,402)
New grant commitments	3,537,602	2,191,358
Closing balance	**3,769,942**	**2,514,797**

d) Major capital project commitments

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
Housing projects		**€000**	**€000**	**€000**	**€000**	**€000**
Construction						
Jointly funded[a]						
Ashline, Kilrush Road, Ennis, Clare						
	Local authority	1,548	—	—	1,548	1,548
	Department	8,752	—	866	9,618	8,986
		10,300	—	866	11,166	10,534
Poulavone, Ballincollig, Cork City						
	Local authority	213	—	—	213	213
	Department	2,747	11,823	8,790	23,360	23,360
		2,960	11,823	8,790	23,573	23,573
Watercourse Road, Blackpool, Cork City						
	Local authority	—	873	—	873	—
	Department	9,469	1,876	311	11,656	11,647
		9,469	2,749	311	12,529	11,647
Beechgrove, Clonakilty, Cork						
	Local authority	1,565	—	—	1,565	1,565
	Department	15,426	45	1,350	16,821	15,624
		16,991	45	1,350	18,386	17,189
Kilmoney, Carrigaline, Cork						
	Local authority	—	2,170	—	2,170	—
	Department	10,281	4,439	718	15,438	17,607
		10,281	6,609	718	17,608	17,607

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Ballyogan Square, Ballyogan, Dun Laoghaire-Rathdown					
Local authority	9,013	1,358	—	10,371	9,013
Department	6,783	1,289	607	8,679	10,037
	15,796	2,647	607	19,050	19,050
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
Kilternan Close, Dun Laoghaire-Rathdown					
Local authority	6,985	—	—	6,985	6,985
Department	2,709	—	12,261	14,970	14,970
	9,694	—	12,261	21,955	21,955
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
Shanganagh Castle, Dun Laoghaire-Rathdown					
Local authority	—	3,609	—	3,609	—
Department	6,422	15,184	51,905	73,511	77,120
	6,422	18,793	51,905	77,120	77,120

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
		€000	€000	€000	€000	€000
Bunratty Road, (Phase 1c,) Dublin 17						
	Local authority	3,788	—	—	3,788	3,788
	Department	23,618	64	1,748	25,430	25,430
		27,406	64	1,748	29,218	29,218
Cork Street , Chamber Street Dublin 8						
	Local authority	2,160	—	—	2,160	2,160
	Department	15,332	64	2,897	18,293	18,293
		17,492	64	2,897	20,453	20,453
Cornamona, Ballyfermot, Dublin 12						
	Local authority	1,017	—	—	1,017	1,017
	Department	19,701	64	1,594	21,359	21,359
		20,718	64	1,594	22,376	22,376
Dominick Street (East side) Dublin City						
	Local authority	3,434	—	—	3,434	3,434
	Department	23,411	—	2,626	26,037	25,869
		26,845	—	2,626	29,471	29,303
North King Street, Sean Foster Place, Dublin 7						
	Local authority	882	—	—	882	882
	Department	10,957	1,040	47	12,044	12,044
		11,839	1,040	47	12,926	12,926

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
O'Devaney Gardens, (Phase 1A), Dublin City					
Local authority	1,139	—	—	1,139	1,139
Department	22,445	1,046	3,100	26,591	26,591
	23,584	1,046	3,100	27,730	27,730
Priory Hall, 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
Cappagh Lands (Phase 3), Cappagh Road, Finglas					
Local authority	4,896	759	—	5,655	4,896
Department	11,411	2,341	569	14,321	13,794
	16,307	3,100	569	19,976	18,690
Church Fields, (Phase 2B), Mulhuddart, Dublin 15					
Local authority	4,733	1,007	—	5,740	4,733
Department	11,873	4,044	1,662	17,579	16,358
	16,606	5,051	1,662	23,319	21,091
Racecourse Common, Lusk (Phase 2.1), Fingal					
Local authority	2,260	—	—	2,260	2,260
Department	9,608	—	13	9,621	9,621
	11,868	—	13	11,881	11,881

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Ballymoneen Road (Phase 2), Galway City					
Local authority	663	—	—	663	663
Department	17,443	—	432	17,875	17,875
	18,106	—	432	18,538	18,538
Garraí Beag, Monivea Rd, Ballybaan More, Galway City					
Local authority	327	—	—	327	327
Department	5,793	1,538		13,824	13,823
	6,120	1,538	6,493	14,151	14,150
Balgaddy F, Griffeen Avenue, Lucan, Dublin					
Local authority	102	540	—	642	102
Department	458	13,786	12,123	26,367	26,907
	560	14,326	12,123	27,009	27,009
Ballyboden, Rathfarnham, Dublin					
Local authority	2,303	—	—	2,303	2,303
Department	9,793	—	735	10,528	10,528
	12,096	—	735	12,831	12,831
Kilcarbery Grange, Clondalkin, Dublin					
Local authority	—	3,387	—	3,387	—
Department	11,849	10,848	33,860	56,557	—
	11,849	14,235	33,860	59,944	—

		Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
		€000	€000	€000	€000	€000
Nangor Road, Clondalkin, Dublin						
	Local authority	995	1,109	—	2,104	995
	Department	8,872	13,839	4,469	27,180	28,289
		9,867	14,948	4,469	29,284	29,284
Riversdale, Clondalkin, Dublin						
	Local authority	1,187	—	—	1,187	1,187
	Department	6,747	4,339	584	11,670	11,670
		7,934	4,339	584	12,857	12,857
St Aidan's, Brookfield, Tallaght, Dublin						
	Local authority	4,276	—	—	4,276	4,276
	Department	14,952	—	594	15,546	15,546
		19,228	—	594	19,822	19,822
St. Cuthbert's, Clondalkin, Dublin						
	Local authority	2,988	—	—	2,988	2,988
	Department	8,475	—	747	9,222	9,222
		11,463	—	747	12,210	12,210
St. Marks Avenue, Clondalkin, Dublin						
	Local authority	1,372	545	—	1,917	1,372
	Department	5,913	2,185	1,673	9,771	9,247
		7,285	2,730	1,673	11,688	10,619

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Ashtown Lane, Wicklow Town, Wicklow					
Local authority	1,220	—	—	1,220	1,220
Department	11,301	—	507	11,808	11,808
	12,521	—	507	13,028	13,028
Department funded					
Lissaturrin, Kingscourt, Cavan	—	—	10,966	10,966	—
Cluain Greine, Ennis, Clare	17,110	133	35	17,278	17,278
Ballincrokig, Ballyvolane , Cork City	—	5,556	22,053	27,609	—
Church Road, Black Rock, Cork City	2,043	5,269	3,941	11,253	11,253
Church Road, Cork City	11,851	—	139	11,990	11,990
Deanrock, Togher, Cork City	16,286	—	943	17,229	17,229
Denroche's Cross, Glasheen Road, Cork City	6,819	6,446	1,565	14,830	14,830
Errigal Heights, The Glen, Cork City	192	1,194	10,293	11,679	—
Farranferris, Cork City	—	—	10,063	10,063	—
Former Bolands Mill, Old Mallow Road, Cork City	12,903	6,161	244	19,308	17,897
Greenvalley, Douglas, Cork City	—	—	10,904	10,904	—
Hawkes Road, Bishopstown Road, Bishopstown, Cork City	6,224	5,012	134	11,370	—
Killeens, Cork City	2,030	11,884	2,004	15,918	—
Kinsale Road, Cork City	—	—	16,661	16,661	—
Meadow Broome, Cooneys Lane, Grange, Cork City	—	—	10,304	10,304	—
Wolsey Court, Blackpool, Cork City	—	—	18,678	18,678	15,914
Clarendon Brooks, Carrs Hill, Douglas, Cork	13,153	—	121	13,274	13,274
Crann Ard, Fermoy, Cork	—	—	16,713	16,713	—
Hazelbrook, Ballyvinter, Mallow, Cork	16,266	—	258	16,524	16,524

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
St. Laurence's Park, Stillorgan, Dun Laoghaire-Rathdown	1,013	—	19,421	20,434	—
Admiran, Stranorlar, Donegal	—	—	10,588	10,588	10,588
Convent Road, Carndonagh, Donegal	—	—	11,720	11,720	11,720
Newtown House (Block B), Malahide Road, Dublin 13	—	—	75,799	75,799	—
194-198 Clonliffe Road, Drumcondra, Dublin 9	—	—	18,966	18,966	—
Bonham Street Dublin 8	19,749	64	1,239	21,052	21,052
Cherry Orchard, Ballyfermot-Woodbank-Rathvilly, Dublin City	16,728	—	3,023	19,751	19,873
Clanbrassil Street Upper, Dublin 8	—	—	15,760	15,760	—
Glin Court, Coolock, Dublin 17	757	2,157	11,675	14,589	—
O'Devaney Gardens - Mixed Tenure Dev - Social Housing Cost	—	2,913	126,177	129,090	129,090
Springvale Chapelizod Dublin 8	26,404	64	2,796	29,264	29,264
St. Finbar's Court, Kilkieran Road, Dublin 7	1,087	2,958	16,398	20,443	—
York Road, Ringsend, Dublin 4	—	—	14,878	14,878	—
Ballymastone, Donabate, Finglas	—	—	70,585	70,585	70,585
Church Fields, (Phase 3), Finglas	—	—	13,710	13,710	—
Hands Lane, Lusk, Finglas	—	—	16,683	16,683	—
Kenure, Rush, Finglas	—	—	72,996	72,996	—
Station Road, Portmarnock, Finglas	—	—	20,165	20,165	—
Kilgarve, Ballinasloe, Galway	—	—	10,593	10,593	—
Kylebroughlan, Moycullen, Galway	13,229	—	100	13,329	13,329
Lohercannon, Tralee, Kerry	15,024	736	404	16,164	15,614
Ambassador Site, Kill, Kildare	1,940	422	12,352	14,714	—
Newtown, Ardclough Rd, Celbridge, Kildare	20,588	48	105	20,741	20,741
Old Greenfield Road, Maynooth, Kildare	2,951	641	25,475	29,067	—
Crokers Hill, Kennyswell Road, Kilkenny	3,554	14,519	17,495	35,568	—

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Hebron Road, Kilkenny	16,086	41	86	16,213	16,213
Old Christians Site, Rathbane, Limerick	10,964	—	380	11,344	11,344
Boice Court, (Phase 2), Drogheda, Louth	3,861	—	23,277	27,138	27,138
Ellwood, Ballymakenny Road, Drogheda, Louth	2,055	8,478	2,802	13,335	—
Mount Avenue, Dundalk, Louth	1,317	—	32,336	33,653	33,653
Golf Course Road, Westport, Mayo	451	5,500	8,975	14,926	14,926
Rehins Fort, Foxford Rd., Ballina, Mayo	6,976	3,845	746	11,567	11,567
Turlough Road, Castlebar, Mayo	—	—	10,891	10,891	—
Castle St., Ashbourne, Meath	2,824	12,543	10,823	26,190	26,190
Convent Lands, Kildalkey, Athboy , Meath	—	5,321	4,679	10,000	—
Gort na Glaise, Farganstown, Navan, Meath	4,631	7,440	19,541	31,612	31,612
Lagore, Dunshaughlin, Meath	3,887	6,466	612	10,965	10,965
Sanderling Park, Narroways, Bettystown, Meath	—	—	30,396	30,396	—
Ard an Radhairc, Carrickmacross, Monaghan	10,421	42	106	10,569	10,569
Raheen, Clara, Offaly	2,026	5,308	7,859	15,193	15,193
Clonburris 2, Dublin	376	555	20,111	21,042	—
Ursuline Convent, Sligo	2,139	19,317	184	21,640	21,740
Thomas Street, Clonmel, Tipperary	—	—	17,977	17,977	—
An Garrán, Crobally Upper, Tramore, Waterford	—	4,184	13,963	18,147	—
Ballygunner, Waterford City	5,376	8,751	5,223	19,350	19,350
Wexford St, Gorey, Wexford	—	1,870	10,575	12,445	—
Kilbride Lane, Bray (Murphy's Lands) , Wicklow	17,079	—	1,057	18,136	17,342
Merrymeeting View, Rathnew, Wicklow	11,468	—	349	11,817	11,817
Three Trouts, Greystones, Wicklow	5,768	8,000	3,894	17,662	17,662
Total	**763,006**	**269,049**	**1,119,658**	**2,151,713**	**1,408,223**

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Capital Assistance Scheme					
Jointly funded [a]					
25-26 Ushers Island, Ushers Quay, Dublin 8					
Local authority	265	234	—	499	265
Department	10,772	11,711	11,058	33,541	33,775
	11,037	11,945	11,058	34,040	34,040
St. Michael's Estate, Inchicore, Dublin 8					
Local authority	167	1,228	—	1,395	167
Department	1,364	12,049	7,255	20,668	21,896
	1,531	13,277	7,255	22,063	22,063
Department funded					
Block 70, The Plaza, Parkwest, Dublin 12	13,986	192	21	14,199	14,199
Ellis Court, Benburb Street, Dublin 7	9,604	436	931	10,971	10,971
Parkview, Ballymun, Dublin 11	—	—	12,689	12,689	—
Aldborough Manor, Hawkins Wood, Greystones, Co Wicklow	36,980	239	—	37,219	37,551
O'Connell Court, Lehenaghmore, Togher, Cork City	—	—	28,607	28,607	—
Clai Mór, Monivea Road, Ballybrit, Galway	—	—	15,938	15,938	—
Presentation Convent, Portlaoise	1,530	674	24,400	26,604	—
Total	**74,668**	**26,763**	**100,899**	**202,330**	**118,824**

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Regeneration					
Jointly funded [a]					
Dolphin House Regeneration Phase 1, Dublin 8					
Local authority	1,490	—	—	1,490	1,490
Department	22,610	—	1,338	23,948	24,357
	24,100	—	1,338	25,438	25,847
Department funded					
Margaret Kennedy Road (formerly St Teresa's Gardens), Dublin	22,104	—	1,154	23,258	22,979
Cork Regeneration Phase 2A, Knocknaheeny Cork City	11,417	—	1,078	12,495	11,853
Cork Regeneration Phase 2B, Knocknaheeny Cork City	2,124	2,887	9,422	14,433	15,118
Cork Regeneration Phase 1C, Knocknaheeny Cork City	1,106	3,583	10,990	15,679	16,141
Lord Edward Street, Limerick	19,258	—	330	19,588	19,588
Churchfield (formally Southill Area Centre) Phase 1, Limerick	12,793	—	33	12,826	12,826
Churchfield (formally Southill Area Centre) Phase 2, Limerick	3,856	4,200	4,646	12,702	12,702
Cosgrave Park/Dalgaish Park, Limerick	5,286	8,722	8,518	22,526	22,526
Sligo Building and Environmental Works, Phase 3, Sligo	—	257	11,713	11,970	—
Total	**102,044**	**19,649**	**49,222**	**170,915**	**159,580**

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Infrastructure					
South Docks, Cork City	7,223	19	7,728	14,970	11,630
Dodder Bridge, Dublin City	638	—	11,172	11,810	11,810
Cherrywood, Dun Laoghaire-Rathdown	3,670	72	20,698	24,440	11,390
Maynooth, Co Kildare	964	355	15,877	17,196	13,065
Adamstown, South Dublin	15,348	1,596	—	16,944	16,000
Glanmire, Cork City	4,130	1,680	7,720	13,530	—
Mungret,	5,423	7,802	3,721	16,946	—
Total	**37,396**	**11,524**	**66,916**	**115,836**	**63,895**
Urban renewal/regeneration					
Rutland Street, NEIC, Dublin 1	2,750	307	18,079	21,136	—
Tallaght Town Centre - South Dublin	2,625	7,071	640	10,336	10,336
Galway City Transport Connectivity - Ceannt Quarter Regeneration, Galway	—	15	20,839	20,854	—
Opera Site's Shared Basement, Limerick	—	5,178	5,574	10,752	—
Limerick City and County - One Opera Square, Limerick	—	5,178	5,213	10,391	—
North Quays SDZ Project, Waterford	7,572	15,554	77,474	100,600	—
Total	**12,947**	**33,303**	**127,819**	**174,069**	**10,336**

Note [a] Some projects are funded jointly by the Department and by certain local authority's own funds from Local Property Tax (LPT) 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 LPT 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 2022**.**

Ashline, Kilrush Road, Ennis, Clare

Increase in expected total spend: €632,000

Approved budget costs increased mainly due to unforeseen underground works, site security, utilities, and professional fees. Final account issued May 2023.

Watercourse Road, Blackpool, Cork City

Increase in expected total spend: €882,000

Revised increased budget approval issued in April 2023 due to increased costs as a result of inflation**.**

Beechgrove, Clonakilty, Cork

Increase in expected total spend: €1.197 million

Revised increased budget approval issued in February 2023 due to the inclusion of additional site costs.

Cappagh Lands Phase 3, Cappagh Road, Finglas

Increase in expected total spend: €1.286 million

Budget increased under the Inflation/Supply Chain Co-Operation Framework.

Church Fields, Phase 2B, Mulhuddart, Dublin 15

Increase in expected total spend: €2.228 million

Budget increased under the Inflation/Supply Chain Co-Operation Framework.

Kilcarbery Grange, Clondalkin, Dublin

Increase in expected total spend: €1.587 million

Budget increased under the Inflation/Supply Chain Co-Operation Framework. Project was omitted from 2022 Accounts due to the project being progressed in phases prior to 2023, with each phase being less than €10 million. The all-in cost for all phases in 2022 was €58.357 million.

St. Marks Avenue, Clondalkin, Dublin

Increase in expected total spend: €1.069 million

Budget increased under the Inflation/Supply Chain Co-Operation Framework.

Former Bolands Mill, Old Mallow Road, Cork City

Increase in expected total spend: €1.411 million

Revised increased budget approval issued in Aug 2023 due to increased costs as a result of inflation.

Wolsey Court, Blackpool, Cork City

Increase in expected total spend: €2.764 million

Revised increased budget approval issued in May 2023 due to increased costs as a result of inflation.

Crokers Hill, Kennyswell Road, Kilkenny

Omitted from the 2022 Account in error

Lohercannon, Tralee, Kerry

Increase in expected total spend: €550,000

Post contract revised budget approval in August 2023.

Kilbride Lane, Bray (Murphy's Lands) , Wicklow

Increase in expected total spend: €794,000

Final account issued in December 2023.

Cork Regeneration Phase 2A, Knocknaheeny, Cork City

Increase in expected total spend: €642,000

Project sanctioned costs increased in Final Account. The increase was mainly due to increased construction costs, technical fee and Covid 19.

Cork Regeneration Phase 2B, Knocknaheeny, Cork City

Decrease in expected total spend: €685,000

There was an error in the 2022 published figure.

South Docks, Cork City

Increase in expected total spend: €3.34 million

Revised increased budget due to cost estimates for phase 2 and 3 being updated, approval issued in December 2023.

Cherrywood, Dun Laoghaire-Rathdown

Increase in expected total spend: €13.05 million

Revised increased budget approval issued in December 2023. The increase is due to tender cost for phase 2 being over the original estimate, and phase 3 programme extension costs increased due to inflation.

Maynooth, Co Kildare

Increase in expected total spend: €4.131 million

Revised increased budget due to inflation and detailed design costs, approval issued in December 2023.

Adamstown, South Dublin

Increase in expected total spend: €944,000

Revised increased budget mainly due to Covid-19 and increased building inflation costs, approval issued in 2023.

e) Unitary payments of public private partnership projects

The Department has committed to the development of a Social Housing PPP Programme. To date, the contracts for two bundles have been entered into. These utilise what is termed an 'availability-based' PPP model, in which a private sector company designs, builds, finances, maintains and operates 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 the completion of construction on each site. It incorporates all construction and lifecycle costs for 25 years under the contract, including

- initial construction cost of the units
- maintenance costs
- operating costs
- lifecycle cost
- tenancy management
- financing costs
- service provision, which includes building and asset management, void management, tenant helpdesk services etc.

The figures also include forecast inflation for the full 25-year-contract period. The payments comprise two elements, a fixed-cost element and a variable (indexed) element, which changes in line with inflation.

The only way of directly comparing different models of social housing delivery is by looking at the overall costs incurred. Guidelines from the Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR) on the use of PPPs, requires a comprehensive value for money process to confirm that a PPP project provides value for money (VFM) to the State.

There are four VFM tests performed by the National Development Finance Agency for the social housing PPPs as follows:

1. A preliminary appraisal of a programme.
2. The preparation of the comprehensive Public Sector Benchmark (PSB) which represents the full estimated life costs of procuring the project using traditional public sector procurement methods.
3. Comparison of the cost of the highest-rated tender to the PSB.
4. Updates the third VFM test with any changes that may have occurred during the Preferred Tender stage in order to confirm that the winning bid compares favourably to the PSB and represents VFM.

Bundle 1

Bundle 1 was completed in Q2 2021, and provides 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 as the lead local authority and contracting authority for the delivery of Bundle 1.

The construction capital cost for bundle 1 amounts to €119 million (excluding VAT) or approximately €222,000 (excluding VAT) on average for each of the 534 units.

Bundle 2

Bundle 2 was completed in Q4 2021 and provides 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 was engaged as the lead local authority and contracting authority for Bundle 2.

The construction capital cost for bundle 2 amounts to €129 million (excluding VAT) or approximately €277,000 (excluding VAT) on average for each of the 465 units.

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Legally enforceable commitments to be met in subsequent years	Project total 2023 [b]	Project total 2022
	€000	€000	€000	€000	€000
Bundle 1 [a]	36,771	10,189	295,109	342,069	344,847
Bundle 2 [a]	29,187	8,584	251,563	289,334	294,267
Total	**65,958**	**18,773**	**546,672**	**631,403**	**639,114**

Note [a] This table reflects unitary charge (UC) obligations for social housing PPP bundles undertaken to date, including VAT on construction and estimated VAT on the UC payments.

[b] The decrease in the project totals in 2023 are due to the outturn VAT on UC payments in 2023 being lower than the 8% previously estimated. As such, the assumed VAT rate for the remainder of the contracts out to 2046 has been decreased to 7%.

2.14 Matured liabilities

at 31 December	2023	2022
	€000	€000
Estimate of matured liabilities not discharged at year end	70	45

2.15 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.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	112,217			
	Supplementary	(7,000)			
			105,217	102,411	91,782
ii	Travel and subsistence		2,124	2,834	1,989
iii	Training and development and incidental expenses		3,122	3,344	2,414
iv	Postal and telecommunications services		1,828	1,543	1,356
v	Office equipment and external IT services		25,844	15,416	14,814
vi	Office premises expenses		6,104	3,077	2,877
vii	Consultancy services and value for money and policy reviews		117	26	62
viii	Research (statistics and economics)		220	103	—
ix	Protected disclosures (investigation services)		79	4	3
x	Recruitment and HR operations		351	346	305
xi	Statistical data analytical unit		534	287	40
xii	Geographical information system		825	771	524
			146,365	**130,162**	**116,166**

Significant variations

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

ii Travel and subsistence

Estimate provision €2.124 million; outturn €2.834 million

Expenditure in this subhead was €710,000 higher than the estimate provision. The majority of expenditure is demand led and cannot be accurately calculated in advance. There was a higher level of foreign and domestic travel than expected.

v Office equipment and external IT services

Estimate provision €25.844 million; outturn €15.416 million

Expenditure in this subhead was €10.428 million lower than the estimate provision mainly due to delays experienced in the progression of a number of Met Éireann projects as a result of factors outside the control of Met Éireann. €6.901 million was carried forward to 2024 as deferred surrender.

vi Office premises expenses

Estimate provision €6.104 million; outturn €3.077 million

Expenditure in this subhead was €3.027 million lower than the estimate provision. €1.34 million of the underspend was largely due to works not progressing as expected in 2023 for the Custom House regeneration plan, due to factors outside the Department's control. The remaining underspend is due to the majority of the expenditure being demand led which cannot be accurately calculated in advance. €1.34 million was carried forward to 2024 as deferred surrender.

viii Research (statistics and economics)

Estimate provision €220,000; outturn €103,000

Expenditure in this subhead was €117,000 lower than the estimate provision largely due to delays in the procurement of market survey services to a research project focused on social housing household-level outcomes, which arose because of a lack of industry capacity (three tender processes were required to secure a market survey firm), and tenders received for research work were lower than anticipated.

xi Statistical data analytical unit

Estimate provision €534,000; outturn €287,000

Expenditure in this subhead was €247,000 lower than the estimate provision due to procurement for the Metadata registry project not being completed in 2023.

Programme A Housing

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	20,879			
	Supplementary	(1,491)			
			19,388	24,251	22,089
A.2	Administration − non pay		4,177	3,295	3,085
A.3	Local authority housing				
	Original	1,184,101			
	Deferred surrender	240,000			
	Supplementary	(220,000)			
			1,204,101	1,169,580	1,088,785
A.4	Social housing current expenditure programme				
	Original	367,000			
	Supplementary	11,000			
			378,000	378,000	368,786
A.5	Rental accommodation scheme		113,000	112,993	113,910
A.6	Housing assistance payment scheme		543,800	537,367	538,961
A.7	Capital assistance scheme				
	Original	137,000			
	Supplementary	80,000			
			217,000	205,911	167,982
A.8	Capital loans and subsidy scheme		53,900	56,053	62,728
A.9	Communal facilities		500	245	79
A.10	Mortgage to rent				
	Original	18,000			
	Supplementary	(10,800)			
			7,200	5,624	7,602
A.11	Capital advance leasing facility		309,599	299,099	207,560
A.12	Traveller accommodation and support				
	Original	26,670			
	Supplementary	4,000			
			30,670	30,345	26,920
A.13	Accommodation for homeless				
	Original	215,000			
	Supplementary	102,000			
			317,000	316,991	242,450

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.14	Housing for people with a disability and older people				
	Original	3,100			
	Supplementary	(800)			
			2,300	1,322	1,190
A.15	Estate regeneration and refurbishment				
	Original	50,000			
	Supplementary	(10,000)			
			40,000	37,192	37,547
A.16	Energy efficiency – retrofitting		87,000	76,921	64,142
A.17	Repair and leasing scheme				
	Original	12,000			
	Supplementary	(1,000)			
			11,000	10,061	9,949
A.18	Private housing grants				
	Original	67,000			
	Supplementary	6,000			
			73,000	72,990	66,334
A.19	Mortgage allowances		500	463	397
A.20	Affordable housing/shared ownership subsidy		2,200	2,153	1,457
A.21	LIHAF		10,000	20,145	17,028
A.22	Defective homes remediation – cash limited				
	Original	65,000			
	Supplementary	(24,000)			
			41,000	43,101	28,753
A.23	Housing and Sustainable Communities Agency				
	Original	15,230			
	Supplementary	114,000			
			129,230	128,799	135,553
A.24	Residential Tenancies Board		13,370	13,370	11,138
A.25	Rental accommodation inspection		9,000	7,302	6,878
A.26	Approved Housing Bodies Regularity Authority		3,085	2,190	2,189

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.27	Planned maintenance/voids				
	Original	31,000			
	Supplementary	15,000			
			46,000	46,000	28,945
A.28	Cost rental equity loan				
	Original	75,000			
	Supplementary	120,000			
			195,000	174,613	50,874
A.29	DPGS/improvements/ remedials		25,000	19,998	18,266
A.30	First Home Scheme		50,000	40,000	40,000
A.31	Affordable Housing Fund				
	Original	90,000			
	Supplementary	(70,000)			
			20,000	19,759	8,839
A.32	Croí Cónaithe Fund				
	Original	30,000			
	Supplementary	(18,700)			
			11,300	7,117	1,473
A.33	Social Housing PPP Programme		30,000	21,904	—
A.34	Other services		6,090	5,933	4,640
			4,003,410	**3,891,087**	**3,386,529**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.3 Local authority housing

Estimate provision €1.424 billion; outturn €1.169 billion

Includes deferred surrender of €240 million carried forward from 2022. Expenditure was €254.521 million lower than the original estimate provision mainly due to local authority own build and turnkey projects not advancing at the rate envisaged in their Housing Delivery Action Plans, for a range of reasons including construction inflation and pent-up delays in tendering in 2020 and 2021 due to Covid-19. A number of Tenant-in-Situ (TiS) acquisitions completed or in train did not seek recoupment by end 2023 and a higher proportion of TiS delivery than anticipated was by AHBs under the CAS (A7) programme. €220 million of the underspend was transferred to other programmes that support current and future housing delivery, including €64 million to the Land Acquisition Fund to support further local authority own build, via supplementary estimate in November and €36.021 million was carried forward to 2024 as deferred surrender. In 2023, additional scheme expenditure of €34.704 million was funded by LPT.

A.7 Capital assistance scheme

Estimate provision €137 million; outturn €205.911 million

Expenditure was €68.911 million higher than the estimate provision mainly due to construction inflation affecting the building of new homes and the acquisition and refurbishment of second hand homes. There was also additional spend in relation to tenant-in-situ activity. The original estimate provision for this subhead was increased as part of the supplementary estimate by €80 million. €11.089 million of the underspend was carried forward to 2024 as deferred surrender. In 2023, additional scheme expenditure of €14.31 million was funded by LPT.

A.9 Communal facilities

Estimate provision €500,000; outturn €245,000

Expenditure was €255,000 lower than the estimate provision as communal facility projects are demand-led and they provide additional facilities to complement CAS construction projects. €255,000 was carried forward to 2024 as deferred surrender.

A.10 Mortgage to rent

Estimate provision €18 million; outturn €5.624 million

Expenditure was €12.376 million lower than the estimate provision due to Mortgage to rent being a demand led scheme and case completion rates being dependent on the level of borrower engagement that can be achieved by lenders. In 2023 the Department launched a new iteration of the Mortgage to rent scheme which resulted in a temporary slowdown in the scheme. €10.8 million was transferred to other subheads via supplementary estimate. €1.576 million of the underspend was carried forward to 2024 as deferred surrender.

A.12 Traveller accommodation and support

Estimate provision €26.67 million; outturn €30.345 million

Expenditure was €3.675 million higher than the estimate provision mainly due to an increase in construction costs and an increase in local authority activity. The original estimate provision for this subhead was increased as part of the supplementary estimate by €4 million. The additional activity related to an increase in the delivery of Traveller Group Housing schemes, Traveller acquisitions and to increased activity on the provision and refurbishment of halting site bays. As in previous years LPT funding was used to fund additional scheme expenditure, the value in 2023 was €5.781 million. €2,000 was carried forward to 2024 as deferred surrender.

A.13 Accommodation for homeless

Estimate provision €215 million; outturn €316.991 million

Homeless services came under significant pressure in 2023 due to increased numbers of presentations and increased numbers of households requiring emergency accommodation and related supports. Expenditure was €101.991 million higher than the original estimate provision mainly due to the increase in the number of households in emergency homeless accommodation, the increased cost of providing emergency accommodation, significant cost of living increases and the lack of accommodation capacity in the non-government sector. The original estimate provision for this subhead was increased as part of the supplementary estimate by €102 million. The funding also provided for an expansion of Housing First, development and roll out of the Youth Homeless Strategy and funding of additional homelessness prevention measures. On 28 November 2023, Government approved, on an exceptional basis, funding of up to €15 million to be paid to the Peter McVerry Trust, between 1 December 2023 and 31 March 2024 on a phased basis. The final outturn for 2023 includes exceptional funding payments of €3.9 million paid to the Trust in 2023.

A.14 Housing for people with a disability and older people

Estimate provision €3.1 million; outturn €1.322 million

Expenditure was €1.778 million lower than the estimate provision due to delays in a pilot project. There was also a small underspend on the Tenancy Sustainment Project due to delays relating to Q4 claims. €800,000 of the underspend was transferred to other programmes via supplementary estimate. €328,000 of the underspend was carried forward to 2024 as deferred surrender.

A.15 Estate regeneration and refurbishment

Estimate provision €50 million; outturn €37.192 million

Expenditure was €12.808 million lower than the estimate provision mainly due to fewer claims being received from local authorities than forecast. This was due in part to supply chain issues and various delays in the delivery of projects. €10 million of the underspend was transferred to other programmes via supplementary estimate. €2.808 million of the underspend was carried forward to 2024 as deferred surrender.

A.16 Energy efficiency - retrofitting

Estimate provision €87 million; outturn €76.921 million

Expenditure was €10.079 million lower than the estimate provision due to a reduced number of claims submitted by local authorities. €10.079 million of the underspend was carried forward to 2024 as deferred surrender.

A.17 Repair and leasing scheme

Estimate provision €12 million; outturn €10.061 million

Expenditure was €1.939 million lower than the estimate provision due to lower than expected delivery and to delays in local authorities submitting invoices. €1 million of the underspend was transferred to other programmes via supplementary estimate. €939,000 of the underspend was carried forward to 2024 as deferred surrender.

A.18 Private housing grants

Estimate provision €67 million; outturn €72.99 million

Expenditure was €5.99 million higher than the estimate provision mainly due to increased demand for the scheme post Covid-19. The original estimate provision for this subhead was increased as part of the supplementary estimate by €6 million. Similar to previous years, LPT funding was used to fund additional scheme expenditure, the value in 2023 was €2.648 million. €10,000 was carried forward to 2024 as deferred surrender.

A.21 LIHAF

Estimate provision €10 million; outturn €20.145

Local Infrastructure Housing Activation Fund (LIHAF) expenditure was €10.145 million higher than the estimate provision due to an increase in projects reaching payment stage in 2023 and was funded through virements from other subhead programmes. €6,000 of funding vired in to the subhead was carried forward to 2024 as deferred surrender.

A.22 Defective homes remediation cash limited

Estimate provision €65 million; outturn €43.101 million

Expenditure was €21.899 million lower than the estimate provision due to the Enhanced Defective Concrete Block Grant Scheme opening for applications in July 2023. Expenditure was lower than anticipated as there is a period from receipt of an application in which homeowners are assessed and grant determined before they can receive payments from the scheme. There is also a considerable time lag between grant approval and the drawdown of funding. €24 million of this underspend was transferred to other programs via supplementary estimate. €9,000 of funding vired into the subhead was carried forward to 2024 as deferred surrender.

A.23 Housing and Sustainable Communities Agency

Estimate provision €15.23 million; outturn €128.799 million

Expenditure was €113.569 million higher than the estimate provision due to Government approving the extension of the Housing for All Land Acquisition Fund. The original estimate provision for this subhead was increased as part of the supplementary estimate by €114 million which was transferred to the Housing Agency to fund the Land Acquisition Fund.

A.25 Rented accommodation inspection

Estimate provision €9 million; outturn €7.302 million

Expenditure was €1.698 million lower than the estimate provision due to lower than expected inspections by a number of local authorities, with many experiencing difficulties with staff recruitment and retention. Progress is being made on meeting targets nationally, after the levels of inspection activity fell significantly during lockdown.

A.26 Approved Housing Bodies Regulatory Authority

Estimate provision €3.085 million; outturn €2.19 million

Expenditure was €895,000 lower than the estimate provision mainly due to difficulties experienced in recruitment campaigns to fill vacant roles and delayed expenditure emanating from awaiting for legislative amendments to be enacted, which has resulted in knock-on delays to the registration programme and its related costs.

A.27 Planned maintenance/voids

Estimate provision €31 million; outturn €46 million

Expenditure was €15 million higher than the estimate provision due to the provision of support for an additional number of dwellings over and above the original target allocation which were refurbished and re-let in 2023 and for additional funding per property for specific cases. The original estimate provision for this subhead was increased as part of the supplementary estimate by €15 million. LPT funding was used to fund additional scheme expenditure, the value in 2023 was €22,000.

A.28 Cost rental equity loan

Estimate provision €75 million; outturn €174.613 million

Expenditure was €99.613 million higher than the estimate provision mainly due to funding of €60 million for the new Secure Tenancy Affordable Rental (STAR) scheme included under this subhead for 2023, and an increase in cost rental projects requiring funding in 2023. The original estimate provision for this subhead was increased as part of the supplementary estimate by €120 million. €20.387 million was carried forward to 2024 as deferred surrender, of which €20 million is ring fenced for the STAR scheme.

A.29 DPGS/improvements/remedials

Estimate provision €25 million; outturn €19.998 million

Expenditure was €5.002 million lower than the estimate provision due to a lower number of claims submitted to the Department, by local authorities under the Disabled Person Grant Scheme, than anticipated. €5.002 million of the underspend was carried forward to 2024 as deferred surrender. Similar to previous years, LPT funding was used to fund additional scheme expenditure, the value in 2023 was €558,000.

A.30 First Home Scheme

Estimate provision €50 million; outturn €40 million

The First Home Scheme Ireland DAC drew down €40 million in fulfilment of the commitments of the state as part of the joint venture. The remaining €10 million was transferred to other programs via virement.

A.31 Affordable Housing Fund

Estimate provision €90 million; outturn €19.759 million

Expenditure was €70.241 million lower than the estimate provision as fewer local authorities than anticipated submitted AHF claims in 2023. Expenditure will increase significantly as projects progress through construction. €70 million of this underspend was transferred to other programs via supplementary estimate. €241,000 was carried forward to 2024 as deferred surrender.

A.32 Croí Cónaithe Fund

Estimate provision €30 million; outturn €7.117 million

Expenditure was €22.883 million lower than the estimate provision. The subhead funds schemes under Croí Cónaithe Cities and Croí Cónaithe Towns. €17.26 million underspend relates to the Croí Cónaithe Towns scheme: the main scheme, the Vacant Property Refurbishment Grant, was only commenced in July 2022, and there is a time lag of approx. 13 months between grant approval and drawdown as works have to be completed before drawdown occurs. €5.623 million underspend relates to the Croí Cónaithe Cities scheme which had a delay in concluding agreements pending state aid approval from the EU Commission, which was not received until February 2023. Funding under the scheme can only be paid out after an apartment is sold, with apartment construction taking two years to complete. No funding was paid out during 2023 and expenditure was thus constrained to administrative costs. €18.7 million of this underspend was transferred to other programs via supplementary estimate. €2.073 million of this underspend was carried forward to 2024 as deferred surrender.

A.33 Social Housing PPP Programme

Estimate provision €30 million; outturn €21.904 million

Expenditure was €8.096 million lower than the estimate provision due to a lower level of claims being received than anticipated in relation to professional fees to support the design and development of new projects. €8.096 million of the underspend was carried forward to 2024 as deferred surrender.

Programme B Water Services

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
B.1	Administration − pay				
	Original	3,855			
	Supplementary	(487)			
			3,368	6,946	6,571
B.2	Administration −non pay		703	795	647
B.3	Water quality programme				
	Original	31,787			
	Supplementary	(2,100)			
			29,687	24,952	20,646
B.4	Rural water programme				
	Original	67,650			
	Supplementary	(10,000)			
			57,650	61,553	54,520
B.5	Uisce Éireann				
	Original	1,557,200			
	Deferred Surrender	95,800			
	Supplementary	(2,500)			
			1,650,500	1,650,316	1,415,040
B.6	Local authorities		13,600	10,234	12,771
B.7	Legacy water environmental issues				
	Original	8,000			
	Supplementary	(6,000)			
			2,000	413	287
B.8	Marine environment		4,355	2,348	1,688
B.9	Water Advisory Body		320	9	47
B.10	Other services		34	—	—
			1,762,217	**1,757,566**	**1,512,217**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

B.3 Water quality programme

Estimate provision €31.787 million; outturn €24.952 million

Expenditure was €6.835 million lower than the estimate provision mainly due to the delay in the finalisation of the river basin management plan, which resulted in delays in the approval of and start of various work programmes, events and activities. Other delays on programme costs were caused by staffing challenges such as unforeseen job vacancies and difficulties filling posts in the local authority sector. Also funding in regard to the EU INTERREG V (environmental measures) Programme is multiannual, with the amount required in any given year being dependent on the amount drawn down in the previous year. €161,000 of the underspend was carried forward to 2024 as deferred surrender.

B.4 Rural water programme

Estimate provision €67.650 million; outturn €61.553 million

Expenditure was €6.097 million lower than the estimate provision and reflects the fact that projects under the rural water programme can be complex, taking a number of years to complete which can impact on expenditure compared to projections. Additionally, the measure for waste water collection and treatment needs for villages without access to public waste water services had no expenditure in 2023 as approval of funding for seven specific projects was not announced until late Q4 2023. €3.146 million of this underspend was carried forward to 2024 as deferred surrender.

B.6 Local authorities

Estimate provision €13.6 million; outturn €10.234 million

Expenditure was €3.366 million lower than the estimate provision mainly due to a lower than anticipated requirement for recoupment of legacy water services loans held by local authorities and the varying finance costs of the loans. In addition, savings arose as a result of lower than anticipated requirement for recoupment of expenditure by local authorities on the operation of the Water Services Transition Office and in relation to work on water services asset transfers to Úisce Éireann.

B.7 Legacy water environmental issues

Estimate provision €8 million; outturn €413,000

Expenditure was €7.587 million lower than the estimate provision mainly due to an underspend on developer provided infrastructure projects. There was also a lower than expected uptake on the demand-led lead remediation grant scheme. €1.587 million of this underspend was carried forward to 2024 as deferred surrender.

B.8 Marine environment

Estimate provision €4.355 million; outturn €2.348 million

Expenditure was €2.007 million lower than the estimate provision mainly due to a reduced funding drawdown by external agencies because of a delay in commencing some elements of support work. €436,000 of this underspend was carried forward to 2024 as deferred surrender.

B.9 Water Advisory Body

Estimate provision €320,000; outturn €9,000

Expenditure was €311,000 lower than the estimate provision as a result of the Water Advisory Body being dissolved with effect from 28 April 2023.

Programme C Local Government

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay				
	Original	9,080			
	Supplementary	(641)			
			8,439	10,908	10,315
C.2	Administration − non pay		1,890	1,565	1,471
C.3	Local Government Fund				
	Original	421,318			
	Supplementary	83,664			
			504,982	520,216	387,501
C.4	Fire and emergency services				
	Original	23,815			
	Supplementary	8,000			
			31,815	32,853	23,716
C.5	Franchise		4,032	3,003	2,084
C.6	Valuation Tribunal		1,995	1,167	1,148
C.7	Shared Island LA Development Fund		5,000	3,328	—
C.8	Other services				
	Original	3,580			
	Supplementary	14,470			
			18,050	10,290	1,323
			576,203	**583,330**	**427,558**

Significant variations
The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

C.3 Local Government Fund

Estimate provision €421.318 million; outturn €520.216 million

Expenditure was €98.898 million higher than the estimate provision reflecting the provision of a supplementary estimate of €83.664 million and the virement of additional funds into the Subhead. The requirement for additional funds beyond the original estimate was due to the need for additional supports in a number of areas within the sector including the transfer of a number of Shannon heritage sites, support to Dublin City Council following the city riots in November and funds to be carried over for payment in 2024, in relation to stranded costs associated with the water transformation programme.

C.4 Fire and emergency services

Estimate provision €23.815 million; outturn €32.853 million

Expenditure was €9.038 million higher than the estimate provision and reflects an €8 million additional funds provided in the supplementary estimate and also the virement of additional funds into the Subhead. These were necessary due to additional expenditure being incurred to support local authorities with the costs associated with the Workplace Relations Commission (WRC) agreement and also increased infrastructure construction project costs (station builds/refurbishments) as a result of ongoing inflation in the construction sector. Additional costs were also incurred in progressing the renewal of frontline emergency fleet and specialist fire appliances. €44,000 was carried forward to 2024 as deferred surrender.

C.5 Franchise

Estimate provision €4.032 million; outturn €3.003 million

Expenditure was €1.029 million lower than the estimate provision mainly due to lower than anticipated expenditure on data quality work for the electoral registration modernisation project due to timing issues; in addition, funds set aside for unplanned polls were not required in 2023 and no expenditure was incurred in relation to Limerick Mayor election as the Bill was not yet enacted. €215,000 was carried forward to 2024 as deferred surrender.

C.6 Valuation Tribunal

Estimate provision €1.995 million; outturn €1.167 million

Expenditure was €828,000 lower than the estimate provision due to a number of factors, which include, a delay in recruiting additional staff, a delay in the upgrade of the Valuation Tribunal database and a reduction in the need for appeals to be held offsite. €225,000 was carried forward to 2024 as deferred surrender.

C.7 Shared Island LA Development Fund

Estimate provision €5 million; outturn €3.328 million

Expenditure was €1.672 million lower than the estimate provision due to 2023 project costs being lower than expected with some projects not expected to be concluded until June 2024, and one project not proceeding. €1.672 million was carried forward to 2024 as deferred surrender from this subhead.

C.8 Other services

Estimate provision €3.58 million; outturn €10.29 million

Expenditure was €6.71 million higher than the estimate provision. The original estimate provision for this subhead was increased by a supplementary estimate of €14.47 million in November to meet projected expenditure to local authorities related to response and clean up following severe weather events that caused exceptional damage and for recoupment of claims received in respect of malicious injuries, which is demand led and difficult to predict. Savings arose due to the election of the Mayor of Limerick not taking place in 2023 and the cost to local authorities relating to the response and clean up following severe weather events being less than predicted. €2,000 was carried forward to 2024 as deferred surrender.

Programme D Planning

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
D.1	Administration − pay				
	Original	7,720			
	Supplementary	(392)			
			7,328	5,821	5,522
D.2	Administration − non pay		1,585	1,243	1,099
D.3	An Bord Pleanála		26,879	30,879	22,166
D.4	Planning Tribunal		1,600	31	1,364
D.5	Office of the Planning Regulator		4,408	3,988	3,588
D.6	Planning policy		2,000	1,878	603
D.7	National, regional and urban planning		2,283	2,018	2,011
D.8	Planning spatial data		500	500	263
D.9	Urban renewal/regeneration				
	Original	136,010			
	Supplementary	(28,000)			
			108,010	123,939	45,156
D.10	Ordnance Survey Ireland		2,045	2,044	19,578
D.11	Land Development Agency		5,750	1,123	534
D.12	Foreshore		3,726	1,305	687
D.13	Marine spatial planning		2,205	438	733
D.14	EU and international planning regulation		350	164	123
D.15	Maritime Area Regulatory Authority		4,345	2,209	471
D.16	LA planning resources and supports				
	Original	5,400			
	Supplementary	(2,000)			
			3,400	50	—
D.17	Other services				
	Original	17,245			
	Supplementary	(15,000)			
			2,245	2,275	2,813
			178,659	**179,905**	**106,711**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

D.3 An Bord Pleanála

Estimate provision €26.879 million; outturn €30.879 million

Expenditure was €4 million higher than the estimate provision. Funding was provided via a virement from other subheads to meet additional legal costs.

D.4 Planning Tribunal

Estimate provision €1.6 million; outturn €31,000

Expenditure was €1.569 million lower than the estimate provision due to expenditure drawdown being dependent on the submission of claims for third party costs which are difficult to predict. A significant third party claim had been anticipated in 2023 but did not materialise.

D.5 Office of the Planning Regulator

Estimate provision €4.408 million; outturn €3.988 million

Expenditure was €420,000 lower than the estimate provision due to recruitment issues and the timing of drawdowns.

D.6 Planning policy

Estimate provision €2 million; outturn €1.878 million

Expenditure was €122,000 lower than the estimate provision due to expenditure on ePlanning Project being lower than expected.

D.7 National regional and urban planning

Estimate provision €2.283 million; outturn €2.018 million

Expenditure was €265,000 lower than the estimate provision primarily due to a research and evidence-based project for Urban Development Zones not proceeding, as the supporting legislation was delayed.

D.9 Urban renewal/regeneration

Estimate provision €136.01 million; outturn €123.939 million

Expenditure was €12.071 million lower than the original estimate provision due to a number of the larger scale capital projects not progressing as early as anticipated in 2023. €66,000 from the subhead is carried forward to 2024 as deferred surrender.

D.11 Land Development Agency

Estimate provision €5.75 million; outturn €1.123 million

Expenditure in 2023 was €4.627 million lower than the estimate provision due to capital expenditure being lower than expected for non-economic functions. In addition, exchequer funding for the Land Development Agency (LDA) only covers specific non-economic functions as detailed under S.29 of the LDA Act, where the scope of work eligible under the section was lower than predicted. €4.096 million from the subhead is carried forward to 2024 as deferred surrender.

D.12 Foreshore

Estimate provision €3.726 million; outturn €1.305 million

Expenditure was €2.421 million lower than the estimate provision due to spend on legal fees settlements being less than estimated.

D.13 Marine spatial planning

Estimate provision €2.205 million; outturn €438,000

Expenditure was €1.767 million lower than the estimate provision due to delays in the development of a number of schemes, including a new consent management system, and lower than expected Marine Institute staffing costs.

D.14 EU and international planning regulation

Estimate provision €350,000; outturn €164,000

Expenditure was €186,000 lower than the estimate provision due to delays in the commencement of some projects requiring Strategic Environmental Assessment. In addition, no transboundary consultations arose in 2023.

D.15 Maritime Area Regulatory Authority

Estimate provision €4.345 million; outturn €2.209 million

Expenditure was €2.136 million lower than the estimate provision due to delays with recruitment of staff and consultancy contracts relating to the establishment of MARA as an agency.

D.16 LA planning resources and supports

Estimate provision €5.4 million; outturn €50,000

Expenditure was €5.35 million lower than the estimate provision due to the timing of DPENDR staffing approval (end Q3 2023) and the subsequent HR processes involved in filling 100 new full-time permanent posts in local authority planning departments.

D.17 Other services

Estimate provision €17.245 million; outturn €2.275 million

Expenditure was €14.97 million lower than the estimate provision due to delays incurred on the Cork Event Centre project.

Programme E Met Éireann

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
E.1	Administration − pay				
	Original	17,311			
	Supplementary	(1,109)			
			16,202	16,279	14,871
E.2	Administration − non pay		23,062	12,615	12,074
E.3	Subs to international meteorological organisations		8,850	8,038	8,167
E.4	Flood forecasting and warning service		7,205	1,309	1,006
			55,319	**38,241**	**36,118**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

E.3 Subs to international meteorological organisations

Estimate provision €8.85 million; outturn €8.038 million

Expenditure was €812,000 lower than the estimate provision due to a revision downwards from the estimated cost.

E.4 Flood forecasting and warning service

Estimate provision €7.205 million; outturn €1.309 million

Expenditure was €5.896 million lower than the estimate provision due to delays in flood forecast development projects and some modelling systems not yet being operational. The delays resulted from resourcing and supply chain issues. €5.874 million of the underspend was carried forward into 2024 as deferred surrender.

Programme F Heritage

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
F.1	Administration – pay				
	Original	53,372			
	Supplementary	(2,880)			
			50,492	38,206	32,414
F.2	Administration − non pay		9,731	8,238	6,008
F.3	Heritage Council (part funded by the National Lottery)		14,341	14,341	11,445
F.4	Built heritage		19,970	18,425	15,711
F.5	National heritage (National Parks and Wildlife)				
	Original	42,582			
	Supplementary	21,000			
			63,582	62,924	31,523
F.6	Irish Heritage Trust		2,850	3,600	2,500
F.7	Built heritage investment scheme		4,000	4,116	3,739
F.8	Peatlands restoration, conservation and management				
	Estimate provision	10,280			
	Deferred surrender	4,200			
			14,480	10,030	9,094
F.9	Waterways Ireland		50,068	50,068	44,952
F.10	Strategic built heritage projects				
	Original	7,350			
	Supplementary	(5,000)			
			2,350	1,102	2,917
F.11	Climate adaptation		200	113	119
F.12	Narrow Water bridge		750	750	2,899
F.13	Other services		43	1,091	27
			232,857	**213,004**	**163,348**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

F.4 Built heritage

Estimate provision €19.970 million; outturn €18.425 million

Expenditure was €1.545 million lower than the estimate provision due to projects progressing slower than anticipated. €943,000 of this underspend was carried forward to 2024 as deferred surrender.

F.5 National heritage (National Parks and Wildlife)

Estimate provision €42.582 million; outturn €62.924 million

Expenditure was €20.342 million higher than estimated due to additional funding being provided to meet the cost of strategic land acquisition for the creation of a new national park at Dowth and increased land held by the Department within the Burren - a globally important ecological site. The original estimate provision was increased as part of the supplementary estimate by €21 million. €202,000 was carried forward to 2024 as deferred surrender.

F.6 Irish Heritage Trust

Estimate provision €2.85 million; outturn €3.6 million

Expenditure was €750,000 higher than the estimate provision due to essential repair works to the roof at Johnstown Castle. €750,000 was vired into this programme.

F.8 Peatlands restoration, conservation and management

Estimate provision €14.48 million; outturn €10.03 million

Includes deferred surrender of €4.2 million carried forward from 2022. Expenditure levels were €4.45 million lower than the estimate provision due to lower than anticipated level of expenditure on the NPWS protected raised bog restoration programme as some peatlands conservation projects works did not progress as expected due to extremely wet weather and poor ground conditions in late 2023. €4.45 million of this underspend was carried forward to 2024 as deferred surrender.

F.10 Strategic built heritage projects

Estimate provision €7.35 million; outturn €1.102 million

Expenditure was €6.248 million lower than the estimate provision mainly due to revisions to the scope of the Trinity Old Library Project, resulting in delays to the commencement of construction and Moore Street national monument works not proceeding as expected in 2023. €98,000 of this underspend was carried forward to 2024 as deferred surrender.

F.13 Other services

Estimate provision €43,000; outturn €1.091 million

Expenditure was €1.048 million higher than the estimate provision due to legal expenses paid in 2023. Given that litigation costs are demand led it is not always possible to correctly predict costs or payment schedules for legal cases in a given year. €1.049 million was vired into this programme.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023			2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
1	Fees payable by local authorities, etc., for audit of their accounts		1,930	2,262	2,120
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		10,000	9,837	9,723
4	Foreshore receipts		2,400	5,759	7,682
5	OSI		70	64	398
6	Receipts from additional superannuation contributions on public service remuneration		41,050	48,846	43,368
7	ERDF receipts INTERREG V environment measure		2,500	4,158	2,157
8	Dormant Accounts Fund – Housing First Implementation		3,000	3,000	3,000
9	ERDF receipts – INTERREG Atlantic Area Programme		120	81	67
10	ERDF receipts – RAGES Project		—	—	—
11	Services and charges at national parks and wildlife sites		465	748	400
12	Rents (incl. receipts from lettings of fishing rights etc.)		90	175	78
13	Valuation Tribunal appeal fees		430	343	61
14	Dormant Account Fund - traveller accommodation		620	382	288
15	MARA receipts				
	Original	11,000			
	Supplementary	(7,247)			
			3,753	—	—
16	Miscellaneous receipts		755	1,250	1,295
			67,924	**77,646**	**71,378**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, the appropriation in-aid were €2.475 million greater than the estimate.

1 Fees payable by local authorities, etc., for audit of their accounts

Estimate provision €1.93 million; realised: €2.262 million

The increase of €332,000 was due to higher than expected demands for audit fees being issued and income received in 2023.

4 Foreshore receipts

Estimate provision €2.4 million; realised: €5.759 million

The increase of €3.359 million was mainly due to the receipt of rental arrears following a revision in 2023 of arrears collection procedures.

6 Receipts from additional superannuation contributions on public service remuneration

Estimate provision €41.05 million; realised €48.846 million

The increase of €7.796 million was mainly attributable to an increased level of recruitment and remuneration in the local authority sector along with some 2022 superannuation contributions being received in 2023.

7 ERDF receipts INTERREG V environment measure

Estimate provision €2.5 million; realised €4.158 million

The increase of €1.658 million relates directly to drawdown in B.3.4, this can vary based on how much is drawn down in any one year.

11 Services and charges at national parks and wildlife sites

Estimate provision €465,000; realised €748,000

The increase of €283,000 is mainly due to Glenveagh National Park visitor centre being open for the full year in 2023 along with an increase in licence fees and the sale of livestock in other parks.

14 Dormant Account Fund - traveller accommodation

Estimate provision €620,000; realised €382,000

The shortfall of €238,000 relates mainly to a number of local authorities experiencing issues with material supply, availability of contractors and delays in accessing training services, resulting in some approved Dormant Account projects not being completed before year end.

15 MARA receipts

Estimate provision €11 million; realised €nil

The shortfall of €11 million relates mainly to MARA receipts received by Department of the Environment, Climate and Communications being returned in error to the Central Exchequer and the provision was adjusted downwards through supplementary estimates.

16 Miscellaneous receipts

Estimate provision €755,000; realised €1.25 million

The increase of €495,000 was because miscellaneous receipts are difficult to predict reliably.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Housing refunds	8,203	—
Refunds under Local Authority Social Housing Investment Programme (SHIP)	6,066	80
Residential Tenancies Board pension contributions	122	121
Redemption of projects funded under the Voluntary Housing Capital Assistance scheme	80	310
Voluntary surrender of pay	54	53
Refund under repair and leasing scheme	41	—
Transferred to the Exchequer	(14,566)	(564)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	1,675	1,560
Ordnance Survey Ireland	—	213
Local Government Management Agency	109	107
An Bord Pleanála	241	197
Residential Tenancies Board	91	90
Housing and Sustainable Communities Agency	156	133
Housing Finance Agency	19	19
Office of the Planning Regulator	36	28
Land Development Agency	3	70
The Heritage Council	26	25
Approved Housing Bodies Regulatory Authority	27	19
Waterways Ireland	362	340
MARA	23	—
Total [a]	**2,768**	**2,801**

Note [a] Staff numbers for agencies are only the staff funded by the Department, and not all staff of the Agency.

5.2 Pay – Department

	2023 €000	2022 €000
Pay	93,384	83,832
Higher, special or additional duties allowances	563	481
Other allowances	1,937	1,831
Overtime	1,395	1,150
Employer's PRSI	8,710	7,562
Total pay	**105,989**	**94,856**

5.2 Pay – agencies

	2023 €000	2022 €000
Pay	58,869	68,282
Higher, special or additional duties allowances	155	86
Other allowances	1,554	1,699
Overtime	1,199	1,104
Employer's PRSI	5,718	6,395
Total pay	**67,495**	**77,566**

5.3 Allowances and overtime payments – Department [a]

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	220	13	36,718	40,482
Other allowances	201	85	33,596	36,350
Overtime	267	30	40,476	36,994
Extra remuneration in more than one category	212	79	57,963	45,859

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	
			2023	2022
			€	€
Higher, special or additional duties allowances	29	5	15,504	8,000
Other allowances	285	55	15,467	18,496
Overtime	335	30	23,213	27,000
Extra remuneration in more than one category	228	143	37,629	38,279

5.4 Department staffing by pay band

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

Pay band		Number of employees	
From (€)	To (€)	2023	2022
20,000	59,999	963	946
60,000	69,999	165	111
70,000	79,999	149	167
80,000	89,999	151	122
90,000	99,999	73	54
100,000	109,999	50	50
110,000	119,999	45	24
120,000	129,999	13	8
130,000	139,999	2	4
140,000	149,999	2	1
150,000	159,999	2	—
160,000	169,999	6	6
170,000	179,999	2	1
180,000	199,999	—	—
200,000	209,999	—	1
210,000	219,999	—	—
220,000	229,999	—	1
230,000	239,999	—	—
240,000	249,999	—	—
250,000	259,999	—	—
260,000	269,999	1	—

5.5 Other remuneration arrangements

Twenty retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €49,944. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €175,288 in respect of three officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	58	138,531	124,139
Recovery plans in place	9	43,700	12,034

5.7 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	261 [a]	224
	261	**224**

Note [a] Includes arrears of €19,000.

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the 2013 Single Public Service Pension Scheme and his entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year of appointment	Cumulative expenditure to the end of 2023	2023	2022
		€000	€000	€000
Tribunal of inquiry into certain planning matters and payments [a]	1997	142,695	31	1,364
Fixed purpose commissions				
Housing Commission [b]	2021	2,206	1,947	259
		144,901	**1,978**	**1,623**

Note [a] 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 an estimate of expenditure to the end of 2024, additional costs of some €1.5 million may arise, primarily relating to third party legal representation.

[b] In line with commitments in the *Programme for Government* and *Housing for All: A New Housing Plan for Ireland*, the Housing Commission was established by Government in December 2021 to independently examine and review the housing system in Ireland. The Commission's terms of reference cover a wide range of issues connected to housing, one of which is to consider the complex constitutional issues arising in this area and to propose appropriate wording for a referendum on housing. The Commission is scheduled to conclude its work by end of Q2 2024.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year [a]

	Claims by employees	Claims by members of the public	EU fines	Total 2023	Total 2022
Number of cases	—	17	1	18	14
	€000	€000	€000	€000	€000
Department's own legal costs	—	—	—	—	241
EU fines [b]	—	—	1,245	1,245	2,760
Payments by/on behalf of Department					
Compensation	—	164	—	164	9
Legal costs	—	2,994	—	2,994	—
Other legal costs	—	23	—	23	8
Total	**—**	**3,181**	**1,245**	**4,426**	**3,018**
2022 Total	**27**	**231**	**2,760**	**3,018**	**—**

Note [a] At 31 December 2023, the Department has included in other creditors due, €96,862 being the total outstanding legal costs due to the State Claims Agency.

[b] EU fines – Derrybrien Windfarm

Court of Justice of the Europe Union Case C261/18- Commission v Ireland (Derrybrien Wind Farm) required a retrospective environmental impact assessment to be carried out with respect to prior development consents granted for the windfarm. An Bord Pleanála refused the application on Friday 4 February 2022 and the ESB subsequently decided to decommission the wind farm. Correspondence from the Commission received 1 February 2023, indicates that Ireland has now met the terms of the judgement and daily fines being applied against the State will cease. The final instalment of €1.245 million for daily fines covering the period 13 November 2021 and 4 February 2022 was paid to the European Commission on 8 March 2023. This brings the total amount paid to €17,226,000.

Cumulative costs of cases completed in 2023

	Claims by members of the public	Total
Number of cases	8	8
	€000	€000
Department's own legal costs	—	—
EU fines	—	—
Payments by/on behalf of Department		
Compensation	100	100
Legal costs	1,859	1,859
Total	**1,959**	**1,959**

6.3 Late payment interest

	2023	2022
	€	€
Total of interest and compensation payments	**14,522**	**10,149**

6.4 National Lottery funding

			2023		2022
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
A.9	Communal facilities	500	246	78
A.18	Private housing grants	4,849	4,849	6,209
F.3	Heritage Council	14,341	14,341	11,445
		19,690	**19,436**	**17,732**

These payments are part funded by the National Lottery and details are available on the Department's website at https://www.gov.ie/en/collection/129d3-national-lottery-funding/

6.5 EU funding

The outturn shown in Subhead B.3 and B.8 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.

		2023		2022
		Estimate	Outturn	Outturn
		€000	€000	€000
Subhead description				
B.3	Water quality programme	5,262	3,902	2,176
B.8	Marine environment	75	30	30

6.6 Write-offs

The following sums were written off in the year

	2023	2022
	€	€
Foreshore – fees	12,609	—

6.7 Fraud and suspected fraud

The Department is aware of an alleged fraud involving a local authority relating to payments for the provision of water services. This case is under investigation by An Garda Síochána and the Department awaits the outcome of the investigation.

6.8 Deferred surrender

Deferred surrender comprises of savings in 2023 of €141 million in capital expenditures in the following subheads that were carried over to 2024.

		€000
v	Office equipment and external IT services	6,901
vi	Office premises expenses	1,340
A.3	Local authority housing	36,021
A.7	Capital assistance scheme	11,089
A.9	Communal facilities	255
A.10	Mortgage to rent	1,576
A.11	Capital advance leasing facility	10,500
A.12	Traveller accommodation and support	2
A.14	Housing for people with a disability and older people	328
A.15	Estate regeneration and refurbishment	2,808
A.16	Energy efficiency - retrofitting	10,079
A.17	Repair and leasing scheme	939
A.18	Private housing grants	10
A.19	Mortgage allowances	37
A.21	LIHAF	6
A.22	Defective homes remediation – cash limited	9
A.28	Cost rental equity loan	20,387
A.29	DPGS/improvements/remedials	5,002
A.31	Affordable Housing Fund	241
A.32	Croí Cónaithe Fund	2,073
A.33	Social housing PPP Programme	8,096
B.3	Water quality programme	161
B.4	Rural water programme	3,146
B.7	Legacy water environmental issues	1,587
B.8	Marine environment	436
C.4	Fire and emergency services	44
C.5	Franchise	215
C.6	Valuation Tribunal	225
C.7	Shared Island LA Development Fund	1,672
C.8	Other services	2
D.9	Urban renewal/regeneration	66
D.11	Land Development Agency	4,096
E.4	Flood forecasting and warning service	5,874
F.4	Build heritage	943
F.5	National heritage (National Parks and Wildlife)	202
F.7	Built heritage investment scheme	84
F.8	Peatlands restoration, conservation and management	4,450
F.10	Strategic built heritage projects	98
		141,000

Note 7 Fund Balances

7.1 Account of the Urban Development Fund

	2023 €000	2022 €000
Opening balance	1,428	6,683
Receipts	18,844	—
Expenditure for the year	(5,369)	(5,255)
	14,903	**1,428**

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 into the first half of 2024. 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

	2023 €000	2022 €000
Opening balance	67,754	68,070
Non-recoverable costs [a]	(105)	(363)
Interest earned	338	44
Rental income	—	3
Closing balance at 31 December [b]	**67,987**	**67,754**

Note [a] Certain costs incurred by the Housing Agency (HA), such as legal and professional fees and other housing acquisition costs, are non-recoverable and, therefore, reduce the overall balance of the Fund.

[b] €40.05 million of this balance has been repurposed for the Housing First and Cost Rental Tenant in Situ schemes.

The Housing Agency Acquisitions (HAA) fund was set up as a revolving fund that was established with effect from 1 January 2017 with the objective of acquiring vacant properties from banks, investors and from the open market (primarily for Housing First properties) in areas with high levels of social housing demand over the period to 2021. The Agency sold the houses, at cost, to approved housing bodies in order to replenish the Fund.

Under the commitment in *Housing for All*, a review of the HAA fund was completed in 2022. This review investigated the challenges faced by the Fund, the most significant of which was the reduced availability of suitable units from banks and equity funds. This was primarily due to the sale of non-performing loans to non-banking entities and changes in how non-performing loans were being dealt with. The review also explored opportunities that centred on potentially re-purposing the fund to support other initiatives within *Housing for All*, particularly for social housing applicants experiencing homelessness. During 2023 and early 2024, the Department secured the approval of the Department of Public Expenditure, NDP Delivery and Reform to re-purpose the fund for the Housing First and Cost Rental Tenant in Situ schemes.

7.3 Land Acquisition Fund

	2023 €000	2022 €000
Opening balance	125,000	—
Transfer to fund	114,000	125,000
Expenditure for the year	(31,485)	—
Interest earned	1,203	—
Closing balance at 31 December	**208,718**	**125,000**

The Land Acquisition Fund was established in December 2022. A review of land available to local authorities completed in 2022, highlighted a shortage of land available to meet *Housing for All* social housing build targets. The fund was established to facilitate the purchasing of land on behalf of local authorities, to ensure that the necessary land banks are available to meet delivery targets. The management of the fund is overseen by the Department of Housing, Local Government and Heritage and the Housing Agency is responsible for the day-to-day operation of the fund, including financial management, the acquisition process and onward transfer of the land acquired to local authorities.

An allocation of €125 million was made to the Housing Agency in December 2022 to establish the fund. In November 2023, the Fund was extended for 2024 and its remit expanded to acquire sites for affordable and mixed tenure housing delivery. €114 million was transferred to the Housing Agency in December 2023.

By the end of 2023, a total of 46 applications to the Fund had been approved with 11 acquisitions completing by 31 December 2023.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.41 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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 either are 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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

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

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, 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 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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

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

The Department has provided a nil return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

The 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.

Internal financial control issues

A duplicate payment of €3.1 million was issued in January 2024 in respect of prior year tax liability. It was subsequently reimbursed to the Vote.

No other weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Jacqui McCrum
Accounting Officer
Army Pensions

28 June 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 35 Army Pensions for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

28 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 35 Army Pensions

Appropriation Account 2023

		Estimate provision	2023 Outturn	2022 Outturn
		€000	€000	€000
Programme expenditure				
A	Provision for Defence Forces' pension benefits	294,375	290,961	278,353
Gross expenditure		**294,375**	**290,961**	**278,353**
	Deduct			
B	**Appropriations-in-aid**	**5,000**	**4,996**	**5,064**
Net expenditure		**289,375**	**285,965**	**273,289**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**3,410,172**	**1,684,953**

Jacqui McCrum
Accounting Officer
Army Pensions

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023 €000	2022 €000
Programme cost	290,883	278,276
Pay	69	70
Non pay	9	7
Gross expenditure	**290,961**	**278,353**
Deduct		
Appropriations-in-aid	4,996	5,064
Net expenditure	**285,965**	**273,289**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	3,251	2,888
Net programme cost	**289,216**	**276,177**

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.

		2023 €000	2022 €000
Vote 18	National Shared Services Office	1,294	1,077
Vote 36	Defence	1,927	1,787
Vote 43	Office of the Government Chief Information Officer	30	24
		3,251	**2,888**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Current assets			
Bank and cash		6,629	188
Other debit balances		1	1
Total current assets		**6,630**	**189**
Less current liabilities			
Other credit balances	2.1	6,012	102
Net Exchequer funding	2.2	618	87
Total current liabilities		**6,630**	**189**
Net current assets		—	—
Net assets		**—**	**—**
Represented by:			
State funding account	2.3	**—**	**—**

2.1 Other credit balances

at 31 December	2023 €000	2022 €000
Amounts due to the State		
Income tax	5,021	12
Universal social charge	819	(1)
Local property tax	124	—
Professional services withholding tax	—	1
	5,964	12
Pension payments held in suspense	48	90
	6,012	**102**

2.2 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	3,410	1,685
Exchequer grant undrawn	(2,792)	(1,598)
Net Exchequer funding	**618**	**87**
Represented by:		
Debtors		
Bank and cash	6,629	188
Debit balances: suspense	1	1
	6,630	189
Creditors		
Due to the State	(5,964)	(12)
Credit balances: suspense	(48)	(90)
	(6,012)	(102)
	618	**87**

2.3 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			—	—
Disbursements from the Vote				
Estimate provision	Account	289,375		
Surplus to be surrendered	Account	(3,410)		
Net vote			285,965	273,289
Expenditure (cash) borne elsewhere	1.1		3,251	2,888
Net programme cost	1		(289,216)	(276,177)
Balance at 31 December			**—**	**—**

Note 3 Vote Expenditure

Programme A Provision for Defence Forces' pensions benefits

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	80	78	77
A.2	Defence Forces (pensions) schemes and payments in respect of transferred service	284,332	280,924	268,705
A.3	Wound and disability pensions, allowances and gratuities to or in respect of former members of the Defence Forces	9,500	9,673	9,335
A.4	Payments to spouses of veterans of the War of Independence	100	65	84
A.5	Compensation payments	245	176	75
A.6	Medical appliances and travelling and incidental expenses	118	45	77
		294,375	**290,961**	**278,353**

Note 4 Receipts

4.1 Appropriations-in-aid

		Estimated €000	2023 Realised €000	2022 Realised €000
1	Contributions to Defence Forces spouses' and children's pension schemes	3,347	3,056	3,167
2	Contributions to Defence Forces contributory (main) pensions schemes	1,500	1,837	1,834
3	Recoveries of overpayments	40	87	50
4	Payments re transferred service	40	3	1
5	Receipts from additional superannuation contributions on public service remuneration	3	2	2
6	Miscellaneous	70	11	10
	Total	**5,000**	**4,996**	**5,064**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Contributions to Defence Forces spouses' and children's pension schemes

Estimate provision: €3.347 million; realised €3.056 million

Contributions to the spouses and children's pension schemes will vary according to personnel turnover changes, pensionable earnings and career progression across the Permanent Defence Force. The level of receipts is therefore difficult to predict in any given year.

2 Contributions to Defence Forces contributory (main) pensions schemes

Estimate €1.5 million; realised €1.837 million

Part of the surplus of €337,000 was due to additional contributions arising from arrears payments made to serving staff under the extended Building Momentum Agreement. Contributions will vary according to personnel turnover changes, 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	2023	2022
Number of staff	**1**	**1**

5.2 Pay

	2023 €000	2022 €000
Pay	68	68
Employer's PRSI	1	2
Total pay [a]	**69**	**70**

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 the two civilian members of the Board in 2023. These pay costs and associated travel costs of €9,000 are charged to the A.1 subhead.

Currently there are 22.7 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 €1,246,132 is charged to Vote 36.

5.3 Retirement pension (annual) – average payments to retired Defence Forces personnel [a]

Category of pensioner	Number of pension recipients at year-end		Average individual payment	
	2023	2022	2023	2022
			€	€
Retired officers	1,868	1,856	34,828	33,675
Retired NCOs and privates	9,579	9,422	19,030	18,316
Dependants and other [b]	1,849	1,835		
Total	**13,296**	**13,113**		

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 A.2.

[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 1,443 recipients in 2023 was €10,082 compared to 1,431 recipients with an average amount of €9,858 in 2022.

5.4 Retirement gratuity (lump sum) – average payments where retiring on pension [a]

Category of pensioner	Number of recipients		Average individual payment	
	2023	2022	2023	2022
			€	€
New retirees on pension during the year				
Officers	46	29	102,426	104,299
NCOs and privates	307	378	44,878	40,964
Total	**353**	**407**		

Note [a] The level of pension and retirement gratuity varies with retiring rank, pensionable earnings, overall reckonable service etc.

5.5 Salary of Accounting Officer

The Accounting Officer's salary is charged to Vote 36 Defence.

Note 6 Miscellaneous

6.1 Payments in excess of entitlements

There were 105 overpayments outstanding at year end (2022: 85), amounting to €94,840 of which €50,920 relates to previous years. Overpayments of €101,327 came to light in 2023 of which €54,768 were recovered and €2,639 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.

		2023	2022
	€	€	€
Opening balance		75,720	83,659
Overpayments identified in year		101,327	103,128
		177,047	186,787
Recouped			
Overpayments identified 2023	54,768		
Overpayments identified pre-2023	11,168	65,936	103,054
		111,111	83,733
Written off			
Overpayments identified 2023	2,639		
Overpayments identified pre-2023	13,632	16,271	8,013
Closing balance		**94,840**	**75,720**

6.2 Payments subject to public service pension abatement

Separately from the figures at 6.1 above, there were 18 other overpayments outstanding at year-end amounting to €47,887(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. The pension overpayments arose primarily 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 €35,030 came to light in 2023 in respect of five cases, of which €28,337 has been recovered.

		2023	2022
	€	€	€
Opening balance		**47,612**	**53,969**
Overpayments identified in the year		35,030	3,672
		82,642	57,641
Recouped			
Overpayments identified 2023	28,337		
Overpayments identified pre-2023	6,418	34,755	10,029
Closing balance		**47,887**	**47,612**

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €18.088 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account, except for the following.

Inventory valuation

Military inventories are valued at average cost and include certain items that have been refurbished. Civil Defence inventories are valued at purchase price.

Capital assets

The threshold for inclusion of capital asset additions for government departments and offices in the statement of capital assets increased to €10,000 for an individual asset with effect from 1 January 2021. Since this date, the Department of Defence continues to record additions to capital assets at individual values of less than €10,000.

Land and buildings are not valued and are not included in property, plant and equipment (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 2.3 – 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.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 5 years	20%
Acquired/developed software	5-10 years	20%-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 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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

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

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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of 103 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of four contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €147,385 (exclusive of VAT) as set out below:

- €126,039 related to payments to two suppliers where the contract went beyond its original term
- €21,346 related to payments to two suppliers where the contract increased beyond the original estimated value.

Each of these four procurements have been reviewed by the Department, and steps are being taken to bring them into compliance with the relevant procurement rules as quickly as possible.

The above contracts have been included in the 40/2002 annual return referenced above.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Jacqui McCrum
Accounting Officer
Department of Defence

28 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 36 Defence for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

20 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 36 Defence

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Defence policy and support, military capabilities and operational outputs	915,362	906,394	835,922
Gross expenditure		**915,362**	**906,394**	**835,922**
	Deduct			
B	**Appropriations-in-aid**	**24,907**	**34,027**	**33,659**
Net expenditure		**890,455**	**872,367**	**802,263**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**18,088,265**	**9,948,066**

Jacqui McCrum
Accounting Officer
Department of Defence

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		871,998	804,808
Administration pay		24,128	22,069
Administration non pay		10,268	9,045
Gross expenditure		**906,394**	**835,922**
Deduct			
Appropriations-in-aid		**34,027**	**33,659**
Net expenditure		**872,367**	**802,263**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(115,738)		
Depreciation	68,318		
Disposals cash	105		
Loss on disposals	1,222		
Intangible assets (note 2.2)			
Purchases	(3,247)		
Amortisation	725		
Loss on disposals	252		
Assets under development (note 2.3)			
Cash payments	(35,709)		
		(84,072)	(71,428)
Changes in net current assets			
Increase in inventories	(699)		
Decrease in prepayments	6,516		
Decrease in accrued income	342		
Increase in accrued expenses	4,943		
Decrease in deferred income	(1)		
		11,101	(23,707)
Direct expenditure		**799,396**	**707,128**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)	16,874		
Notional rents	1,339		
		18,213	14,068
Net programme cost		**817,609**	**721,196**

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.

		2023 €000	2022 €000
Vote 1	President's Establishment	(496)	(486)
Vote 2	Department of the Taoiseach	(89)	(86)
Vote 9	Office of the Revenue Commissioners	33	44
Vote 12	Superannuation and Retired Allowances	17,140	12,915
Vote 13	Office of Public Works	604	600
Vote 18	National Shared Services Office	880	929
Vote 35	Army Pensions	(1,927)	(1,787)
Vote 41	Garda Síochána	81	—
Vote 43	Office of the Government Chief Information Officer	508	460
Central Fund – ministerial pensions		140	140
		16,874	**12,729**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment [a]	2.1	739,914	562,586
Intangible assets [a]	2.2	4,654	2,384
Capital assets under development	2.3	27,919	5,952
Total fixed assets		**772,487**	**570,922**
Current assets			
Bank and cash	2.4	15,583	19,562
Inventories	2.5	255,668	254,969
Prepayments	2.6	136,342	274,819
Accrued income	2.7	3,699	4,041
Other debit balances	2.8	846	1,351
Total current assets		**412,138**	**554,742**
Less current liabilities			
Accrued expenses	2.9	9,609	5,392
Deferred income	2.10	47	48
Other credit balances	2.11	13,019	15,726
Net Exchequer funding	2.12	3,410	5,187
Total current liabilities		**26,085**	**26,353**
Net current assets		386,053	528,389
Net assets		**1,158,540**	**1,099,311**
Represented by:			
State funding account	2.13	**1,158,540**	**1,099,311**

Note [a] As part of the transition to wider accrual reporting, capital assets have been separated into two classes: intangible assets, and property, plant and equipment. Comparatives have been restated for consistency.

2.1 Property, plant and equipment [a]

	Military equipment	Civil Defence equipment	Office furniture and IT equipment	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	1,355,170	4,722	27,514	1,387,406
Additions	246,706	243	24	246,973
Disposals	(14,583)	(150)	(2,276)	(17,009)
At 31 December 2023	1,587,293	4,815	25,262	1,617,370
Accumulated depreciation				
At 1 January 2023	800,941	3,012	20,867	824,820
Depreciation for the year	65,060	332	2,926	68,318
Depreciation on disposals	(13,713)	(102)	(1,867)	(15,682)
At 31 December 2023	852,288	3,242	21,926	877,456
Net assets				
At 31 December 2023 [b]	**735,005**	**1,573**	**3,336**	**739,914**
At 31 December 2022	554,229	1,710	6,647	562,586

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.

[b] With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software €000
Cost or valuation	
At 1 January 2023	28,313
Additions	3,247
Disposals	(4,479)
At 31 December 2023	27,081
Accumulated amortisation	
At 1 January 2023	25,929
Amortisation for the year	725
Amortisation on disposals	(4,227)
At 31 December 2023	22,427
Net assets	
At 31 December 2023	**4,654**
At 31 December 2022	2,384

Note [a] The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were included in property, plant and equipment in prior years.

2.3 Capital assets under development

	Construction contracts €000
Amounts brought forward at 1 January 2023	5,952
Cash payments in the year	35,709
Projects completed[a]	(13,742)
Amounts brought forward at 31 December 2023	**27,919**

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 property, plant and equipment assets.

2.4 Bank and cash

at 31 December	2023 €000	2022 €000
PMG balance	13,215	18,083
Other bank and cash account balances	2,368	1,479
	15,583	**19,562**

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 2023 was €42,523 (2022: €28,306). This balance is not included in the 'bank and cash' amount shown above.

2.5 Inventories

at 31 December	2023 €000	2022 €000
Military inventories[a]	254,822	254,083
Civil Defence	846	886
	255,668	**254,969**

Note [a] Write-offs and obsolete military inventory in the year amounted to €4.499 million.

2.6 Prepayments

at 31 December	2023 €000	2022 €000
Military transport aircraft	42,356	27,206
Inshore patrol vessels	34,238	18,593
Software defined radios	30,425	—
Medium reconnaissance vehicle (MRV)	6,474	—
Armoured personnel carrier fleet maintenance and upgrade programme	3,863	4,344
Aircraft maintenance and training	2,709	7,277
Maritime patrol aircraft	—	185,109
Modernisation of primary armament	—	6,101
Mid-life refit of LÉ Niamh	—	5,878
Troop carrying vehicles	—	3,700
Other	16,277	16,611
	136,342	**274,819**

2.7 Accrued income

at 31 December	2023 €000	2022 €000
Troop/equipment funding due from overseas missions	3,400	3,500
Due for services	299	541
	3,699	**4,041**

2.8 Other debit balances

at 31 December	2023 €000	2022 €000
Payroll	9	6
Imprests	637	354
Cycle to work scheme	82	240
Travel pass scheme	25	38
Other suspense	93	713
	846	**1,351**

2.9 Accrued expenses

at 31 December	2023 €000	2022 €000
Programme accruals – current	2,407	2,060
Programme accruals – capital	7,052	3,146
Administration expenses	150	186
	9,609	**5,392**

2.10 Deferred income

at 31 December	2023 €000	2022 €000
Rental income	47	48
	47	**48**

2.11 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	12	4
Pay related social insurance	4	(1)
Professional services withholding tax	532	406
Value added tax	11,483	14,092
Pension contributions	8	15
Universal social charge	2	1
Relevant contracts tax	191	64
	12,232	14,581
Payroll deductions held in suspense	5	5
Other credit suspense items	782	1,140
	13,019	**15,726**

2.12 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	18,088	9,948
Exchequer grant undrawn	(14,678)	(4,761)
Net Exchequer funding	**3,410**	**5,187**
Represented by:		
Debtors		
Bank and cash	15,583	19,562
Debit balances: suspense	846	1,351
	16,429	20,913
Creditors		
Due to the State	(12,232)	(14,581)
Credit balances: suspense	(787)	(1,145)
	(13,019)	(15,726)
	3,410	**5,187**

2.13 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			1,099,311	1,028,224
Disbursements from the Vote				
Estimate provision	Account	890,455		
Surplus to be surrendered	Account	(18,088)		
Net Vote			872,367	802,263
Expenditure (cash) borne elsewhere	1.1		16,874	12,729
Capital assets under development completed in the year	2.3		(13,742)	(24,048)
Non cash expenditure – notional rents	1		1,339	1,339
Net programme cost	1		(817,609)	(721,196)
Balance at 31 December			**1,158,540**	**1,099,311**

2.14 Commitments

a) Legally enforceable commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	5,236	6,271
Capital projects [a]	161,944	187,456
Total of legally enforceable commitments	**167,180**	**193,727**

b) Major capital projects

	Cumulative expenditure to 31 December 2022 €000	Expenditure in 2023 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2023 €000	Expected total spend lifetime of project 2022 €000
Maintenance and upgrade programme for armoured personnel carriers	91,325	1,322	5,482	98,129	98,129
Mid-life refit of LÉ Niamh	10,126	3,188	186	13,500	12,300
Maritime patrol aircraft	185,109	43,537	—	228,646	228,299
Troop carrying vehicles	15,045	8,341	1,214	24,600	24,600
Next Generation Working Environment (NGWE)	609	8,701	10,190	19,500	19,500
Military transport aircraft	27,206	15,150	30,298	72,654	68,015
Inshore patrol vessels	18,593	15,645	2,605	36,843	36,843 [a]
Upgrade former USAC block	417	4,629	5,248	10,294	10,029
Software defined radios	—	30,425	46,558	76,983	—
Medium reconnaissance vehicles (MRV)	—	6,474	13,433	19,907	—
McKee barracks – Block F upgrade	—	7,467	7,702	15,169	—
Demountable rack offload and pick up systems (DROPS)	—	8,328	3,972	12,300	—
Total	**348,430**	**153,207**	**126,888**	**628,525**	**497,715**

Note [a] Inshore patrol vessels — The cost of this project has not changed since 2022. A total lifetime spend of €41.019 million was reported in the 2022 account. This was an overstatement due to an incorrect currency being used when reporting a contract amendment. The 2022 capital projects total has also been amended accordingly to reflect the correct figure of €36.843 million now reported above.

Significant variations

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2022 to 2023.

Mid-life refit of LÉ Niamh

Increase in expected total spend: €1.2 million

The increase is due to an increase in contract value arising from a contract amendment.

Military transport aircraft

Increase in expected total spend: €4.639 million

The increase is due to an increase in contract value from a contract amendment in May 2023.

2.15 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	731	122

2.16 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.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	25,750	24,128	22,069
ii	Travel and subsistence	700	996	726
iii	Training and development and incidental expenses	625	541	558
iv	Postal and telecommunications services	565	356	438
v	Office equipment and external IT services	5,335	5,960	6,181
vi	Office premises expenses	2,005	1,872	910
vii	Consultancy services and value for money and policy reviews	1,500	543	232
		36,480	**34,396**	**31,114**

Significant variations

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

ii Travel and subsistence

Estimate provision €700,000; outturn €996,000

The overspend of €296,000 was due to higher than anticipated spend on foreign travel.

iv Postal and telecommunications services

Estimate provision €565,000; outturn €356,000

The underspend of €209,000 was due to less than anticipated spend on communications equipment.

vii Consultancy services and value for money and policy reviews

Estimate provision €1.5 million; outturn €543,000

The underspend of €957,000 was due to the fact that certain projects did not progress as quickly as had been anticipated.

Programme A Defence policy and support, military capabilities and operational outputs

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration − pay	25,750	24,128	22,069
A.2	Administration − non pay	10,730	10,268	9,045
A.3	Permanent Defence Force: pay	467,631	424,178	429,017
A.4	Permanent Defence Force: allowances	50,156	46,257	48,686
A.5	Reserve Defence Force: pay, etc.	2,050	2,239	1,924
A.6	Chaplains and officiating clergy: pay and allowances	1,300	1,122	1,086
A.7	Defence Forces civilian support: pay and allowances, etc.	24,700	21,234	21,085
A.8	Defence Forces: capability development	112,000	138,782	117,482
A.9	Air Corps: equipment and support	24,470	35,085	25,689
A.10	Military transport	24,645	26,256	21,323
A.11	Naval Service: equipment and support	14,500	16,834	18,237
A.12	Barrack expenses and engineering equipment	17,770	20,807	19,840
A.13	Defence Forces built infrastructure: construction and maintenance	55,000	49,218	29,078
A.14	Defence Forces uniforms, clothing, equipment and catering	16,500	19,196	14,471
A.15	Defence Forces communications and IT	19,000	24,343	17,228
A.16	Military education and training	4,550	3,967	2,679
A.17	Defence Forces logistics and travel	4,230	5,958	5,378
A.18	Defence Forces medical and healthcare support	12,230	8,190	7,427
A.19	Lands	786	981	797
A.20	Equitation	1,000	1,231	1,122
A.21	Litigation and compensation costs	7,500	5,362	6,153
A.22	Miscellaneous expenditure (including dormant accounts fund)	5,489	6,951	5,770
A.23	Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy	7,000	7,527	4,094
A.24	Civil Defence (including dormant accounts fund)	5,400	5,305	5,267
A.25	Irish Red Cross Society	975	975	975
		915,362	**906,394**	**835,922**

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 €467.631 million; outturn €424.178 million

The underspend of €43.453 million was due to lower than projected recruitment in 2023, leading to lower than anticipated numbers of personnel serving in the Permanent Defence Force.

A.4 Permanent Defence Force: allowances

Estimate provision €50.156 million; outturn €46.257 million

The underspend of €3.899 million was due to a reduction in security and patrol duty activity, along with reduced overseas expenditure due to the withdrawal from certain overseas missions.

A.5 Reserve Defence Force: pay, etc.

Estimate provision €2.05 million; outturn €2.239 million

The overspend of €189,000 was due to the uptake of paid training days being more than anticipated.

A.6 Chaplains and officiating clergy: pay and allowances

Estimate provision €1.3 million; outturn €1.122 million

The underspend of €178,000 was due to lower than anticipated recruitment of chaplains in 2023.

A.7 Defence Forces Civilians Support: pay and allowances, etc.

Estimate provision €24.7 million; outturn €21.234 million

The underspend of €3.466 million was due to the number of civilian employees being less than provided for in the estimate and lower than anticipated recruitment.

A.8 Defence Forces: capability development

Estimate provision €112 million; outturn €138.782 million

The overspend of €26.782 million was mainly due to a significant downpayment for the provision of software defined radio systems. Further payments were also made for the military transport aircraft and the inshore patrol vessels (IPVs).

A.9 Air Corps: equipment and support

Estimate provision €24.47 million; outturn €35.085 million

The overspend of €10.615 million was the result of upgrades and the implementation of FISS (Full in-Service Support) and maintenance contracts.

A.10 Military Transport

Estimate provision €24.645 million; outturn €26.256 million

The overspend of €1.611 million was due to the purchase of replacement military vehicles, which was offset by compensating savings on fuel and maintenance costs.

A.11 Naval Service: equipment and support

Estimate provision €14.5 million; outturn €16.834 million

The overspend of €2.334 million was mainly due to increased maintenance and support costs.

A.12 Barrack expenses and engineering equipment

Estimate provision €17.770 million; outturn €20.807 million

The overspend of €3.037 million was due to increased cost of barrack services, cleaning contracts and engineering equipment.

A.13 Defence Forces Built Infrastructure - construction and maintenance

Estimate provision €55 million; outturn €49.218 million

The underspend of €5.782 million was due to delays in the procurement process for the Defence Forces built infrastructure capital programme coupled with supply chain issues.

A.14 Defence Forces uniforms, clothing, equipment and catering

Estimate provision €16.5 million; outturn €19.196 million

The overspend of €2.696 million was the result of increased costs of maintenance of in-service equipment and weapons systems.

A.15 Defence Forces communications and IT

Estimate provision €19 million; outturn €24.343 million

The overspend of €5.343 million was mainly due to the requirement for additional procurement of essential telecommunications equipment and supplies.

A.16 Military education and training

Estimate provision €4.55 million; outturn €3.967 million

The underspend of €583,000 was mainly due to delays in the supply of training and educational services and equipment.

A.17 Defence Forces logistics and travel

Estimate provision €4.23 million; outturn €5.958 million

The overspend of €1.728 million was due to an increase in travel costs and the withdrawal of personnel and equipment from overseas missions.

A.18 Defence Forces medical and healthcare support

Estimate provision €12.23 million; outturn €8.19 million

The underspend of €4.04 million was due to the fact that the extension of full private medical care to all ranks was only launched in September 2023.

A.19 Lands

Estimate provision €786,000; outturn €981,000

The overspend of €195,000 was due to increased security and maintenance costs.

A.20 Equitation

Estimate provision €1 million; outturn €1.231 million

The overspend of €231,000 was mainly due to the procurement of additional horses for the Army Equitation School.

A.21 Litigation and compensation costs

Estimate provision €7.5 million; outturn €5.362 million

The underspend of €2.138 million arose due to a number of unpredictable variables, including the timing of court hearings, the progress of cases, and the number, value and timing of awards and settlements.

A.22 Miscellaneous expenditure (including dormant accounts fund)

Estimate provision €5.489 million; outturn €6.951 million

The overspend of €1.462 million was mainly due to costs associated with the Independent Review Group and additional advertising and communication costs associated with military recruitment campaigns.

A.23 Costs arising directly from Ireland's participation in the EU's Common Security and Defence Policy

Estimate provision €7 million; outturn €7.527 million

The overspend of €527,000 arose mainly as a result of higher than anticipated calls for European Defence Agency and EU SatCen funding in 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	UN overseas allowances	8,200	14,242	14,026
2	Receipts from EU in respect of fishery protection costs	—	—	—
3	Receipts from banks and other organisations	1,300	1,457	1,360
4	Receipts from occupation of official quarters	120	169	174
5	Receipts from rations on repayment	525	661	877
6	Receipts from other issues on repayment	20	18	21
7	Receipts for aviation fuel	40	39	1
8	Receipts on discharge by purchase	50	153	154
9	Lands and Premises			
	(a) rents, etc.	462	517	473
	(b) sales	150	13	300
10	Sale of surplus stores	145	153	203
11	Refunds in respect of services of seconded personnel	120	155	182
12	Receipts from additional superannuation contributions on public service remuneration	12,825	14,453	14,036
13	Dormant accounts receipts	650	406	983
14	Miscellaneous	300	1,591	869
	Total	**24,907**	**34,027**	**33,659**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

1 Receipts from United Nations in respect of overseas allowances, etc.

Estimate €8.2 million; realised €14.242 million

The surplus of €6.042 million was due to higher than anticipated UN receipts in respect of troop and equipment costs. The timing of UN receipts is difficult to predict. See note 6.1.

3 Cash escort

Estimate €1.3 million; realised €1.457 million

The surplus of €157,000 was due to an increase in costs and in the number of escorts carried out, giving rise to an increase in recoupments.

5 Receipts from rations on repayment

Estimate €525,000; realised €661,000

The surplus of €136,000 was due to more than anticipated repayments of rations.

8 Receipts on discharge by purchase

Estimate €50,000, realised €153,000

The surplus of €103,000 was due to higher than anticipated numbers of Defence Force members discharging within their service contract duration.

12 Receipts from additional superannuation contributions on public service remuneration

Estimate €12.825 million; realised €14.453 million

The surplus of €1.628 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.

13 Dormant accounts receipts

Estimate €650,000 realised €406,000

The shortfall of €244,000 was due to delays in projects for which Dormant Accounts funding had been approved.

14 Miscellaneous

Estimate €300,000 realised €1.591 million

The surplus of €1.291 million was mainly due to receipts in respect of refunds for education and training fees.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	8,392	8,796

5.2 Pay

Remuneration of all staff

	2023 €000	2022 €000
Pay	425,431	427,857
Higher, special or additional duties allowances	293	235
Overtime	728	450
Shift and roster allowance	304	295
Military and other allowances	36,529	41,215
Employer's PRSI	43,020	43,374
Total pay[a, b]	**506,305**	**513,426**

Notes

[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 €347,158. 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

	2023	2022
Full time equivalents		
Number of staff at year end[a]	394	379

Note [a] Thirteen of these personnel are embedded in Defence Forces' units and are employed full time in providing support to those units.

	2023	2022
	€000	€000
Pay	22,185	20,325
Higher, special or additional duties allowances	191	159
Other allowances	—	65
Overtime	178	139
Employer's PRSI	1,574	1,381
Total pay	**24,128**	**22,069**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	22	6	28,932	22,755
Other allowances	12	1	10,033	12,660
Overtime	69	2	11,177	12,388
Extra remuneration in more than one category	7	3	16,757	27,612

5.4 Civilian employees

	2023	2022
Full time equivalents		
Number of staff at year end	430	414

	2023	2022
	€000	€000
Pay	17,517	17,566
Higher, special or additional duties allowances	102	76
Overtime	550	311
Shift and roster allowances	304	295
Travel time allowance	411	415
Tool and other allowances	222	228
Employer's PRSI	1,885	1,868
Total pay	**20,991**	**20,759**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	64	—	8,919	8,967
Overtime	140	14	24,359	17,616
Shift and roster allowances	38	4	16,523	14,680
Travel time allowance	52	17	14,405	13,964
Tool and other allowances	246	—	3,235	3,235
Extra remuneration in more than one category	166	50	30,266	27,869

5.5 Permanent Defence Force (including Army Nursing Service and Chaplaincy)

	2023	2022
Full time equivalents		
Number of staff at year end	7,568	8,003

	2023 €000	2022 €000
Pay and military service allowance	385,729	389,966
Overseas allowances	18,675	21,270
Security duty allowances	10,681	12,550
Border duty allowance	1,759	1,849
Patrol duty allowance	1,366	2,253
Miscellaneous allowances	3,415	2,585
Employer's PRSI	39,561	40,125
Total pay	**461,186**	**470,598**

Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Overseas allowances	1,920	863	44,689	41,263
Security duty allowances	6,352	42	27,044	22,592
Border duty allowance	366	—	9,348	9,984
Patrol duty allowance	404	—	9,590	11,311
Miscellaneous allowances [a]	820	120	39,205	13,815
Extra remuneration in more than one category	2,526	996	43,894	38,865

Note [a] Payment includes arrears in respect of 2020 to 2022.

5.6 Staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	6,794	7,645
60,000	69,999	752	501
70,000	79,999	341	285
80,000	89,999	249	228
90,000	99,999	183	117
100,000	109,999	66	68
110,000	119,999	46	38
120,000	129,999	24	21
130,000	139,999	12	13
140,000	149,999	14	10
150,000	159,999	4	3
160,000	169,999	2	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	1	1
210,000	219,999	1	2
220,000	229,999	1	—

5.7 Other remuneration arrangements

A total of €1,935,936 was paid to 47 retired Defence Force personnel in receipt of Defence Forces pensions, ranging from €551 to €91,862, who were re-employed on various duties during 2023. In addition, a total of €112,959 ranging from €296 to €9,000 was paid to 27 retired public servants in receipt of public service pensions, who were re-employed on various duties during 2023. 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 €366,634 in respect of six officers who were serving outside the Department for all or part of 2023 and whose salaries were not recouped by the Department.

This account does not include expenditure in respect of 2 officers who were serving outside the Department for all or part of 2023 in another Government office whose salaries were paid by the office in which they were serving.

5.9 Payroll overpayments

At 31 December	2023	2022
Number of recipients	193	129
Recovery plans in place	45	28
	€	€
Overpayments	231,313	168,477
Value of recovery plans	66,237	43,072

Two overpayments were transferred into the Department of Defence from another department/office in 2023. The value of these overpayments at 31 December 2023 was €4,464.

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 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	227	212

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the single public service pension scheme and her entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

5.12 Ex-gratia payments

Payments amounting to €15,391 were made to nine individuals in relation to mediation/settlement agreements during 2023.

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.

	2023	2022
	€000	€000
UN and EU missions		
UNIFIL (Lebanon)	31,484	33,672
UNDOF (Golan Heights)	12,680	12,758
KFOR (Kosovo)	1,537	1,519
EUFOR (Bosnia Herzegovina)	568	682
Other UN and EU missions	3,668	5,457
	49,937	54,088
Other		
Military representatives and advisors	3,720	2,661
EU Battlegroup	9	76
Organisation for Security and Co-operation in Europe	172	261
Mediterranean operations (search and rescue)	1,120	334
ECAT Kabul	—	3
Total	**54,958**	**57,423**

Of the sum of €49.9 million for UN and EU missions, €5.7 million relates to missions the full costs of which are borne by the State. The remaining €44.2 million relates to UNIFIL, UNDOF and MINUSMA (Mali) in respect of which arrangements for the re-imbursement of certain costs have been agreed with the UN and the German Armed Forces. The timing of re-imbursements from the UN is dependent on various factors including the funding available to that organisation.

The moneys received by way of appropriations-in-aid in 2023 amounted to €14.2 million, made up of €7.3 million for personnel costs and €6.9 million for equipment costs. The amount outstanding at year end was €3.4 million (€1.7 million personnel costs and €1.7 million equipment costs).

6.2 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2023	2023	2022
		€000	€000	€000
Commission on the Defence Forces[a]	2020	468	—	110
Independent Review Group on Dignity and Equality Issues in the Defence Forces[b]	2022	1,246	549	697
			549	**807**

Note
[a] The Commission on the Defence Forces was established in December 2020 and reported in February 2022. Its terms of reference included the consideration of appropriate capabilities, structures and staffing for the Army, the Air Corps, the Naval Service and the Reserve Defence Force.
[b] The Independent Review Group on Dignity and Equality Issues in the Defence Forces was established in January 2022 and the report was presented to An Tánaiste on 2 February 2023.

6.3 Support for Defence Forces' representative associations

This account includes a total of €594,643 in respect of the remuneration of military personnel seconded to representative associations and certain related administrative costs.

6.4 Write-offs

The following sums were written off within the year.

	2023	2022
	€000	€000
Damage to military vehicles	63	1
Debt write-off	9	28
	72	**29**

6.5 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by					Total 2023	Total 2022
	Employees			Members of the public			
	Personal injuries	Breach HR/ employment policies	Other	Personal injuries	Other		
Number of cases	191	574	2	9	11	787	411
	€000	**€000**		**€000**	**€000**	**€000**	**€000**
Department's own legal costs	857	45	—	107	—	1,009	1,160
Payments by/on behalf of Department							
Compensation	1,341	397	17	126	34	1,915	3,319
Legal costs	2,167	84	—	68	13	2,332	1,442
Other costs	—	32	—	—	—	32	297
2023 total	**4,365**	**558**	**17**	**301**	**47**	**5,288**	**6,218**
2022 total	5,144	929	—	112	33	6,218	

Note At 31 December 2023, 486 claims were outstanding (2022: 495 claims).

Cumulative costs of cases completed in 2023

	Claims by				Total
	Employees		Members of the public		
	Personal injuries	Breach HR/ employment policies	Personal injuries	Other	
Number of cases	80	—	12	20	112
	€000	**€000**	**€000**	**€000**	**€000**
Department's own legal costs	1,555	—	67	—	1,622
Payments by/on behalf of Department					
Compensation	3,960	—	154	43	4,157
Legal costs	2,567	—	114	—	2,681
Other costs	352	—	21	1	374
Total	**8,434**	—	**356**	**44**	**8,834**

6.6 Arbitration and conciliation

In 2023, costs of €6,795 were incurred (2022: €8,500) in relation to four arbitration and conciliation cases (2022: 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	3.98
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	0.26
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

Property	Area (hectares) [a]
Louth	
Red Barns Rifle Range, Dundalk	5.46
Meath	
Gormanstown Camp and Aerodrome	105.62
RDF premises, Navan	0.20
Offaly	
Former Military Barracks, Birr	0.20
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
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, National Development Plan Delivery 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	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
Roscommon	
Rifle Range, Cushla	56.25
Military Barracks, Boyle	0.20

Property	Area (hectares) [a]
Tipperary	
Military Barracks, Nenagh	1.20
Part of McCann Barracks, Templemore	0.16
Wexford	
Military Barracks, Wexford	0.40
Wicklow	
Kilbride Camp and Rifle Range	636.98

Notes [a] Hectares are approximate. Most of the properties contain buildings thereon.

Appropriation Account 2023

Vote 37

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 arranged for the preparation of the attached account of the amount expended in the year ended 31 December 2023 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

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €114.481 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. Administration and funding are managed by the Department on behalf of Department of Finance. The amounts paid are reported by the Department of Finance in the Finance Accounts.

During 2023 the Department continued to act as a paying agent for the Department of Children, Equality, Disability, Integration and Youth for the Accommodation Recognition Payment (ARP). The Civil Law (Miscellaneous Provisions) Act 2022 provides that these payments are funded from the Vote of Children, Equality, Disability, Integration and Youth and are accounted for in the appropriation account for that Vote.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account 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 an overpayment on a current year scheme payment are netted off against the expenditure in the current accounting year.
- Cash and deduction recoveries in respect of an overpayment on a prior year scheme payment are treated as income in the current accounting year.
- Cash and deduction recoveries reported in a previous accounting year(s) may be cancelled in the current accounting year. Prior year recoveries cancelled in the current accounting year are charged against current year expenditure. Where the value of an overpayment raised in a prior year is revised, the original overpayment is cancelled and a new overpayment is raised in the current year – when this occurs, the amount that has been recovered is matched to the new overpayment and recorded as income in 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 payment due date falls on a public 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. Since 2020, the Department issues funds to the bank one day in advance of customer payments. These funding payments are also included in scheme prepayments.

Depreciation

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

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

Asset class	*Useful life*	*Rate of amortisation*
Major operational Software	10 years	10%
Other software	5 years	20%

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 Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Department.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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 and Risk Committee

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 and Risk Committee. I have put procedures in place to ensure recommendations from the reports of the internal audit function are followed up.

Procurement

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 38 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 28 contracts (in excess of €25,000), totalling expenditure of €9,760,817 (ex. VAT) in 2023 as set out below:

- Twenty-three service provider contracts with a total spend of €8,926,849 in 2023 to deliver the EmployAbility Service across the State. A request for tenders (RFT) to replace the EmployAbility contracts was published in September 2023. This process is currently nearing completion with the final contracts to be awarded by the end of March 2024.
- Two contracts for the provision of the service of Branch Manager were deemed to be non-compliant. Expenditure incurred for both was €575,460. The Department completed an open competition for both positions in July 2024.
- A contract for data centre network support was renewed to mitigate the risk to the stability of the Department's infrastructure while migrating to a new network. The contract completed in September 2023 with a spend of €96,068 in 2023.
- Expenditure on the market research and surveys contract exceeded the maximum contract value. The service was retendered and a new contract will be signed by early Q2 2024. Expenditure on this modification was €126,040 in 2023.
- A single tender contract was awarded to reduce the risk against cyber threats following increased instances of impersonations of Department sites. There was a spend of €36,400 in 2023.

The above contracts have been included in the 2023 40/2002 annual return.

In addition, expenditure of €3,155,190 was incurred on three contracts that were listed on the 2021 and 2022 40/2002 annual return that were deemed to be non-compliant:

- One contract listed on the 2021 40/02 for the provision of education programmes for Department staff by National College of Ireland was extended to July 2023 to facilitate the delivery of the current suite of accredited education programmes until expiry of the QQI awards in November 2023. Expenditure of €184,670 was incurred in 2023. A new contract began in July 2023.
- A contract for interpretations listed on the 2022 40/02 return incurred expenditure of €1,814,222 in 2023. The Department commenced a new interpretations contract in February 2023 via the OGP.
- One contract for electricity supply incurred a spend of €1,156,298. A new contract via an OGP framework commenced in April 2023.

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 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

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.

Blended working

The DSP Blended Working Policy, launched in June 2022 and operational since September 2022, was developed in line with the Blended Working Policy Framework for Civil Service Organisations 2022, published in March 2022.

The policy is guided by the overarching principle that we must continue to be available to, and deliver for, our customers. Of necessity, that means that blended working cannot work in all circumstances for all roles or staff.

As such, the Department operates a varied approach to workplace attendance under the policy and the majority of staff blended working arrangements range from a minimum of one day per week workplace attendance right up to full time. All staff can apply for Blended Working.

Since 2022, the Department has operated an annual application process for blended working.

At year end 2023 some 58% of all staff (a headcount of 4,072) had an approved blended working arrangement in place. Of those approved for Blended Working, 22% (902) were working remotely one day per week, 30% (1,237) were working remotely two days a week, 24% (1,000) were working remotely three days a week, 23% (921) of staff were working remotely four days a week, under 1% (9) were working remotely less than one day per week and under 1% (3) worked remotely five days per week with Assistant Secretary approval or as an approved reasonable accommodation measure.

To avail of blended working staff must agree to the Blended Working Policy and a teleworking policy.

To mitigate the risk of data breaches all staff are issued with laptops that are encrypted. Staff identity is confirmed by both username and password before access to any departmental systems. Access is obtained across an encrypted Virtual Private Network (VPN).

The Department remains committed to reviewing its Blended Working Policy on an ongoing basis and adapting it as required in recognition that the landscape on blended and hybrid working continues to evolve. The Department continues to aim to be a progressive organisation embracing the use of new and innovative technologies and continuing to reimagine roles, build and support a resilient workforce to deliver sustainable service for our customers, including, through blended working.

Internal financial control issues

Inter-scheme adjustments recorded on the customer payment system are manually entered on a software system which generates a summarised journal used to update the financial accounting system. Due to incompatible reporting capabilities it is not possible to reconcile inter-scheme adjustments made on the customer payment system and the financial accounting system. A project has commenced to replace this manual process using an automated solution, with an expected implementation date of April 2025. Manual entry errors were identified during testing. The correction of these errors resulted in an €8.5 million (net) recharge from the Social Insurance Fund to Vote Appropriation Account in 2023. Payments to customers were not affected.

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

John McKeon
Accounting Officer
Department of Social Protection

19 July 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 37 Social Protection for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

My report on the accounts of the public services for 2023 includes a number of chapters dealing with matters that relate to Vote 37 Social Protection.

Regularity of social welfare payments

Chapter 13 refers to social welfare payments in excess of entitlement under schemes operated by the Department of Social Protection. I consider the estimated level of irregular welfare payments to be material to Vote 37, as explained in the chapter.

The winding down of the Job Initiative scheme

Chapter 14 examines how the Department of Social Protection manages the Job Initiative scheme which has been closed to new applicants since 2004.

Control of the Free Travel scheme

Chapter 15 examines the Department of Social Protection's control of the Free Travel scheme, including funding of the scheme and access to the scheme.

Use of Revenue real-time data in social welfare means and income assessments

Chapter 16 examines the Department of Social Protection's use of real-time payroll information, obtained from the Office of the Revenue Commissioners, to assist in the means assessment process.

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 a number of contracts that operated in 2023.

Seamus McCarthy
Comptroller and Auditor General

30 July 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 37 Social Protection

Appropriation Account 2023

	Estimate provision		2023 Outturn	2022 Outturn
	€000	€000	€000	€000
Programme expenditure				
Social assistance schemes, services, administration and payment to Social Insurance Fund				
Administration				
Original	600,963			
Deferred surrender	1,390			
Supplementary	12,000			
		614,353	599,999	596,105
Pensions				
Original	1,162,850			
Supplementary	70,029			
		1,232,879	1,229,282	1,136,457
Working age – income supports				
Original	2,856,736			
Supplementary	(3,017)			
		2,853,719	2,802,265	2,526,407
Working age – employment supports				
Original	711,945			
Supplementary	(80,124)			
		631,821	622,557	1,438,992
Illness, disability and carers				
Original	3,588,953			
Supplementary	310,716			
		3,899,669	3,893,697	3,603,183
Children				
Original	2,678,794			
Supplementary	377,441			
		3,056,235	3,035,029	2,830,832
Supplementary payments, etc.				
Original	580,141			
Supplementary	40,373			
		620,514	616,641	685,431
Subvention to the Social Insurance Fund		—	—	—

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Gross expenditure				
Original	12,180,382			
Deferred surrender	1,390			
Supplementary	727,418			
		12,909,190	**12,799,470**	**12,817,407**
Deduct				
Appropriations-in-aid				
Original	257,330			
Supplementary	49,704			
		307,034	**311,795**	**352,730**
Net expenditure				
Original	11,923,052			
Deferred surrender	1,390			
Supplementary	677,714			
		12,602,156	**12,487,675**	**12,464,677**

Surplus

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

	2023	2022
	€	€
Surplus	114,481,115	151,670,632
Deferred surrender	—	(1,390,000)
Surplus to be surrendered	**114,481,115**	**150,280,632**

John McKeon
Accounting Officer
Department of Social Protection

19 July 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		12,199,471	12,221,302
Pay		343,659	329,354
Non pay		256,340	266,751
Gross expenditure		**12,799,470**	**12,817,407**
Deduct			
Appropriations-in-aid		**311,795**	**352,730**
Net expenditure		**12,487,675**	**12,464,677**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(7,721)		
Depreciation	3,769		
Loss on disposals	20		
Intangible assets (note 2.2)			
Purchases	(24,482)		
Amortisation	28,632		
		218	8,214
Changes in net current assets			
(Increase)/decrease in prepayments	(1,436)		
Increase/(decrease) in accrued expenses	(1,227)		
		(2,663)	995
Direct expenditure		**12,485,230**	**12,473,886**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		123,379	110,378
Notional rents [a]		14,198	14,198
Net programme cost		**12,622,807**	**12,598,462**

Note [a] Notional rents relates to Vote 37 and the Social Insurance Fund.

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.[a]

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners [b]	708	580
Vote 12	Superannuation and Retired Allowances	104,616	95,519
Vote 13	Office of Public Works	17,079	12,479
Vote 18	National Shared Services Office	743	693
Vote 20	Garda Síochána	124	9
Vote 43	Office of the Government Chief Information Officer [c]	42	1,031
Central Fund – ministerial pensions		67	67
		123,379	**110,378**

Note
[a] Excluding Office of Public Works, relates to Vote 37 and Social Insurance Fund.
[b] Does not include the costs incurred by Revenue on the administration of Covid-19 schemes on behalf of the Department. The operation of these schemes was fully integrated within Revenue systems.
[c] 2023 charge is based on actual Department users rather than Department headcount which was the basis for the 2022 charge.

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	8,050	4,278
Intangible assets	2.2	122,968	126,110
Total fixed assets		**131,018**	**130,388**
Current assets			
Inventories	2.4	—	—
Prepayments	2.5	65,570	64,134
Social Insurance Fund suspense account [a]		—	—
Other debit balances	2.6	202,340	208,002
Total current assets		**267,910**	**272,136**
Less current liabilities			
Bank and cash	2.3	153,610	171,536
Accrued expenses	2.7	59,857	61,084
Other credit balances	2.8	43,930	35,391
Net Exchequer funding	2.9	4,800	1,075
Total current liabilities		**262,197**	**269,086**
Net current assets		5,713	3,050
Net assets		**136,731**	**133,438**
Represented by:			
State funding account	2.10	**136,731**	**133,438**

Note [a] Represents advances from Vote 37 to the Social Insurance Fund (SIF) subvention suspense account which were not expended by year end.

2.1 Property, plant and equipment [a]

	Furniture and fittings	Office and IT equipment	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	5,846	15,954	21,800
Additions	11	7,710	7,721
Disposals [c]	(1,896)	(4,443)	(6,339)
At 31 December 2023	3,961	19,221	23,182
Accumulated depreciation			
At 1 January 2023	4,777	12,905	17,682
Depreciation for the year	381	3,388	3,769
Depreciation on disposals	(1,876)	(4,443)	(6,319)
At 31 December 2023	3,282	11,850	15,132
Net assets			
At 31 December 2023	**679**	**7,371**	**8,050**
At 31 December 2022	1,069	3,209	4,278

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

[b] On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (note 2.2).

[c] An asset identification exercise carried out in 2023 resulted in the removal of retired and obsolete assets from the register. This exercise also resulted in the removal of some individual items with values of under €10,000 as per circular 21/2020.

2.2 Intangible assets[a]

	Acquired and developed software	Intangible assets under development	Total
	€000	€000	€000
Gross assets			
At 1 January 2023	190,221	18,611	208,832
Adjustments [b]	2,246	(580)	1,666
Additions	450	24,032	24,482
Disposals	(678)	—	(678)
Transfers	26,293	(26,293)	—
At 31 December 2023	218,532	15,770	234,302
Accumulated Amortisation			
At 1 January 2023	82,562	—	82,562
Amortisation for the year	28,632	—	28,632
Adjustment [b]	818	—	818
Amortisation of disposals	(678)	—	(678)
At 31 December 2023	111,334	—	111,334
Net assets			
At 31 December 2023	**107,198**	**15,770**	**122,968**
At 31 December 2022	107,499	18,611	126,110

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

[b] Adjustments totalling €1.67 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. A further adjustment (totalling €580,000) was made in respect of CAUD projects which should have been capitalised in 2022. An adjustment totalling €818,000 was made for amortisation in respect of these projects which should have been capitalised prior to 2023.

2.3 Bank and cash

at 31 December	2023 €000	2022 €000
An Post advance balances [a]	148,316	140,390
PMG balances (overdraft)	(305,557)	(312,648)
Commercial bank account balance	3,631	722
	(153,610)	**(171,536)**

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 2023, the combined balance held by An Post in respect of Vote 37 and the SIF was €260.3 million. The combined corresponding balance at the end of 2022 was €246.4 million.

2.4 Inventories

High volume low value items are fully expensed in the year and are no longer classified as stock items.

2.5 Prepayments

at 31 December	2023 €000	2022 €000
Specific programme prepayments [a]	60,957	59,277
Software support	4,007	3,590
Administration	606	983
Other prepayments	—	284
	65,570	**64,134**

Note [a] The Department provides advance funding to some organisations delivering schemes. 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 for cash flow are provided to contracted Public Employment Services (PES) 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.

2.6 Other debit balances

at 31 December	2023 €000	2022 €000
Advances to An Post for postage expenditure	1,007	1,007
Advances to Pobal	6,277	6,145
Advance to Revenue Commissioners [a]	630	9,752
Scheme prepayments [b]	169,009	164,220
Other debit suspense	2,075	2,096
Due from SIF in respect of [c]		
• Vote related receipts recovered through SIF	14,536	18,121
• payments by Vote on behalf of SIF	8,737	6,638
• imprest payments receivable from SIF	69	23
	202,340	**208,002**

Note [a] Advances to the Revenue Commissioners is in respect of both the Employment Wage Subsidy Scheme and the Temporary Wage Subsidy Scheme.

[b] Scheme prepayments are scheme payments made in the year not charged in the current year.

[c] Scheme payments only. Administration costs are not included here.

2.7 Accrued expenses

at 31 December	2023 €000	2022 €000
Specific programme accruals [a]	51,164	47,071
Other accruals	5,595	8,249
IT services and support	1,712	4,014
Administration expenses	1,386	1,750
	59,857	**61,084**

Note [a] Moneys owed to organisations providing Community Employment, Job Initiative and contracted Public Employment Services (PES) on behalf of the Department. This money relates to organisations as opposed to individual claimants.

2.8 Other credit balances

at 31 December	2023 €000	2022 €000
Amounts due to the State		
Income tax	3,610	3,675
Pay related social insurance	3,148	3,029
Universal social charge	778	761
Professional services withholding tax	4,619	4,399
Value added tax	213	17
Pension contributions	1,185	1,827
Local property tax	37	37
	13,590	13,745
Payroll deductions	2,161	2,131
Due to SIF in respect of [a]		
• payments by SIF on behalf of Vote	3,387	4,273
• imprest payments received from SIF	10,317	4,937
Unmatched overpayment recoveries	2,894	4,165
Debt recovery on behalf of other EU countries	166	927
Due to OPW in respect of office furniture, building and electrical work	168	1,080
Due to DCEDIY in respect of Accommodation Recognition Payment Scheme	10,285	3,660
Other credit suspense items	962	473
	43,930	**35,391**

Note [a] Scheme payments only. Administration costs are not included here.

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	114,481	150,281
Deferred surrender	—	1,390
Exchequer grant undrawn	(109,681)	(150,596)
Net Exchequer funding	**4,800**	**1,075**
Represented by:		
Debtors		
Debit balances: suspense	202,340	208,002
SIF: suspense	—	—
Creditors		
Bank and cash	(153,610)	(171,536)
Due to the State	(13,590)	(13,745)
Credit balances: suspense	(30,340)	(21,646)
	(197,540)	(206,927)
	4,800	**1,075**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			133,438	142,698
Disbursements from the Vote				
Estimate provision	Account	12,602,156		
Deferred surrender	Account	—		
Surplus to be surrendered	Account	(114,481)		
Net vote			12,487,675	12,464,677
Expenditure (cash) borne elsewhere	1.1		123,379	110,378
Non-cash items – intangible assets adjustment	2.2		848	(51)
Non-cash expenditure – notional rent	1		14,198	14,198
Net programme cost	1		(12,622,807)	(12,598,462)
Balance at 31 December			**136,731**	**133,438**

2.11 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	18,897	24,853
Non-capital grant expenditure	59,367	56,106
Capital projects	13,828	18,515
Total of legally enforceable commitments	**92,092**	**99,474**
b) Non-capital grant programmes		
Opening balance	56,106	38,473
Grants paid in year	(98,963)	(72,610)
New grant commitments	102,224	90,375
Grants cancelled	—	(132)
Closing balance	**59,367**	**56,106**

2.12 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	**93**	**209**

2.13 Contingent liabilities

The Department is involved in 61 legal cases 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

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	334,692			
	Supplementary	12,000			
			346,692	343,659	329,354
ii	Travel and subsistence		4,227	3,035	1,931
iii	Training and development and incidental expenses		16,174	13,409	13,698
iv	Postal and telecommunications services		15,488	14,998	15,327
v	Office equipment and external IT services				
	Original	79,937			
	Deferred surrender	390			
			80,327	72,703	61,478
vi	Office premises expenses				
	Original	22,745			
	Deferred surrender	1,000			
			23,745	18,250	18,539
vii	Consultancy		1,100	499	1,120
viii	Payments for agency services		103,600	111,250	136,262
ix	eGovernment related projects		23,000	22,196	18,396
			614,353	**599,999**	**596,105**

Significant variations

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

ii Travel and subsistence

Estimate provision €4.227 million; outturn €3.035 million

The underspend of €1.192 million relative to the estimate provision arose because travel expenditure did not materialise due to fewer in-person meetings than anticipated.

vii Consultancy

Estimate provision €1.1 million; outturn €499,000

The underspend of €601,000 relative to the estimate provision was primarily due to two major consultancy projects scheduled for 2023 not commencing in accordance with the original timelines.

Programme A Social assistance schemes, services, payments to Social Insurance Fund

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	334,692			
	Supplementary	12,000			
			346,692	343,659	329,354
A.2	Administration – non pay				
	Original	266,271			
	Deferred surrender	1,390			
			267,661	256,340	266,751
Pensions					
A.3	State Pension (Non-Contributory)				
	Original	1,162,850			
	Supplementary	70,029			
			1,232,879	1,229,282	1,136,457
Working Age - Income Supports					
A.4	Jobseeker's Allowance				
	Original	1,942,740			
	Supplementary	(70,940)			
			1,871,800	1,822,630	1,641,486
A.5	One Parent Family Payment				
	Original	642,850			
	Supplementary	37,458			
			680,308	679,837	613,976
A.6	Widow(er)s', Surviving Civil Partner's (Non Contributory) Pension				
	Original	11,390			
	Supplementary	709			
			12,099	12,388	12,252
A.7	Deserted Wife's Allowance				
	Original	400			
	Supplementary	49			
			449	450	498
A.8	Basic Supplementary Welfare Allowance Payments				
	Original	120,320			
	Supplementary	1,665			
			121,985	121,378	121,595

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.9	Farm Assist				
	Original	49,400			
	Supplementary	4,768			
			54,168	53,939	55,665
A.10	Additional Needs Payments				
	Original	66,010			
	Supplementary	5,931			
			71,941	71,631	57,668
A.11	Other Working Age – Income Supports				
	Original	23,626			
	Supplementary	17,343			
			40,969	40,012	23,267
	Working Age – Employment Supports				
A.12	Community Employment				
	Original	366,620			
	Supplementary	(26,428)			
			340,192	340,783	329,015
A.13	Rural Social Scheme				
	Original	51,282			
	Supplementary	(319)			
			50,963	49,915	48,870
A.14	Tús				
	Original	102,630			
	Supplementary	(15,353)			
			87,277	83,402	90,177
A.15	Job Initiative				
	Original	11,540			
	Supplementary	(42)			
			11,498	10,692	11,865
A.16	Back to Work Enterprise Allowance				
	Original	34,780			
	Supplementary	(4,723)			
			30,057	29,797	31,943
A.17	Back to Education Allowance				
	Original	49,080			
	Supplementary	(17,641)			
			31,439	31,018	40,272
A.18	JobsPlus				
	Original	4,900			
	Supplementary	(1,122)			
			3,778	3,579	4,198

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.19	Local Employment Service				
	Original	1			
	Supplementary	20			
			21	21	14,678
A.20	Jobs Clubs				
	Original	1			
	Supplementary	(1)			
			—	—	2,595
A.21	Work Placement Experience Programme				
	Original	4,520			
	Supplementary	(1,318)			
			3,202	2,914	2,589
A.22	Other Working Age – Employment Supports				
	Original	7,981			
	Supplementary	(2,146)			
			5,835	5,401	10,566
A.23	Contracted Public Employment Service (PES) Schemes				
	Original	78,310			
	Supplementary	(17,565)			
			60,745	58,772	13,007
A.yy	Covid-19 Temporary Wage Subsidy Scheme (TWSS)				
	Original	50			
	Supplementary	163			
			213	210	638
A.zz	Covid-19 Employment Wage Subsidy Scheme (EWSS)				
	Original	250			
	Supplementary	6,351			
			6,601	6,053	838,579
Illness, Disability and Carers					
A.24	Disability Allowance				
	Original	1,996,044			
	Supplementary	170,771			
			2,166,815	2,174,825	2,015,919
A.25	Blind Pension				
	Original	12,490			
	Supplementary	484			
			12,974	13,076	12,802

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.26	Carer's Allowance				
	Original	1,028,470			
	Supplementary	52,780			
			1,081,250	1,082,450	993,159
A.27	Domiciliary Care Allowance				
	Original	246,596			
	Supplementary	23,889			
			270,485	259,243	224,476
A.28	Carer's Support Grant				
	Original	268,563			
	Supplementary	66,328			
			334,891	331,961	327,534
A.29	Wage Subsidy Scheme				
	Original	24,000			
	Supplementary	(1,495)			
			22,505	22,096	20,466
A.30	Disability Activation Supports				
	Original	12,790			
	Supplementary	(2,041)			
			10,749	10,046	8,827
Children					
A.31	Child Benefit				
	Original	2,137,610			
	Supplementary	296,392			
			2,434,002	2,428,495	2,286,444
A.32	Working Family Payment				
	Original	363,204			
	Supplementary	35,928			
			399,132	392,061	361,090
A.33	Back to Work Family Dividend				
	Original	11,880			
	Supplementary	(1,595)			
			10,285	10,139	11,228
A.34	Back to School Clothing And Footwear Allowance				
	Original	62,900			
	Supplementary	24,354			
			87,254	86,036	85,867
A.35	School Meals				
	Original	94,400			
	Supplementary	21,900			
			116,300	108,715	77,511

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.36	Other Child Related Payments				
	Original	8,800			
	Supplementary	462			
			9,262	9,583	8,692
	Supplementary Payments, Agencies and Miscellaneous Services				
A.37	Rent Supplement				
	Original	62,787			
	Supplementary	(502)			
			62,285	62,861	75,149
A.38	Telephone Support Allowance				
	Original	8,710			
	Supplementary	(54)			
			8,656	8,712	8,513
A.39	Household Benefits Package				
	Original	87,049			
	Supplementary	1,075			
			88,124	92,941	87,766
A.40	Free Travel				
	Original	95,000			
	Supplementary	(2,626)			
			92,374	92,577	89,569
A.41	Fuel Allowance				
	Original	249,666			
	Supplementary	44,920			
			294,586	286,435	353,813
A.42	Grant to the Citizens Information Board				
	Original	60,858			
	Supplementary	(1,622)			
			59,236	59,184	56,309
A.43	Miscellaneous Services				
	Original	16,071			
	Supplementary	(818)			
			15,253	13,931	14,312

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.44	Payment to the Social Insurance Fund under Section 9(9)(a) of the Social Welfare Consolidation Act 2005		—	—	—
Total			**12,909,190**	**12,799,470**	**12,817,407**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/- 5% and €100,000).

A.3 State Pension (Non-Contributory)

Estimate provision €1,162.85 million; outturn €1,229.282 million

The overspend of €66.432 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €50.02 million. The total expenditure on once-off measures comprised of €24.474 million on the Christmas bonus, €18.664 million on the spring bonus, €6.805 million on the living alone lump sum and €77,000 on the qualified child lump sum.

The other main factor contributing to the overspend was a higher inflow of beneficiaries of temporary protection than estimated.

A.4 Jobseeker's Allowance

Estimate provision €1,942.74 million; outturn €1,822.630 million

The underspend of €120.11 million was primarily due to a lower average number of core recipients (i.e. recipients excluding beneficiaries of temporary protection) than estimated. Actual core recipients (115,480) were 15,630 less than estimated (131,110). This saved €195.877 million and was a result of a lower Live Register due to a stronger labour market than anticipated.

This was offset by:

- €55.907 million due a range of once-off payments made during 2023, which were not provided for in the estimates,
- €13.937 million due to a higher inflow of beneficiaries of temporary protection to the scheme than anticipated and
- €5.923 million due to the net effect of a range of other factors.

A.5 One Parent Family Payment

Estimate provision €642.85 million; outturn €679.837 million

The overspend of €36.987 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €26.125 million. The total expenditure on these once-off measures comprised of €12.402 million on the Christmas bonus, €8.176 million on the qualified child lump sum and €5.547 million on the spring bonus.

The other main factor contributing to the overspend was a higher number of core recipients than estimated, due to the demand-led nature of the scheme.

A.6 Widow(er)s', Surviving Civil Partners' (Non Contributory) Pension

Estimate provision €11.39 million; outturn €12.388 million

The overspend of €998,000 was primarily due to a higher average payment value than estimated. The actual average payment value (€218.83) was €12.08 more than estimated (€206.75). This cost €659,000 and was primarily due to an underestimation of the 2023 average payment value at the time the estimate was compiled.

The other main factor contributing to the overspend was the payment of the spring and Christmas bonuses, at a total cost of €428,000.

A.9 Farm Assist

Estimate provision €49.4 million; outturn €53.939 million

The overspend of €4.539 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €2.203 million. The total expenditure on these once-off measures comprised of €1.003 million on the Christmas bonus, €866,000 on the spring bonus and €334,000 on the qualified child lump sum.

The other main factor contributing to the variance was a higher number of recipients than estimated, due to the demand-led nature of the scheme. While Farm Assist recipients have been declining in recent year, the rate of decline was slightly slower than anticipated in 2023.

A.10 Additional Needs Payments

Estimate provision €66.01 million; outturn €71.631 million

The scheme is demand led, and the cost of meeting the needs of applicants is impacted by general price increases. The number of recipients and average payment value vary significantly from month to month and from year to year, making it difficult to accurately estimate.

The 2023 estimate was informed by the emerging outturn towards the end of 2022. Increases in expenditure was seen in several categories of payments including payments for items required for people taking up local authority housing including bedding, flooring, furniture, household appliances and rent deposits/advances. Overall, payments in the housing category were up by €11.524 million compared to 2022.

A.11 Other Working Age – Income Supports

Estimate provision €23.626 million; outturn €40.012 million

The overspend of €16.386 million was primarily driven by higher expenditure on Daily Expenses Allowance than estimated. Actual expenditure (€34.413 million) was €14.262 million more than estimated (€20.151 million), due primarily to a higher number of recipients on the scheme.

Actual average recipients (11,196) were 6,226 more than estimated (4,970).

The other main factor in the overspend was higher expenditure than estimated on the Humanitarian Aid scheme. The nature of the scheme is that expenditure is dependent on the occurrence of extreme weather events and can fluctuate significantly each year as a result. Flooding in certain parts of the country in October 2023 resulted in total expenditure of €1.905 million, which was €1.705 million above the estimate of €200,000. In addition, Government agreed to increase the income limit levels for the scheme, in response to those floods.

A.12 Community Employment

Estimate provision €366.62 million; outturn €340.783 million

The underspend of €25.837 million was primarily due to less expenditure on participant payroll, due to fewer participants than estimated. Actual average participants (18,678) were 2,162 lower than estimated (20,840). This was due to a stronger labour market and lower Live Register than anticipated. Overall, lower participant payroll costs saved €36.996 million.

In addition, actual expenditure on course consumables and materials (€12.323 million) was €3.339 million less than estimated (€15.722 million), partially as a result of fewer participants.

This was partially offset by the net effect of other factors, including the payment of the spring and Christmas bonuses, and the qualified child lump sum, which were not provided for in the estimates, at a combined cost of €9.519 million and the net effect of a range of other factors.

A.14 Tús

Estimate provision €102.63 million; outturn €83.402 million

The underspend of €19.228 million was primarily due to less expenditure on participant payroll, due to fewer participants than estimated. Actual average participants (4,539) were 1,355 lower than estimated (5,894). This was due to a stronger labour market and lower Live Register than anticipated. Overall, lower participant payroll costs saved €20.725 million.

This was partially offset by the net effect of smaller factors, including the payment of the spring and Christmas bonuses, and the qualified child lump sum, which were not provided for in the estimates, at a combined cost of €2.379 million and the net effect of a range of other factors.

A.15 Job Initiative

Estimate provision €11.54 million; outturn €10.692 million

The underspend of €848,000 was primarily due to less expenditure on participant payroll than anticipated. The scheme has been closed to new applicants since 2004 and expenditure is declining year-on-year as existing recipients leave the scheme. In 2023, recipient numbers declined at a faster rate than anticipated, resulting in an underspend of €1.309 million on participant payroll costs.

This was partially offset by the payment of the spring and Christmas bonuses, which were not provided for in the estimated, at a cost of €273,000 and by a further €188,000 due to smaller factors.

A.16 Back to Work Enterprise Allowance

Estimate provision €34.78 million; outturn €29.797 million

The underspend of €4.983 million was primarily due to a lower average number of recipients than estimated. Actual recipients (2,480) were 323 less than estimated (2,803). This saved €4.019 million and was due to the strong labour market resulting in a lower Live Register than anticipated.

The other main factor contributing to the underspend was a lower than estimated average payment value. This resulted in a saving of €2.221 million and was due to difficulties in separating once-off payments from the 2022 average payment value which was used to inform the 2023 estimates, leading to an inflated estimated average payment value for 2023.

This was partially offset by a number of once-off measures in 2023, at a total cost of €1.266 million.

A.17 Back to Education Allowance

Estimate provision €49.08 million; outturn €31.018 million

The underspend of €18.062 million was primarily due to a lower average number of recipients than estimated. Actual average recipients (2,272) were 1,518 less than estimated (3,790). This saved €19.663 million and was due to the strong labour market resulting in a lower Live Register than anticipated.

The savings resulting from the decrease in the number of recipients was partially offset by once-off payments of €1.228 million, which were not provided for in the estimates, and by a further €373,000 due to other factors.

A.18 JobsPlus

Estimate provision €4.9 million; outturn €3.579 million

The underspend of €1.321 million was primarily due to a lower average number of recipients than estimated. Actual recipients (789) were 261 less than estimated (1,050). This saved €1.216 million and was due to the strong labour market resulting in a lower Live Register than anticipated, resulting in less new participants than anticipated.

A.21 Work Placement Experience Programme

Estimate provision €4.52 million; outturn €2.914 million

The underspend of €1.606 million was primarily due to a lower average number of recipients than estimated. Actual recipients (151) were 95 less than estimated (246). This was as result of less new enrolments on the scheme than anticipated, as employers continue to meet their skills gaps by filling job vacancies in preference to offering work placement opportunities which require an investment in staff training and mentoring. In addition to this, jobseekers have been able to source work and training opportunities through other options. This saved €1.752 million.

This was partially offset once-off payments which were not provided for in the estimate and a range of smaller factors.

A.22 Other Working Age – Employment Supports

Estimate provision €7.981 million; outturn €5.401 million

The underspend of €2.58 million was primarily due to less expenditure on the Enterprise Support Grant than estimated. Actual expenditure (€1.087 million) was €1.713 million less than estimated. The Enterprise Support Grant is available to recipients of Back to Work Enterprise Allowance. Due to a lower Live Register than anticipated, there was an overall smaller number of Back to Work Enterprise Allowance recipients, resulting in a smaller pool of potential Enterprise Support Grant recipients.

The other main factor contributing to the underspend was fewer recipients than estimated on the Part-Time Job Incentive scheme, due to a lower than anticipated Live Register, resulting in a saving of €509,000.

A.23 Contracted Public Employment Services (PES) Schemes

Estimate provision €78.31 million; outturn €58.772 million

Contracts for the Intreo Partners National Employment Service (NES) and the Intreo Partners Local Area Employment Service (LAES) were signed in late 2022. This was followed by a period of mobilisation which continued into 2023. Expenditure on the NES and LAES Service in 2023 was €19.538 million lower than the estimated €78.3 million due to the slower than anticipated rollout of services in 2023. Both the NES and LAES services are now fully mobilised and operating at full referral levels.

A.yy Covid-19 Temporary Wage Subsidy Scheme (TWSS)

Estimate provision €50,000; outturn €210,000

Since the closure of the Temporary Wage Subsidy Scheme in 2020, Revenue has been settling outstanding arrears with employers. The provision for 2023 was based on the expectation that the level of arrears to be paid would continue to decline, given the scheme had been closed for some time. While the level of arrears payments did continue to decline, the level of decline was slightly less than anticipated.

A.zz Covid-19 Employment Wage Subsidy Scheme (EWSS)

Estimate provision €250,000; outturn €6.053 million

Since the closure of the Employment Wage Subsidy Scheme in May 2022, Revenue has been settling outstanding arrears with employers. When the 2023 estimates were finalised towards the end of 2022, the provision was based on the expectation that the level of arrears payments would continue to decline each month until the end of the year, and into 2023. While the level of arrears payments did decline, the level of decline was less than anticipated.

A.24 Disability Allowance

Estimate provision €1,996.044 million; outturn €2,174.825 million

The overspend of €178.781 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €144.367 million. The total expenditure on once-off measures comprised of €63.227 million on the disability support grant, €38.258 million on the Christmas bonus, €31.263 million on the spring bonus, €6.752 million on the living alone lump sum, and €4.867 million on the qualified child lump sum.

The other main factor contributing to the variance was a higher number of average recipients than estimated. Actual average recipients (159,080) were 1,100 more than estimated (157,980), due to the demand-led nature of the scheme, and a higher inflow of beneficiaries of temporary protection than anticipated. This cost €13.887 million.

A.26 Carer's Allowance

Estimate provision €1,028.47 million; outturn €1,082.45 million

The overspend of €53.98 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €38.18 million. The total expenditure on once-off measures comprised of €19.75 million on the Christmas bonus, €12.561 million on the spring bonus, and €5.869 million on the qualified child lump sum.

A.27 Domiciliary Care Allowance

Estimate provision €246.596 million; outturn €259.243 million

The overspend of €12.647 million was primarily due to a range of once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €15.09 million. The total expenditure on once-off measures comprised of €9.863 million on the spring bonus and €5.227 million on the Christmas bonus.

This additional expenditure was offset by savings of €2.443 million, primarily due to the net effect of a higher number of recipients and a lower average payment value than estimated.

A.28 Carer's Support Grant

Estimate provision €268.563 million; outturn €331.961 million

The overspend of €63.398 million was primarily due to the payment of the disability support grant to recipients of the scheme in November 2023, which was not provided for in the estimates, at a total cost of €51.92 million.

The other main factor contributing to the overspend was a higher number of recipients than estimated, due to the demand-led nature of the scheme. Recipients of the Carer's Support Grant do not have to have an underlying entitlement to Carer's Allowance or Carer's Benefit, making it difficult to accurately estimate the number of recipients.

A.29 Wage Subsidy Scheme

Estimate provision €24 million; outturn €22.096 million

The underspend of €1.904 million was primarily due to a lower average number of employers in receipt of the subsidy. The actual average number of employers in receipt of the subsidy (1,548) was 138 less than estimated (1,686). This saved €1.966 million. It was anticipated that there may have been increased uptake on the scheme in 2023, after the cessation of Covid-19 Public Health Emergency Measures in 2022, including the Pandemic Unemployment Payment and Employer Wage Subsidy Scheme. This did not materialise and resulted in an underspend.

This was partially offset by a slightly higher average payment value than estimated.

A.30 Disability Activation Supports

Estimate provision €12.79 million; outturn €10.046 million

Expenditure on this subhead comprised:

- €8.646 million on the EmployAbility Service
- €803,000 on the Workability Scheme
- €483,000 on Support for Graduates with Disabilities
- €89,000 on the Reasonable Accommodation Grant
- €25,000 on the Disability Awareness Support Scheme

The underspend of €2.744 million comprised:

(i) An underspend of €2.101 million on the EmployAbility Service, due to actual costs submitted by the EmployAbility Service contractors being less than estimated.

(ii) A combined underspend of €1.446 million on the Reasonable Accommodation Grant (RAG) and the Disability Awareness Support Scheme (DASS). Under the Comprehensive Employment Strategy, a review of both schemes was undertaken. On foot of the recommendations of the review, additional funding of €1 million was allocated across both schemes, as part of Budget 2023. The review recommended combining the two schemes into a single scheme. This recommendation required significant change as to how the scheme is operationalised at local level. As a consequence of the time required to implement these changes increased expenditure wasn't incurred as expected, resulting in an underspend.

Offset by

(iii) Expenditure of €803,000 on the Workability scheme, which was not provided for in the estimate. Workability is a new scheme to support the employment of people with disabilities. Sanction was provided by the Department of Public Expenditure, National Development Plan Delivery and Reform for expenditure of less than €1 million in 2023 to establish the scheme, which was to be funded from existing resources within the Disability Activation Supports subhead.

A.31 Child Benefit

Estimate provision €2,137.61 million; outturn €2,428.495 million

The overspend of €290.885 million was primarily due to once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €300.8 million. The total expenditure on once-off measures comprised of €178.8 million on the double payment in December 2023 and €122 million on the €100 bonus (per child) payment made in June 2023.

This additional expenditure was offset by savings of €9.915 million, primarily due to the net effect of a higher number of recipients and a lower average payment value than estimated.

A.32 Working Family Payment

Estimate provision €363.204 million; outturn €392.061 million

The overspend of €28.857 million was primarily due to once-off payments made during 2023, which were not provided for in the estimates, at a total cost of €27.635 million. The total expenditure on once-off measures comprised of €18.4 million on the €400 bonus payment and €9.235 million on the spring bonus.

A.33 Back to Work Family Dividend

Estimate provision €11.88 million; outturn €10.139 million

The underspend of €1.741 million was primarily due a lower number of recipients than estimated, due to a lower Live Register than anticipated resulting in fewer new claims for the scheme. Actual average recipients (2,517) was 338 less than estimated (2,855). This saved €1.416 million.

The other main factors contributing to the underspend were a lower average payment value than estimated, offset by once-off payments made during 2023, which were not provided for in the estimates.

A.34 Back to School Clothing and Footwear Allowance

Estimate provision €62.9 million; outturn €86.036 million

The overspend of €23.136 million was primarily due to a bonus payment of an additional €100 per child to recipients of the scheme in 2023, which was not provided for in the estimates, at a cost of €28 million.

This additional expenditure was partially offset by savings of €4.864 million due to fewer recipients and a lower average payment value than estimated.

A.35 School Meals

Estimate provision €94.4 million; outturn €108.715 million

The overspend of €14.315 million was due primarily to measures implemented in 2023 to expand coverage and improve funding:

(i) In February 2023, Hot School Meals were extended to all remaining DEIS & Special schools from September.

(ii) In March 2023, school meal payment rates increased. This measure was backdated to January.

A.36 Other Child Related Payments

Estimate provision €8.8 million; outturn €9.583 million

The overspend of €783,000 was primarily due to higher than estimated expenditure on Guardian's Payment (Non-Contributory). Actual expenditure on Guardian's Payment (Non-Contributory) (€9.035 million) was €774,000 higher than estimated (€8.32 million). This was primarily due to a higher average payment value than estimated. The average payment value is impacted by the means of the recipient and the number of children cared for. Due to the relatively small number of recipients on the scheme, small changes to the profile of recipients can have a relatively large impact on the overall average payment value, making it difficult to estimate with total accuracy.

A.39 Household Benefits Package

Estimate provision €87.049 million; outturn €92.941 million

Expenditure on the Household Benefits Package is apportioned between Vote 37 and the Social Insurance Fund, depending on the primary scheme of Household Benefits Package recipients.

In 2023, the Department developed a new report to more accurately identify the primary scheme of Household Benefit Package recipients. Based on the results of this report as at September 2023, an updated apportionment between Vote 37 and the Social Insurance Fund was applied to Household Benefits Package expenditure from October 2023 onwards.

The use of this report in informing the 2023 outturn resulted in an overspend of €5.892 million on the Vote 37 portion of the scheme, as the apportionment which was used to inform the estimate was different to the apportionment which was ultimately used to inform the 2023 outturn.

A.41 Fuel Allowance

Estimate provision €249.666 million; outturn €286.435 million

The overspend of €36.769 million was primarily due to a lump sum payment of an additional €300 to recipients of the scheme in November 2023, which was not provided for in the estimates, at a cost of €70.276 million.

This additional expenditure was partially offset by €33.508 million due to a lower average number of recipients than estimated. This was as a result of a lower than anticipated take-up of the extension of the scheme to those aged 70 and over who are not in receipt of a qualifying scheme, with weekly means of less than €500 for a single person and €1,000 for a couple which was introduced in January 2023, following a significant change in the scheme eligibility rules announced as part of Budget 2023.

A.43 Miscellaneous Services

Estimate provision €16.071 million; outturn €13.931 million

The underspend of €2.14 million was primarily due to less expenditure than anticipated on measures to support the employment of people with disabilities (funded from the Dormant Accounts Fund). Actual expenditure (€2.71 million) was €2.29 million less than estimated (€5 million).

Measures to support the employment of people with disabilities, which are managed by Pobal on behalf of the Department, had been in place since September 2021 and were due to conclude at the end of December 2022.

The measures were extended by a further 12 months to the end of 2023. The extension was put in place to avoid a gap in funding between the Dormant Accounts Fund employment support measure for people with disabilities and a new anticipated new ESF+ programme (Workability) focussing on increasing employment opportunities for disabled people.

The amount needed by the projects was less than estimated for the following reasons:

(i) Less projects availed of the extension than anticipated.
(ii) The amount available to each project was based on their original allocation adjusted to a 12-month period (Jan to end Dec 2023).
(iii) Projects could not avail of any additional funding until they had expended the previous allocation.

This expenditure was partially offset by the net effect of a range under and overspends on other schemes and services included in this subhead.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023			2022
		Estimate provision		Realised	Realised
		€000	€000	€000	€000
Social Insurance Fund transfer to Vote 37					
1	Recovery of costs incurred on Vote 37 administering Social Insurance Fund schemes				
	Original	173,000			
	Supplementary	12,600			
			185,600	176,766	164,185
Appropriations-in-aid: other					
2	Recovery of overpayments on Vote 37 schemes raised in previous years				
	Original	46,500			
	Supplementary	4,931			
			51,431	53,449	46,924
3	Repayment from Social Insurance Fund initially made under Vote 37 in previous years				
	Original	3,400			
	Supplementary	1,932			
			5,332	2,836	4,944
4	Receipts under 'Liability to Maintain Family' provisions in Part XII of the SW Act 2005				
	Original	400			
	Supplementary	(94)			
			306	294	404
5	General Register receipts collected by the Department				
	Original	600			
	Supplementary	32			
			632	611	599

		2023			2022
		Estimate provision		Realised	Realised
		€000	€000	€000	€000
6	Receipts from additional superannuation contributions				
	Original	7,470			
	Supplementary	560			
			8,030	8,219	7,826
7	Receipts from European Social Fund		—	—	—
8	Receipts from National Training Fund				
	Original	7,090			
	Supplementary	854			
			7,944	7,492	6,854
9	Receipts from Pensions Authority – staff superannuation contributions				
	Original	670			
	Supplementary	(7)			
			663	750	677
10	Receipts from Dormant Accounts		5,000	2,710	3,980
11	Recovery of assistance from insurance compensation awards				
	Original	3,300			
	Supplementary	1,055			
			4,355	4,262	3,117
12	Receipts from Food and Material Assistance (part funded from ESF+)				
	Original	5,700			
	Supplementary	(3,718)			
			1,982	1,982	3,307
13	Recovery of overpayments from Temporary Wage Subsidy Scheme (TWSS)				
	Original	2,500			
	Supplementary	4,801			
			7,301	9,560	30,216

				2023	2022
		Estimate provision		Realised	Realised
		€000	€000	€000	€000
14	Recovery of overpayments for Employment Wage Subsidy Scheme (EWSS)				
	Original	1,000			
	Supplementary	18,099			
			19,099	30,665	67,792
15	Miscellaneous				
	Original	700			
	Supplementary	8,659			
			9,359	12,199	11,905
	Total		**307,034**	**311,795**	**352,730**

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000).

2 Recovery of Overpayments on Vote 37 schemes raised in previous years

Estimate provision €46.5 million; realised €53.449 million

Receipts under this subhead are in respect of overpayment recoveries on Vote 37 schemes and services and include two elements.

(i) Cash recoveries.

(ii) Overpayment recovery deductions treated as income where the recovery takes place after the end of the year in which the overpayment occurred.

Receipts can vary from year to year but have been on an overall downwards trend over the last number of years and this was factored into the estimate for 2023. However, this decline in receipts did not materialise and in fact receipts reached their highest level since 2019. As a result, receipts were €6.949 million higher than estimated.

3 Repayment from Social Insurance Fund initially made under Vote 37 in previous years

Estimate provision €3.4 million; realised €2.836 million

This subhead is used to record the recovery of social assistance from the Social Insurance Fund where an inter-scheme adjustment is affected after the close of the financial year. For example, it includes customers paid Supplementary Welfare Allowance (funded from Vote 37) while awaiting a decision on an Illness Benefit, Invalidity Pension or State Pension Contributory claim. When a decision is made on the customer's claim in a different year to which they were in receipt of Supplementary Welfare Allowance, the amount of that claim is recovered from the Social Insurance Fund and recorded under this subhead.

Receipts can vary significantly in percentage terms from month to month and year to year.

Receipts in 2023 were €564,000 lower than estimated, due to the unpredictable nature of receipts under this subhead making it difficult to accurately estimate.

4 Receipts under 'Liability to Maintain Family' provisions in Part XII of the SW Act 2005

Estimate provision €400,000; realised €294,000

Following publication of the Report of the Child Maintenance Review Group on 16th November 2022 new assessments of liability under Part 12 SWCA 2005 were paused. The Department continued to accept payments in respect of liability assessments completed prior to 16th November 2022, for the duration of 2023.The decision to pause new assessments was taken after the 2023 estimate was finalised, resulting in less receipts than estimated.

6 Receipts from additional superannuation contributions

Estimate €7.47 million; realised €8.219 million

Actual receipts were €749,000 higher than estimated due to wage increases provided for under the Building Momentum pay agreement.

The 2023 estimate was based on the emerging outturn towards the end of 2022 and did not take account of these pay increases.

8 Receipts from National Training Fund

Estimate provision €7.09 million; realised €7.492 million

Actual receipts were €402,000 higher than estimated, primarily due to higher than estimated receipts in respect of the Training Support Grant (TSG). Actual receipts in respect of the TSG (€2.634 million) were €1.134 million higher than estimated (€1.5 million).

This was mainly due to an error in the published estimate. The estimated expenditure for TSG in 2023 was €2.5 million, while only €1.5 million of receipts in respect of the scheme was factored into the published estimate for receipts from the National Training Fund (NTF). As this scheme is entirely funded from NTF, the full expenditure estimate of €2.5 million should have been reflected in the estimate for appropriation-in-aid receipts from the NTF. This error resulted in additional receipts of €1 million compared to the estimate. In addition, there was a slightly higher than anticipated level of activity on the scheme in 2023, resulting in further additional receipts of €134,000.

This was offset by €732,000 due to lower than estimated receipts in respect of Work Placement Experience Programme and Community Employment scheme, as a result of lower expenditure on those schemes than estimated due to stronger labour market and lower Live Register than anticipated in 2023.

10 Receipts from Dormant Accounts

Estimate provision €5 million; realised €2.71 million

Receipts under this subhead are used to fund measures to support the employment of people with disabilities, which form part of the Miscellaneous Services subhead. As such, receipts are dependent on expenditure on those measures.

The lower than estimated expenditure on the measures resulted in lower receipts from the Dormant Accounts Fund than estimated.

11 Recovery of assistance from insurance compensation awards

Estimate provision €3.3 million; realised €4.262 million

The Recovery of Benefits and Assistance scheme recovers the value of certain illness-related social welfare payments from compensation awards made to a person as a consequence of a personal injuries claim. As such, the Department is dependent on the resolution of personal injury claims to recover the relevant benefits. The timing of the resolution of these claims is dependent on the parties involved in the personal injury claim, the Personal Injuries Resolution Board and/or the courts and therefore can be difficult to predict. Accordingly, the amount can vary from year to year reflected in the fact that actual receipts were €962,000 higher than estimated.

12 Receipts from Food and Material Assistance (part funded from ESF+)

Estimate provision €5.7 million; realised €1.982 million

Receipts from were €3.718 million less than estimated due to the Department being unable to submit claims as anticipated in 2023 pending the development of a new IT system by the Department of Further and Higher Education, Research and Science, which is the Department responsible for making claims from the fund. The Food and Material Assistance programme is a continuation of the Fund for European Aid to the Most Deprived (FEAD) programme in Ireland which ended in 2022.

13 Recovery of overpayments from Temporary Wage Subsidy Scheme (TWSS)

Estimate provision €2.5 million; realised €9.56 million

Since the closure of the Temporary Wage Subsidy Scheme in 2020, Revenue has been recovering outstanding overpayments from employers. The provision was based on the expectation that the level of recovery of overpayments would continue to decline, given the scheme had been closed for some time. While the level of recovery of overpayments did continue to decline, the level of decline was less than anticipated.

14 Recovery of overpayments from Employment Wage Subsidy Scheme (EWSS)

Estimate provision €1 million; realised €30.665 million

Since the closure of the Employment Wage Subsidy Scheme in May 2022, Revenue has been settling outstanding arrears with employers. The provision was based on the expectation that the level of recovery of overpayments would continue to decline, given that the scheme was closed. While the level of recovery of overpayments did continue to decline, the level of decline was less than anticipated.

15 Miscellaneous

Estimate provision €700,000; realised €12.199 million

This subhead is used to record receipts which were not envisaged when the estimates were finalised, as well as small receipts such as the return of cancelled cheques.

Receipts were €11.499 million more than estimated, primarily due to the following.

(i) €4.807 million in recoupments from JobPath providers in respect of fees paid in previous years, to account for the application of a discount based on labour market performance. Discounts are calculated labour market performance in the previous year.

(ii) The recoupment of a €2.764 million from the Citizens Information Board (CIB) and Money Advice and Budgeting Service (MABs) companies in respect of 2022. This comprised of the recoupment of a €2.302 million surplus in respect of the CIB and CIB funded companies, and 462,000 in respect of the Loan Guarantee Fund, which was recouped from MABs companies.

(iii) €2.028 million in recoupments from the Intreo Partners Local Area Employment Service providers of advances made at the start of the contracts before 2023. This is recouped against current invoices based on an agreed payment plan.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	1
Conscience money	8	11
Witness expenses	2	—
Transferred to the Exchequer	(10)	(12)
Balance at 31 December	**—**	**—**

4.3 Recovery of welfare assistance overpayments

The Central Debt Unit (CDU) is responsible for the management of recorded individual customer overpayments and debt recovery. [a]

The summary position on recorded welfare assistance overpayments and debt managed by CDU at 31 December 2023 was as follows:

		2023 Outturn		2022 Outturn
	€000	€000	€000	€000
Overpayments outstanding at 1 January 2023		382,908		379,174
Net overpayments recorded				
Suspected fraud	14,530		14,403	
Customer error	44,015		36,775	
Official error	1,167		983	
Estate cases	22,643		16,149	
		82,355		68,310
		465,263		447,484
Less:				
Debt recovered [b]	(59,412)		(51,799)	
Recoveries adjustment [c]	321		233	
		(59,091)		(51,566)
Prior year debts cancelled [d]		(4,366)		(5,373)
Debt written off as irrecoverable [e]		(4,273)		(7,637)
Overpayments outstanding at 31 December 2023		**397,533**		**382,908**

Note

[a] The management of overpayments and debt recoveries that arise from contractual relationship or service level agreements with corporate entities delivering group schemes such as Community Employment are administered by the respective scheme area and are not stated here. Total 2023 recoveries for these schemes were €242,000 (2022: €394,000).

In 2023 the Revenue Commissioners administered debt recoveries for the Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) which are not reported here. Recoveries of €101,000 for 2023 overpayments are netted off 2023 TWSS and EWSS scheme expenditure (2022: €3.8 million). Recoveries of €40.2 million for prior years overpayments are included in Appropriations-in-aid, Note 4.1 (2022: €98 million).

[b] The amount of debt recovered in 2023 is analysed as follows:

(a) €53.8 million posted to income in respect of previous years debt

(b) €5.6 million posted against expenditure in respect of the current years debt.

[c] The adjustment is in respect of recorded recoveries in prior years which were cancelled during the year.

[d] The prior year debts cancelled relate to overpayments raised in prior years that were cancelled in 2023. Any subsequent new overpayment raised as a result of an appeal or a revised decision is reported under net overpayments recorded.

[e] During 2023 debts totalling €4.3 million were written off. €3.5 million represented write offs performed under the Department's annual policy of reviewing existing debts in terms of whether they are economical to pursue or are irrecoverable. The remainder of the write offs were performed in the normal course of business. The 2023 debt write off figure includes 152 customers who had individual debts greater than €10,000 written off with a total value of €4.9 million (Vote: €3.6 million; SIF: €1.3 million).

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2023	2022
Department	6,801	6,628
Agencies [a]	159	159
	6,960	**6,787**

Note [a] The Citizen Information Board and the Pensions Authority.

5.2 Pay

	2023 €000	2022 €000
Pay	336,138	323,198
Higher, special or additional duties allowances	1,524	1,011
Other allowances	1,807	1,670
Overtime	4,494	6,130
Employer's PRSI	27,239	25,041
Total pay	**371,202**	**357,050**

Remuneration of Department staff

	2023 €000	2022 €000
Pay	325,749	313,032
Higher, special or additional duties allowance	1,524	895
Other allowances	1,683	1,670
Overtime	4,494	6,130
Employer's PRSI	26,178	24,005
Total pay[a]	**359,628**	**345,732**

Note [a] The total pay figure is distributed across pay elements of administration subheads A.i, A.viii and A.ix.

Agency remuneration

	2023 €000	2022 €000
Pay	10,389	10,166
Higher, special or additional duties allowance	124	116
Employer's PRSI	1,061	1,036
Total pay	**11,574**	**11,318**

5.3 Allowances and overtime payments [a]

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Department staff				
Higher, special or additional duties allowances	478	41	49,082	22,755
Overtime	1,887	67	27,893	44,559
Shift and roster allowances	27	21	15,999	13,546
Miscellaneous	373	13	35,580	88,200
Extra remuneration in more than one category	338	95	33,623	40,831
Agency staff				
Higher, special or additional duties allowances	19	6	16,426	18,658

Note [a] The allowances, overtime and other remuneration details in this note relate to employees of the Department and employees of the agencies specified in note 5.1 above.

5.4 Department staffing by pay band

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

Pay band		Number of employees	
From (€)	To (€)	2023	2022
20,000	59,999	5,430	5,303
60,000	69,999	759	743
70,000	79,999	199	186
80,000	89,999	158	130
90,000	99,999	55	63
100,000	109,999	38	44
110,000	119,999	23	15
120,000	129,999	8	3
130,000	139,999	—	1
140,000	149,999	—	1
150,000	159,999	1	1
160,000	169,999	4	4
170,000	179,999	4	3
180,000	189,999	1	1
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,000	—	1
220,000	229,999	1	—

5.5 Other remuneration arrangements

The cost of staff serving outside the Department in 2023 was €721,481 in respect of 12 staff. These costs are recouped by the Department from other organisations.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €000	2022 €000
Overpayments	603	1,720	1,571
Recovery plans in place	289	1,028	834

Forty six individuals with recovery plans to the value of €54,604 transferred to 19 other departments in the year.

5.7 Severance/redundancy

During 2023, three staff members whose employment was terminated, were paid redundancy payments totalling €10,290. No severance payments were made.

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay	**227**	**213**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 Superannuation Scheme for Established Civil Servants, and the retirement benefits earned did not exceed the standard terms of that scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	2023	2022
	€000	€000
Permanent/open-ended		
Labour Market Advisory Council	17	17
Audit and Risk Committee	3	4
	20	**21**

Fixed purpose commission	Year of appointment	Cumulative expenditure to end of 2023	2023	2022
		€000	€000	€000
Child Maintenance Review Group	2021	124	—	111
			—	**111**

6.2 Ex-gratia payments

Ex-gratia payments amounting to €3.17 million (€3.44 million in 2022) was paid to survivors of the Magdalen laundries and other institutions in 2023.

Ex-gratia payments to Community Employment (CE) supervisors amounting to €1.4 million (€5.1 million in 2022) was paid in respect of 117 ex-CE supervisors and CE assistant supervisors in 2023.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by					Total 2023	Total 2022
	employees		members of the public				
	Personal injuries [a]	Breach HR/ employment policies	Personal injuries [b]	Department schemes	Other [c]		
Number of cases	11	—	6	5	12	34	32
	€000	€000	€000	€000	€000	€000	€000
Department's own legal costs	5	—	15	—	—	20	239
Payments by/on behalf of Department							
Compensation	120	—	6	51	—	177	277
Legal costs	13	—	—	5	272	290	862
Other costs	5	—	1	—	7	13	16
2023 Total	**143**	—	**22**	**56**	**279**	**500**	**1,394**
2022 Total	706	10	16	96	566	1,394	

Note
[a] Total cases 11. Amounts paid in respect of individuals ranged from €10 to €80,000.
[b] Total cases 6. Amounts paid in respect of individuals ranged from €202 to €19,014.
[c] Total cases 12. Total individual costs ranged from €818 to €77,981. 9 cases relate to legal costs to other parties. The other costs relate to services provided to the Department.

Cumulative costs of cases completed in 2023

	Claims by					Total
	employees		members of the public			
	Personal injuries	Breach HR/ employment policies	Personal injuries	Department schemes	Other	
Number of cases	6	—	3	5	12	26
	€000	€000	€000	€000	€000	€000
Department's own legal costs	22	—	21	—	—	43
Payments by/on behalf of Department						
Compensation	196	—	33	51	—	280
Legal costs	58	—	12	5	272	347
Other costs	4	—	2	—	7	13
2023 Total	**280**	—	**68**	**56**	**279**	**683**

6.4 EU funding

The outturn shown in subheads A.1 to A.43 includes payments in respect of activities which are co-financed by the EU. Estimates and actual receipts are recorded in note 4.1, subheads 7, 12 and 15.

Subhead description:	Estimate €000	2023 Outturn €000	2022 Outturn €000
Food and Material Assistance (part funded from ESF+)	5,700	1,982	3,307
Employment and Social Innovation (EaSI) programme	—	327	—
Back to Work Enterprise Allowance (BTWEA)	2,817	2,817	3,014
JobsPlus	280	280	350

Food and Material Assistance (part funded from ESF+)

EIST, is Ireland's ESF+ programme for the 2021 to 2027 period. It was formally approved by the European Commission in October 2022 and approved by the Government of Ireland in November 2022. The Programme involves a total investment of over €1.08 billion; €508 million from the EU and €573 million from the Government of Ireland. The programme has two different rates of co-financing. As 'more developed' regions, the Southern and the Eastern & Midlands regions will receive 40% in EU co-financing, while as a 'transition' region the North-Western region will receive 60% in EU co-financing. The Department's portion within the national €508m allocation is approx. €60m, with €5m, €10m and €15m being allocated respectively to the JobsPlus, BTWEA and the new Disability schemes (commencing in 2024). The balancing €30m allocation is in respect of the Food and Material Assistance (formally FEAD) programme over the 2021 to 2027 period.

Employment and Social Innovation programme

The Employment and Social Innovation (EaSI) programme is a financing instrument at EU level to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion, poverty and improving working conditions. In 2020, Ireland, as lead partner with One Family (in Ireland), Finland and Greece submitted a project proposal focussed on lone parents under a funding call entitled: 'Establishing and testing integrated interventions aimed at supporting people in (the most) vulnerable situations' financed by EaSI 2014-2020 (VP/2020/003). The bid for the project called "Lone Parents Digital Activation" was successful and the agreement was signed in November 2021. The maximum EU grant amount for the project is €1,245,926.97 (80% of the overall project budget) and this covers a 30-month project implementation period from November 2021 to April 2024. DSP is co-funding €105,000, with similar co-funding amounts from Finland and Greece. The initial tranche of funding (€373,778) was received from EaSI in December 2021 and this covers the first 12 months of the project. A second tranche of €329,824.34 was received on 3/04/2023. Amounts of €350,876.37 and €281,556.94 were dispersed in 2022 and 2023 respectively. A tranche corresponding to 20% of the grant is expected in Q1 2024.

6.5 Late interest payments

	2023 €000	2022 €000
Interest payments	10	4

6.6 Deferred surrender

There was no deferred surrender of capital expenditure in 2023.

6.7 Fraud and suspected fraud

	Number of cases	2023 €000	2022 €000
Fraud	—	—	—
Suspected fraud	1	—	—

Note [a] One case of suspected fraud in 2023 is currently under Garda investigation, with the value of the suspected fraud to be determined.

Appendix A Summary of Social Protection Scheme Expenditure

	2023 €million	2022 €million
Vote 37		
Gross expenditure	**12,799**	**12,817**
Less non-scheme expenditure		
Administration	(600)	(596)
SIF subvention	—	—
Grant to Citizens Information Board	(59)	(56)
Miscellaneous services	(5)	(6)
Vote 37 scheme expenditure (A)	**12,135**	**12,159**
Social Insurance Fund		
Gross expenditure	**13,366**	**12,927**
Less non-scheme expenditure		
Administration	(280)	(264)
National Training Levy	(1,066)	(951)
Social Insurance Fund scheme expenditure (B)	**12,020**	**11,712**
Total Department scheme expenditure (A+B)	**24,155**	**23,871**
Of which		
Mainstream schemes	*24,147*	*22,646*
Covid-19 schemes	*8*	*1,225*
Total Department scheme expenditure	**24,155**	**23,871**

Scheme expenditure breakdown

Payments by scheme and category	2023 €million	2022 €million
Pensions		
State Pensions (Contributory)	7,089	6,565
State Pensions (Non-Contributory)	1,229	1,137
Widows'/Widowers'/Surviving Civil Partners' Pension	1,813	1,725
Bereavement Grant	—	—
Total	**10,131**	**9,427**
Working Age Income Supports		
Jobseeker's Allowance	1,823	1,641
One Parent Family Payment	680	614
Jobseeker's Benefit	448	486
Redundancy and Insolvency Benefit	23	21
Maternity Benefit	269	263
Paternity Benefit, Parents Benefit and Adoptive Benefit	93	79
Basic Supplementary Welfare Allowance	121	121
Farm Assist	54	56
Deserted Wife's Benefit	63	64
Other Working Age - Income Supports	40	23
Additional Needs Payments	72	58
Treatment Benefits and Health and Safety Benefit	143	129
Widows'/Widowers'/Surviving Civil Partners' Pension (Non-Contributory)	12	12
Deserted Wife's Allowance	1	1
Covid-19 Pandemic Unemployment Payment	0	198
Total	**3,842**	**3,766**
Supplementary Payments		
Rent Allowance	—	1
Food and Material Assistance	6	5
Magdalen Laundries and other Institutions Payments	3	3
Rent Supplement	63	75
Household Benefits Package	286	282
Telephone Support Allowance	19	18
Fuel Allowance	502	576
Free Travel	93	89
Total	**972**	**1,049**

	2023 €million	2022 €million
Working Age Employment Supports		
Community Employment	341	329
Back to Education Allowance	31	40
Back to Work Enterprise Allowance	30	32
Tús	83	90
JobsPlus	4	4
Other Working Age – Employment Supports	5	11
Rural Social Scheme	50	49
Job Initiative	11	12
Local Employment Scheme	—	15
Jobs Clubs	—	2
Work Placement Experience Programme	3	2
Partial Capacity Benefit	25	26
Contracted Public Employment Service (PES) Schemes	59	13
Covid-19 Temporary Wage Subsidy Scheme (TWSS)	1	1
Covid-19 Employment Wage Subsidy Scheme (EWSS)	6	839
Total	**649**	**1,465**
Illness, Disability and Carers		
Disability Allowance	2,174	2,016
Illness Benefit	662	801
Invalidity Pension	794	766
Carer's Payment	1,139	1,042
Carer's Support Grant	332	328
Domiciliary Care Allowance	259	224
Wage Subsidy Scheme	22	20
Disablement Benefit	74	70
Blind Pension	13	13
Death Benefit	11	11
Injury Benefit and Medical Care	9	9
Disability Activation Supports	10	9
Total	**5,499**	**5,309**
Children		
Child Benefit	2,428	2,286
Working Family Payment	392	361
Back to Work Family Dividend	10	11
Back to School Clothing and Footwear Allowance	86	86
School Meals	109	78
Other Child Related Payments	37	33
Total	**3,062**	**2,855**
Net expenditure on all schemes	**24,155**	**23,871**

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €11.45 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.

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2023* for Vote 38 Health.

Transfer of functions

The *Further Revised Estimates* took account of the transfer of administration and ministerial functions of specialist disability services provided by the Health Service Executive (HSE) and other specialist health providers previously funded and administered by the Department of Health to the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) with effect from 1 March 2023 (under the Health (Miscellaneous Provisions) Act 2022 and SI 688 of 2022).

That transfer of functions comprised

- management of health services for people with a disability
- provision of community care services for people with disabilities, and
- provision of Children Disability Network Teams services.

In respect of the functions transferred, 39 posts were transferred from the Department of Health to the Department of Children, Equality, Disability, Integration and Youth. Funding of €2.647 billion transferred from Vote 38 Health to Vote 40 Children, Equality, Disability, Integration and Youth.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure, National Development Plan Delivery and Reform, the *Further Revised Estimates* 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 transfer 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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 2023 amounted to €21.845 billion (2022: €23.269 billion). This is accounted for across 14 subheads – each subhead from subhead I to subhead M.4, excluding subhead 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 control 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 shared services (e.g. HR). 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

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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 2024.

Administrative controls and management reporting

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

- 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

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of ten 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €92,558 (ex. VAT) in 2023 as set out below.

- €37,214 related to a contract for monitoring, maintenance and support services for the Department's hardware and network infrastructure which had previously been tendered for but exceeded the relevant threshold. This service is deemed essential in order to maintain the ICT infrastructure. The Department carried out a procurement exercise to address ongoing requirements for this service and a compliant contract is now in place.
- €55,344 related to the delivery of a refreshed eHealth Strategy with the majority of this expenditure undertaken on foot of a mini competition under an OGP framework. During the course of the contract, additional works were identified that required additional expenditure that breached the lot threshold for the framework by 39%. It is noted that this is acceptable under EU public procurement regulations which state that any modification in price must not exceed 50% of the original contract value.

The above contracts have been included in the 40/2002 annual return referenced above

The Department is committed to addressing the issue of non-compliant procurement and is continuing to strengthen its policies and procedures in respect of procurement issues. 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 implementation is ongoing 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 a written charter which I have approved. The work of the Internal Audit Unit 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. Further, internal audit services are delivered in alignment with the *Internal Audit Standards for Government Departments and Offices* (2018), as issued by the Department of Public Expenditure, National Development Plan Delivery and Reform.

I confirm that the Department has an Audit Committee in situ, and it has operated satisfactorily throughout the year. I can confirm that the Audit Committee operated in accordance with a charter which was approved by me.

The internal audit function is reviewed periodically by me and the Audit Committee and is subject to independent quality assessment at least once every 5 years. Further, I have put procedures in place to ensure that the Internal Audit reports are appropriately followed up.

Risk and control framework

The Department oversees risk management through its Governance and Risk Unit, a new unit established in January 2023.

During 2023, the Department made significant improvements in its risk management capability. The Risk Committee was reconstituted and met several times during the year. An updated Risk Management Framework was published in June, and training provided to staff. The Department also migrated to eRisk in September, an online BTS platform developed by the Office of the Government Chief Information Officer (OGCIO) for recording and managing risks.

Regular updates on risk management were presented to the Department's Corporate Governance Committee, a sub-committee of the Management Board, which provides assurance to the Accounting Officer regarding the suitability and robustness of the Department's corporate governance systems, processes and procedures. The unit also presented the risk management framework and approach to the Department's Audit Committee in October, providing further assurance on risk management.

The Governance and Risk Unit will continue to lead the operationalisation of risk management and enhanced risk reporting via the Department's corporate governance structures during 2024.

Governance in the health sector

The Department's approach to managing governance across the health sector in 2023 is based on the Department of Public Expenditure, National Development Plan Delivery 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 and Risk 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 each chair 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 *Code of Practice*.

Under the *Code of Practice*, oversight agreements and performance delivery agreements were in place with aegis bodies during 2023. 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 national service plan complies with section 9.5.2 of the oversight agreement with regards to the requirements of a performance delivery agreement. The *National Service Plan 2023* was approved by the Minister for Health on 23 March 2023 and subsequently laid before both Houses of the Oireachtas as per the legislative requirement in section 31(13) of the Health Act 2004 (as amended) and published by the HSE.

Performance reports are submitted monthly by the HSE during the course of the year, and monthly meetings take place at various levels between the two organisations to discuss ongoing or emerging performance issues and determine actions to improve areas of concern. During 2023, an industrial action within the HSE resulted in no monthly performance reports being produced from September 2023 through to year-end. These reports were prepared and received in March 2024 following suspension of the industrial action.

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

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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Robert Watt
Accounting Officer
Department of Health

21 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 38 Health for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

The Health Service Executive's integrated financial management system

Chapter 17 of my report on the accounts of the public services for 2023 deals with the funding provided from Vote 38 to the Health Service Executive in respect of a new integrated financial management system, the roll out of the project by the Executive and the project costs to date.

Seamus McCarthy
Comptroller and Auditor General

16 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 38 Health

Appropriation Account 2023

Service		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
Administration					
A.1	Salaries, wages and allowances				
	Original	49,848			
	Supplementary	(4,348)			
			45,500	44,868	45,506
A.2	Travel and subsistence		451	455	384
A.3	Training and development and incidental expenses				
	Original	3,916			
	Supplementary	(1,816)			
			2,100	2,077	3,188
A.4	Postal and telecommunications services				
	Original	174			
	Supplementary	(29)			
			145	135	187
A.5	Office equipment and external IT services				
	Original	2,951			
	Supplementary	(478)			
			2,473	2,102	2,217
A.6	Office premises expenses				
	Original	959			
	Supplementary	(109)			
			850	786	299
A.7	Consultancy services and value for money and policy reviews				
	Original	1,924			
	Supplementary	(524)			
			1,400	765	735

Service				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Grants					
B.1	Grants to research bodies and other research grants				
	Original	50,481			
	Supplementary	(1,233)			
			49,248	49,038	45,239
B.2	Healthy Ireland Fund		14,516	14,380	14,455
B.3	Drugs Initiative		6,928	5,360	5,347
B.4	Research Covid-19 action		—	—	2,930
Other services					
C	Expenses in connection with the World Health Organisation and other international bodies		2,700	2,985	2,586
D	Statutory and non-statutory inquiries and miscellaneous legal fees and settlements				
	Original	12,117			
	Supplementary	8,883			
			21,000	21,027	6,422
E.1	Developmental consultative, supervisory, regulatory and advisory bodies				
	Original	105,233			
	Supplementary	(10,596)			
			94,637	85,987	78,723
E.2	The Food Safety Promotion Board				
	Original	5,691			
	Supplementary	(63)			
			5,628	5,664	5,545
E.3	The National Treatment Purchase Fund				
	Original	100,022			
	Supplementary	(22)			
			100,000	100,000	100,000
E.4	Ireland/Northern Ireland INTERREG		5,300	6,074	1,554

Service				2023	2022
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Other services (continued)					
E.5	Covid-19 actions		139,800	92,235	38,740
F.1	Payments in respect of disablement caused by Thalidomide		—	—	*366*
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		16,000	14,551	16,150
F.4	Payments to a reparation fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002		2,000	2,284	3,046
G	Dissemination of information, conferences and publications in respect of health and health care services				
	Original	1,545			
	Supplementary	(545)			
			1,000	900	1,358
H	Sláintecare				
	Original	16,936			
	Supplementary	(10,936)			
			6,000	6,585	6,278
Corporate administrative					
I	Net pension costs				
	Original	685,563			
	Supplementary	67,269			
			752,832	794,210	732,501

Service				2023	2022
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
HSE health and social care services					
J.1	HSE (including services developments)				
	Original	12,686,484			
	Supplementary	693,514			
			13,379,998	13,333,494	13,984,051
J.2	HSE – Covid-19 actions				
	Original	565,490			
	Supplementary	119,760			
			685,250	709,857	1,878,259
Other HSE services					
K.1	Health agencies and similar organisations (part funded by the National Lottery)		4,513	—	4,513
K.2	Payments to Special Account – Health (Repayment) Act 2006		1,700	—	—
K.3	Payment to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,000	2,228	—
K.4	Payment to State Claims Agency				
	Original	435,000			
	Supplementary	75,000			
			510,000	511,656	530,000
K.5	Economic and social disadvantage (dormant account funding)		1,985	69	108
Care programme					
L.1	Primary care reimbursement services				
	Original	3,930,202			
	Supplementary	109,332			
			4,039,534	4,030,478	3,685,646

Service			2023		2022
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
Care programme (continued)					
L.2	Primary care reimbursement services – Covid-19 actions				
	Original	8,000			
	Supplementary	1,270			
			9,270	8,920	—
L.3	Long term residential care				
	Original	1,094,197			
	Supplementary	(31,637)			
			1,062,560	1,113,700	1,001,529
Capital services					
M.1	Grants in respect of building, equipping (including ICT)		19,927	16,088	14,740
M.2	Building, equipping and furnishing of health facilities				
	Original	951,170			
	Supplementary	21,682			
			972,852	876,694	944,650
M.3	Information services and related services for health agencies		383,696	413,696	367,500
M.4	Capital Covid-19 actions (including ICT)		50,000	50,000	140,000
Gross expenditure					
	Original	21,358,420			
	Supplementary	1,034,374			
			22,392,794	**22,319,348**	**23,664,752**
	Deduct				
N	**Appropriations-in-aid**		**438,371**	**446,374**	**458,409**
Net expenditure					
	Original	20,920,049			
	Supplementary	1,034,374			
			21,954,423	**21,872,974**	**23,206,343**

Surplus

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

	2023	2022
	€	€
Surplus	81,449,616	42,065,397
Deferred surrender	(70,000,000)	—
Surplus to be surrendered	**11,449,616**	**42,065,397**

Robert Watt
Accounting Officer
Department of Health

21 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Expenditure on Department administration		51,188	52,516
Expenditure on services and programmes		22,268,160	23,612,236
Gross expenditure		**22,319,348**	**23,664,752**
Deduct			
Appropriations-in-aid		**446,374**	**458,409**
Net expenditure		**21,872,974**	**23,206,343**
Changes in capital assets (note 2.1)			
Purchases	(66)		
Depreciation	43		
		(23)	(1)
Changes in net current assets			
Decrease in prepayments	400		
Increase in accrued income	(7)		
Decrease in accrued expenses	(1,249)		
		(856)	(1,046)
Direct expenditure		**21,872,095**	**23,205,296**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		21,268	21,232
Net programme cost		**21,893,363**	**23,226,528**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	44	103
Vote 12	Superannuation and Retired Allowances	12,524	12,522
Vote 13	Office of Public Works	7,963	7,897
Vote 18	National Shared Services Office	75	69
Vote 20	Garda Síochána	238	227
Vote 43	Office of the Government Chief Information Officer	129	119
Central Fund – ministerial pensions		295	295
		21,268	**21,232**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	98	75
Total fixed assets		**98**	**75**
Current assets			
Bank and cash		63,154	—
Prepayments	2.2	2,528	2,928
Accrued income		201	194
Other debit balances	2.4	6,462	6,404
Net Exchequer funding	2.6	—	8,820
Total current assets		**72,345**	**18,346**
Less current liabilities			
Accrued expenses	2.3	745	1,994
Bank and cash		—	11,404
Other credit balances	2.5	4,752	3,818
Net Exchequer funding	2.6	64,864	—
Total current liabilities		**70,361**	**17,217**
Net current assets		1,984	1,129
Net assets		**2,082**	**1,204**
Represented by:			
State funding account	2.7	**2,082**	**1,204**

2.1 Property, plant and equipment

	Office and IT equipment	Total
	€000	€000
Cost or valuation		
At 1 January 2023	226	226
Additions	66	66
At 31 December 2023	292	292
Accumulated depreciation		
At 1 January 2023	151	151
Depreciation for the year	43	43
At 31 December 2023	194	194
Net assets		
At 31 December 2023	**98**	**98**
At 31 December 2022	75	75

2.2 Prepayments

at 31 December	2023	2022
	€000	€000
Healthy Ireland Fund	1,708	2,194
GAA Healthy Clubs	400	—
Sláintecare integration fund	267	105
Other prepayments	153	138
Ukrainian Refugee Fund	—	491
	2,528	**2,928**

2.3 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration expenses	520	291
Other accruals	122	43
National Advisory Service	77	111
Irish Blood Transfusion Service	26	99
Hepatitis C Insurance Scheme	—	1,122
Covid digital certs	—	203
Legal fees	—	123
Healthy Ireland Fund	—	1
	745	**1,994**

2.4 Other debit balances

at 31 December	2023 €000	2022 €000
Recoupable salaries	6	—
Recoupable travel pass scheme expenditure	56	52
Recoupable travel expenditure	4	4
Transfer of functions DCEDIY	98	—
Hepatitis C Compensation Tribunal [a]	6,060	6,238
Other debit suspense items	238	109
	6,462	**6,404**

Note [a] Subject to sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform, subhead F.3 makes payments to a Special Account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002 and subhead F.4 makes payments to a Reparation Fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002. The Accounting Officer for the Department of Finance is responsible for the Special Account and Reparation Fund.

The Department of Health acts as paying agent to the Hepatitis C Compensation Tribunal and is 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 the Reparation Fund on foot of returns of expenditure certified by the Accounting Office of the Department of Health.

The balance at year end shown here 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	2023 €000	2022 €000
Amounts due to the State		
Income tax	578	580
Pay related social insurance	404	380
Universal social charge/income levy	119	116
Local property tax	2	3
Value added tax	7	34
Professional services withholding tax	42	324
	1,152	1,436
Payroll deductions held in suspense	274	256
EU funding	3,316	2,116
Other credit suspense items	10	11
	4,752	**3,819**

2.6 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	11,450	42,065
Deferred surrender	70,000	—
Exchequer grant undrawn	(16,586)	(50,885)
Net Exchequer funding	**64,864**	**(8,820)**
Represented by:		
Debtors		
Bank and cash	63,154	—
Debit balances: suspense	6,462	6,404
	69,616	6,404
Creditors		
Due to the State	(1,152)	(1,436)
Bank and cash	—	(11,404)
Credit balances: suspense	(3,600)	(2,383)
	(4,752)	(15,223)
	64,864	**(8,820)**

2.7 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			1,204	157
Disbursements from the Vote				
Estimate provision	Account	21,954,423		
Deferred surrender	Account	(70,000)		
Surplus to be surrendered	Account	(11,450)		
Net vote			21,872,973	23,206,343
Expenditure (cash) borne elsewhere	1.1		21,268	21,232
Net programme cost	1		(21,893,363)	(23,226,528)
Balance at 31 December			**2,082**	**1,204**

2.8 Commitments

a) Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	3,366	124,269 [a]
Non-capital grant programmes	34,567	32,711 [a]
Capital grant programmes	37,164	48,256
Total of legally enforceable commitments	**75,097**	**205,236** [a]

b) Non-capital grant programmes	2023 €000	2022 €000
Opening balance	32,711	16,829
Grants paid in the year	(16,405)	(19,822)
New grant commitments	18,951	35,769 [a]
Grants cancelled	(690)	(65)
Closing balance	**34,567**	**32,711** [a]

c) Capital grant programmes	2023 €000	2022 €000
Opening balance	48,256	47,641
Grants paid in the year	(9,856)	(9,993)
New grant commitments	—	10,994
Grants cancelled	(1,236)	(386)
Closing balance	**37,164**	**48,256**

Note [a] A detailed review showed an understatement in the 2022 accounts. This included the vaccine commitments as at the end of 2022. The responsibility of this commitment transferred to the HSE in 2023. The prior year figures have been adjusted to correct the understatement.

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 balance

at 31 December	2023 €000	2022 €000
Opening liability 1 January	(463,523)	(954)
Determination	(21,846,895)	(23,706,949)
Grants issued	21,845,003	23,268,757
Capital first surplus retraction	47,465	—
Closing liability 31 December	(417,950)	(439,146)
Grant deferred	—	(24,377)
Net balance with HSE	**(417,950)**	**(463,523)**

Note Grant funding totalling €21,845 million was transferred to the HSE in 2023 to meet its immediate cash requirements. The total payments issued from the Health Vote to the HSE were less than the amount set out in the Minister's annual letter of determination by an amount of €1.89 million. The 2022 capital surplus of €47.5 million was offset against the liability, giving a net balance owed to the HSE of €417.95 million for 2023.

Note 3 Vote Expenditure

The following outlines the reasons for significant variations in expenditure from the amount provided. A significant variation is +/- €100,000, and +/- 5% of the amount provided (administration subheads +/- 25%).

Administration expenditure

A.3 Training and development and incidental expenses

Estimate provision €3.916 million; outturn €2.077 million

The underspend is due to lower than anticipated general administrative costs in the Department, including reduced press office costs, and greatly reduced cleaning costs.

A.5 Office equipment and external IT services

Estimate provision €2.951 million; outturn €2.102 million

The underspend is primarily due to the deferral of the planned purchase of additional storage for the Department.

A.7 Consultancy services and value for money and policy reviews

Estimate provision €1.924 million; outturn €765,405

The underspend is due to timing of projects where it's expected that these projects will carry forward into 2024. The savings on projects that were deemed closed or finished was €126,500.

Grants to agencies

B.3 Drugs initiative

Estimate provision €6.928 million; outturn €5.360 million

In 2023, €500,000 was set aside for a prevention and education programme that was being designed. This project did not reach implementation stage during 2023 but it is anticipated that it will be fully implemented in 2024.

Following the mid-term review of the National Drug Strategy, six strategic priorities were identified. A strategic implementation group (SIG) was established for each of these priorities. In 2023 a SIG support fund was established to fund the work programme of these groups, but there was minimal usage of this funding by the SIGs in 2023. It is anticipated that the SIGs will utilise this funding in 2024.

Additionally, the projected expenditure in relation to drug and alcohol taskforces was not fully spent in 2023 due to difficulties experienced in recruiting. It is anticipated that this issue will be addressed in 2024 and that the funding allocation will be drawn down.

Other services

C Expenses in connection the with World Health Organisation and other international bodies

Estimate provision €2.7 million; outturn €2.985 million

The overspend is due to the cost of contributions and memberships being higher than originally anticipated.

D Statutory and non-statutory inquiries and miscellaneous legal fees and settlements

Estimate provision €12.117 million; outturn €21.027 million

The overspend is due to a higher than anticipated volume of Medical Defence Union refusal cases being settled following post-Covid resumption of actions.

E.1 Developmental, consultative, supervisory, regulatory and advisory bodies

Estimate provision €105.233 million; outturn €85.987 million

The following agencies actual expenditure was lower than originally allocated.

- Food Safety Authority of Ireland - expenditure less than allocation mainly due to an underspend on payments to local authority vets.
- Health Information and Quality Authority - expenditure was less than allocation due to delay in filling posts.

Other miscellaneous items of underspend were due to the postponement of certain programmes and timing of payments, including by the Patient Safety Office initiatives, National Screening Advisory Committee, Public Health Authority, National Health Information Authority and the Nursing and Midwifery Board of Ireland funding under Lansdowne Road Agreement.

E.4 Ireland/Northern Ireland INTERREG

Estimate provision €5.300 million; outturn €6.074 million

The overspend is due to the completion of all projects in the final year of this programme.

E.5 Covid-19 actions

Estimate provision €139.800 million; outturn €92.235 million

The underspend relates to access to care funding held in this subhead for the HSE which was paid from subhead J.1. This was included in the final cash drawdown to the HSE in December 2023.

F.3 Payments to a Special Account established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €16 million; outturn €14.551 million

The shortfall in expenditure of €1.449 million relative to the estimate provision was due to lower than anticipated Tribunal expenditure.

The Department is not in a position to forecast precisely the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal, which is independent of the Department.

F.4 Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €2 million; outturn €2.284 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. The increase in expenditure of €284,000 relative to the estimate provision was due to the value of reparation fund payments being higher than anticipated.

G Dissemination of information, conferences and publications in respect of health and health care services

Estimate provision €1.545 million; outturn €899,569

This variance is due to the lower volume of press campaigns in 2023 versus the estimate and prior years. Savings of €545,000 were vired from this subhead to meet expenditure elsewhere in the vote.

H Sláintecare

Estimate provision €16.936 million; outturn €6.585 million

The underspend in expenditure on Sláintecare related primarily to the HSE recruitment pause which resulted in delays to the operationalisation of Round 2 projects and consequent non-disbursement of the expected second tranche of funding. In addition, there were fewer than expected applications for Round 3 funding and a reduced number of successful projects, following the appraisal process. As a result, the amount of funding which could be disbursed to Rounds 2 and 3 projects in 2023 was reduced, compared to the amount expected to be disbursed.

Corporate administrative

I Net pension costs

Estimate provision €685.563 million; outturn €794.210 million.

Excess expenditure of €108.647 million. Subhead I provides for payment of superannuation benefits for HSE employees and includes pensions and retirement lump sums and is net of any superannuation contributions made by serving staff. The introduction of the Single Public Service Pension Scheme (SPSPS) in 2013 requires employee contributions by members of this scheme to be remitted centrally to the Exchequer. As members of older schemes retire and are replaced by members of the SPSPS, the amount of income retained by the HSE has fallen, thus creating a greater demand on this subhead. In tandem with increased benefits resulting from public sector pay agreements, this has led to the additional expenditure incurred in 2023. In addition, during 2023 the HSE made pension back-payments relating to older pay agreements and also commenced an initiative to advance payment of current pension lump-sum amounts.

HSE health and social care services

J.1 HSE (Including service developments)

Estimate provision €12,686.484 million; outturn €13,333.494 million

The overspend of €647 million in 2023 was primarily due to deficits in acute hospitals, and to a lesser extent across community and demand led areas. The majority of this deficit was related to non-pay expenditure, driven by both price increases due to high levels of inflation and volume increases arising from increases in demand for health services due to demographic changes in terms of a growing and ageing population above forecasted levels. In addition, a substantial portion of the deficit was due to pay expenditure, particularly in relation to agency and overtime costs, also driven by increases in demand for health services.

J.2 HSE Covid-19 actions

Estimate provision €565.490 million; outturn €709.857 million.

The overspend on HSE Covid current expenditure in 2023 was primarily due to unfunded Covid responses in acute and community settings. Significant progress had been made on ceasing many of these unfunded responses by end-2023 going into 2024. €119.760 million was vired to this subhead to meet this expenditure in 2023.

Other HSE services

K.1 Health agencies and similar organisations (part funded by the National Lottery)

Estimate provision €4.513 million; outturn €nil

The shortfall in expenditure relative to the estimate provision was due to the timing of grants being paid and the conditions of the grant being fulfilled.

K.2 Payments to Special Account – Health (Repayment) Act 2006

Estimate provision €1.7 million; outturn €nil

The underspend of €1.7 million in 2023 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 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 €1.000 million; outturn €2.228 million

This is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year. The overspend was due to all the 2022 and 2023 payments being made in 2023. The 2022 spend was €1.122 million and the 2023 spend was €1.106 million.

K.4 Payment to State Claims Agency

Estimate provision €435.000 million; outturn €511.656 million

The State Claims Agency (SCA) manages all clinical negligence claims taken against healthcare enterprises, hospitals and clinical, nursing and allied healthcare practitioners on behalf of the State.

The SCA seeks to manage claims to the lowest achievable level while ensuring that fair compensation is paid in cases where negligence does arise. The overspend for 2023 can be attributed to 1) an increase in the number of claims and 2) an increase in the value of settlements awarded, particularly claims arising due to catastrophic birth injury.

K.5 Economic and social disadvantage (dormant account funding)

Estimate provision €1.985 million; outturn €69,000

The underspend of €1.916 million against the estimate provision is as a result of the inherent unpredictability of applications to the Dormant Accounts fund seeking project approvals and variability in the timing of the approvals and expenditure in respect of projects sanctioned.

Care programme

L.2 Primary care reimbursement services – Covid-19 actions

Estimate provision €8.000 million; outturn €8.920 million

The allocation of €8 million in 2023 was to fund the purchase of Covid therapeutic drugs. Expenditure was above the estimate provision in 2023 due to additional procurement of these drugs above the original forecast.

Capital services

M.1 Grants in respect of building, equipping (including ICT)

Estimate provision €19.927 million; outturn €16.088 million

The underspend was a result of some deliverables to be completed by vendors running behind schedule. The agency concerned did not want to sign off on the invoices until they were satisfied all was in order. These are now matured liabilities for 2024.

M.2 Building, equipping and furnishing of health facilities

Estimate provision €951.170 million; outturn €876.694 million

There was an underspend in 2023 because €70 million in unspent funding related to the National Children's Hospital project was carried forward to 2024. Agreed at Ministerial level on 15 November 2023, and set out in the *Revised Estimates 2024*.

M.3 Information services and related services for health agencies

Estimate provision €383.70 million; outturn €413.70 million

The overspend of €30 million was a result of the identification of funding which could be utilised for ICT capital projects. This was met by virement of €30 million from subhead M2. Virement between capital subheads was to optimise overall delivery of the health capital programme.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Recovery of cost of health services provided under regulations of the European Community	255,000	260,000	270,000
2	Receipts from certain excise duties on tobacco products	167,605	167,605	167,605
3	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	4,000	6,927	6,598
4	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	4,000	3,870	2,091
5	Miscellaneous receipts	250	787	4,809
6	Dormant accounts	2,235	69	108
7	Receipts from additional superannuation contributions on public service remuneration	3,816	4,510	4,123
8	Receipts in respect of Special EU Programmes	1,465	2,606	3,074
	Total	**438,371**	**446,374**	**458,409**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

3 Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund

Estimate €4 million; realised €6.927 million

The increase of €2.9 million was due to claims under the ophthalmic services scheme being difficult to predict. Claims are only notified by the Department of Social Protection at year end.

5 Miscellaneous receipts

Estimate €250,000; realised €787,000

The variance is largely due to unspent funds in relation to Round 1 of the Sláintecare Integration Fund of €375,000 being returned by Pobal, and higher than anticipated receipts relating to licence fees under the Misuse of Drugs Act of €313,330.

6 Dormant accounts

Estimate €2.235 million; realised €69,444

The receipts from the Dormant Accounts Fund were €2.166 million lower than estimated due to uncertainty over timing of expenditure in respect of projects approved for funding under the dormant accounts action plans 2016, 2017 and 2018.

7 Receipts from additional superannuation contributions on public service remuneration

Estimate €3.816 million; realised €4.51 million

The amount received from additional superannuation contributions was €694,000 more than estimated due to an increase in contributions received from agencies under the aegis of the Department, as well as the effect of Building Momentum increases.

8 Receipts in respect of Special EU Programmes

Estimate €1.465 million; realised €2.606 million

The receipts in respect of Special EU Programmes were €1.141 million higher than expected due to an additional payment at the closure of INTERREG.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	—	—
Voluntary surrender of pay	37	53
Transferred to the Exchequer	(37)	(53)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year-end	2023	2022
Department	646	624
Health Service Executive direct employees [a]	94,696	89,227
Voluntary (section 38) acute and non-acute services employees [a]	51,289	48,519
Other agencies [b]	2,191	2,016
Number of staff at year end	**148,822**	**140,386**

Note [a] These figures include employees funded by both the Department of Health and the Department of Children, Equality, Disability, Integration and Youth.

[b] '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

	2023 €000	2022 €000
Pay	41,005	41,703
Severance and redundancy	20	12
Higher, special, or additional duties allowances	253	185
Other allowances	11	2
Overtime	101	104
Employer's PRSI	3,478	3,500
Total pay	**44,868**	**45,506**

Health Service Executive remuneration

	2023 €000	2022 €000
Pay	5,265,552	4,730,778
Higher, special or additional duties allowances	612,889	603,538
Arrears	16,348	5,030
Overtime	303,557	276,579
Employer's PRSI	622,396	566,118
Pandemic special recognition payment	2,088	85,888
Superannuation	997,972	898,071
Total pay Health Service Executive direct employees	7,820,802	7,166,002
Agency staff costs	644,212	619,514
Total pay [a]	**8,465,014**	**7,785,516**

Note [a] The pay costs above do not include cost of employees in the voluntary sector. These figures include employees funded by both the Department of Health and the Department of Children, Equality, Disability, Integration and Youth.

Other agencies remuneration [a]

	2023 €000	2022 €000
Pay	82,413	73,404
Higher, special or additional duties allowances	335	142
Other allowances	102	108
Overtime	12	16
Employer's PRSI	8,590	7,641
Total pay	**91,452**	**81,311**

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	
			2023	2022
			€	€
Department staff				
Higher, special or additional duties allowances	26	11	42,541	22,755
Other allowances [b]	17	—	4,805	1,309
Overtime	24	2	21,847	19,320
Extra remuneration in more than one category	7	5	26,760	24,146
Other agencies staff [a]				
Higher, special or additional duties allowances	85	8	29,921	22,250
Other allowances	18	—	6,394	6,394
Overtime	17	—	4,144	4,048
Extra remuneration in more than one category	2	—	6,265	4,448

Note [a] Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

[b] Includes 14 staff that are no longer with the Department but received arrears of allowances totalling €1,358 in 2023.

5.4 Department staffing by pay band

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	372	409
60,000	69,999	66	52
70,000	79,999	63	68
80,000	89,999	49	54
90,000	99,999	36	34
100,000	109,999	18	22
110,000	119,999	10	9
120,000	129,999	2	4
130,000	139,999	2	2
140,000	149,999	—	1
150,000	159,999	1	—
160,000	169,999	2	1
170,000	179,999	3	2
180,000	189,999	—	—
190,000	199,999	1	1
200,000	229,999	—	—
230,000	239,999	—	1
240,000	249,999	—	—
250,000	259,999	1	—
260,000	289,999	—	—
290,000	299,999	1	1

5.5 Severance and redundancy

During 2023, two staff members whose employment was terminated, were paid severance payments totalling €13,446 and redundancy payments totalling €6,996.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	36	119,437	101,898
Recovery plans in place	10	12,939	16,655

Nine overpayment recovery plans in respect of nine individuals to the value of €17,638 were transferred to six government departments/offices in 2023.

5.7 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	297	297

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the Established New Entrants Post 2004 Pension Scheme and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2023	Expenditure in 2023	Expenditure in 2022
		€000	€000	€000
Commission of Investigation (certain matters relative to a disability service in the South East and related matters) [a]	*2017*	—	—	*775*
CervicalCheck Tribunal	2020	3,774	569	863
		3,774	**569**	**1,638**

Note [a] As part of the transfer of functions to DCEDIY in 2023 the commission of investigation's full year funding and expenditure was moved to DCEDIY. That Department now has responsibility for specialist disability services and policy.

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.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2023	Total 2022
Number of cases	37	37	77
	€000	€000	€000
Department's own legal costs	2,121	2,121	2,390
Payments by/on behalf of Department			
Compensation	15,588	15,588	883
Legal costs	2,334	2,334	240
Other costs	167	167	41
2023 Total	**20,210**	**20,210**	**3,554**
2022 Total	**3,554**	**3,554**	

Cumulative costs paid by the Department in the year

	Claims by members of the public	Total 2023	Total 2022
Number of cases	4 [a]	4	-
	€000	**€000**	**€000**
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	45	45	—
Other costs	—	—	—
Total	**45**	**45**	**—**

Note [a] The State Claims Agency confirmed to the Department that four cases were deemed closed in 2023.

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 2023, the balance on the fund totalled €4.437 million (2022: €4.934 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

			2023	2022
		Estimate	Outturn	Outturn
Subhead		**€000**	**€000**	**€000**
K.1	Health agencies and similar organisations (part funded by the National Lottery)	4,513	—	4,513
		4,513	**—**	**4,513**

6.5 EU funding

Expenditure under subhead E.4 Ireland/Northern Ireland INTERREG is co-financed by the EU.

6.6 Late interest payments and compensation payments

	2023	2022
	€000	€000
Total of interest payments paid	10	9

6.7 Write-offs

	2023	2022
	€000	€000
Suspense account balances [a]	—	900

Note [a] A review of a number of suspense account balances was undertaken by the Department, in 2022, and identified accounting adjustments, made in error, on three accounts. The Department did not identify any cash impact or loss to the Exchequer as a result of these entries.

A request to write off the unreconciled balances was made to the Department of Public Expenditure, National Development Plan Delivery and Reform to bring the balances on the appropriation account in line with expectations.

Procedures in relation to all suspense accounts were revised from 2022 onwards and no write offs of this nature were required in 2023.

6.8 Deferred surrender

Deferred surrender comprises of savings in 2023 of €70 million in capital expenditure in the following subheads that were carried over to 2024.

	2023	2022
	€000	€000
M.2 Building, equipping and furnishing of health facilities	70,000	—

Appropriation Account 2023

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 2023 for the salaries and expenses of the Office of Government Procurement.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €3.390 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	5 years	20%

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

The Office of Government Procurement is a division of the Department of Public Expenditure, National Development Plan Delivery and Reform. 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

Payroll, finance 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 Office and the National Shared Services Office (NSSO) for the provision of HR, finance 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, including financial shared services, to this Office.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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 National Shared Service Office is also relevant given that the National Shared Service Office provides certain services on a shared basis to Vote 39.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the 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

The Office has an internal audit function, located within the Department, 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

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €3.805 million in 2023.

The Office has provided details of one non-competitive but compliant contract in excess of €25,000 in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Risk and control framework

The Office, and wider 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 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 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

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 and Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Office of Government Procurement

7 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 39 Office of Government Procurement for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

12 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 39 Office of Government Procurement

Appropriation Account 2023

			2023	2022
	Estimate provision		Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Delivery of central procurement service				
Estimate provision	22,243			
Deferred surrender	35			
		22,278	18,786	18,293
Gross expenditure		**22,278**	**18,786**	**18,293**
Deduct				
B **Appropriations-in-aid**		**525**	**538**	**471**
Net expenditure				
Estimate provision	21,718			
Deferred surrender	35			
		21,753	**18,248**	**17,822**

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. €115,000 of unspent allocations in respect of the capital elements of Subhead A.3 was carried forward to 2024.

	2023	2022
	€	€
Surplus	3,505,271	1,641,521
Deferred surrender	(115,000)	(35,000)
Surplus to be surrendered	**3,390,271**	**1,606,521**

David Moloney
Accounting Officer
Office of Government Procurement

7 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		2,448	2,251
Pay		14,981	14,903
Non pay		1,357	1,139
Gross expenditure		**18,786**	**18,293**
Deduct			
Appropriations-in-aid		**538**	**471**
Net expenditure		**18,248**	**17,822**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Depreciation	26		
Intangible assets (note 2.2)			
Purchases	(734)		
Amortisation	144		
		(564)	(57)
Changes in net current assets			
(Increase) in prepayments	(102)		
Increase in accrued expenses	160		
		58	(82)
Direct expenditure		**17,742**	**17,683**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		2,977	2,352
Notional rents		50	50
Net programme cost		**20,769**	**20,085**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	—	29
Vote 12	Superannuation and Retired Allowances	611	492
Vote 13	Office of Public Works	1,513	1,410
Vote 18	National Shared Services Office	551	144
Vote 43	Office of the Government Chief Information Officer	302	277
		2,977	**2,352**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	—	26
Intangible assets	2.2	887	176
Total fixed assets		**887**	**202**
Current assets			
Bank and cash		1,188	657
Prepayments	2.3	510	408
Other debit balances	2.4	25	68
Total current assets		**1,723**	**1,133**
Less current liabilities			
Accrued expenses		176	16
Other credit balances	2.5	591	583
Net Exchequer funding	2.6	622	142
Total current liabilities		**1,389**	**741**
Net current assets		**334**	**392**
Net assets		**1,221**	**594**
Represented by:			
State funding account	2.7	**1,221**	**594**

2.1 Property, plant and equipment [a]

	Office and IT equipment €000	Total €000
Cost or valuation		
At 1 January 2023	414	414
Additions	—	—
At 31 December 2023	414	414
Accumulated depreciation		
At 1 January 2023	388	388
Depreciation for the year	26	26
At 31 December 2023	414	414
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	26	26

Note [a] On 1 January 2023, acquired and developed software assets were reclassified as intangible assets (see note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	284	124	408
Additions [b]	—	855	855
Transfers	858	(858)	—
At 31 December 2023	1,142	121	1,263
Accumulated amortisation			
At 1 January 2023	232	—	232
Amortisation for the year	144	—	144
At 31 December 2023	376	—	376
Net assets			
At 31 December 2023	**766**	**121**	**887**
At 31 December 2022	78	124	202

Note [a] The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were included in Property, plant and equipment in prior years.

[b] Additions includes an accrual for €121,000 for enhancements to developed software. Work on this enhancement was completed in 2023 but was paid post year end.

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
Software licences	166	147
Subscriptions	221	145
Training and development	74	105
IT support	22	5
Other	27	6
	510	**408**

2.4 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable travel pass scheme expenditure	16	17
OPW advances	7	42
Other debit suspense items	2	9
	25	**68**

2.5 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	184	182
Pay related social insurance	154	145
Professional services withholding tax	19	39
Value added tax	90	79
Pension contributions	53	47
Local property tax	1	1
Universal social charge	38	38
	539	531
Payroll deductions held in suspense	51	49
Other credit suspense items	1	3
	591	**583**

2.6 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	3,390	1,607
Deferred surrender	115	35
Exchequer grant undrawn	(2,883)	(1,500)
Net Exchequer funding	**622**	**142**
Represented by:		
Debtors		
Bank and cash	1,188	657
Debit balances: suspense	25	68
	1,213	725
Creditors		
Due to the State	(539)	(531)
Credit balances: suspense	(52)	(52)
	(591)	(583)
	622	**142**

2.7 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			594	455
Disbursements from the Vote				
Estimate provision	Account	21,753		
Deferred surrender	Account	(115)		
Surplus to be surrendered	Account	(3,390)		
Net vote			18,248	17,822
Expenditure (cash) borne elsewhere	1.1		2,977	2,352
Non-cash expenditure – notional rent	1		50	50
Non-cash expenditure – intangible assets accrual			121	
Net programme cost	1		(20,769)	(20,085)
Balance at 31 December			**1,221**	**594**

2.8 Commitments

Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	**133**	**570**

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 central procurement service.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages, pensions and allowances	16,948	14,981	14,903
ii	Travel and subsistence	156	134	91
iii	Training and development	386	429	385
iv	Professional, consultancy and other services	100	136	86
v	Operating expenses	167	106	90
vi	Asset and equipment expenses			
	Estimate provision	147		
	Deferred surrender	35		
		182	209	211
vii	Communication expenses	146	153	130
viii	Premises and accommodation expenses	170	190	146
		18,255	**16,338**	**16,042**

Programme A Delivery of Central Procurement Service

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		16,948	14,981	14,903
A.2	Administration − non pay				
	Estimate provision	1,272			
	Deferred surrender	35			
			1,307	1,357	1,139
A.3	Procurement consultancy and other costs		4,023	2,448	2,251
			22,278	**18,786**	**18,293**

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000).

A.1 Administration pay

Estimate provision €16.948 million; outturn €14.981 million

The €1.9 million underspend in salary costs is due to delays in recruiting a number of roles at all levels. This is the result of a tight labour market, and the OGP like all public sector bodies is affected by this.

A.3 Procurement consultancy and other costs

Estimate provision €4.023 million; outturn €2.448 million

The €1.6 million underspend in 2023 is driven by delays on large projects budgeted for during the year e.g. the Digital Suitability Assessment Questionnaire, and the Technical Support Services Framework. These are due to be completed in 2024.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	375	413	396
2	Miscellaneous	150	125	75
	Total	**525**	**538**	**471**

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	—	—
Purchasing card rebates	—	61
Transferred to the Exchequer	—	(61)
Balance at 31 December	**—**	**—**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	**237**	**241**

5.2 Pay

	2023 €000	2022 €000
Pay	13,620	13,527
Higher, special or additional duties allowances	9	36
Other allowances	(2)	3
Employer's PRSI	1,354	1,337
Total pay	**14,981**	**14,903**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Higher, special or additional duties	4	—	769	14,091
Other allowances	—	—	—	2,666
Overtime	1	—	986	57

5.4 OGP staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	159	166
60,000	69,999	15	13
70,000	79,999	21	30
80,000	89,999	17	12
90,000	99,999	6	6
100,000	109,999	2	5
110,000	119,999	7	5
120,000	129,999	2	—
130,000	139,999	—	1
140,000	149,999	1	1
150,000	159,999	2	—
160,000	169,999	1	—
170,000	179,999	—	—
180,000	189,999	—	—
190,000	199,999	—	1

5.5 Payroll overpayments

at 31 December	**Number of recipients**	**2023**	**2022**
		€	**€**
Overpayments	12	17,200	35,160
Recovery plans in place	2	5,808	12,026

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officer for Vote 39 Office of Government Procurement is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary and benefits are disclosed in the appropriation account for Vote 11.

Note 6 Miscellaneous

6.1 Compensation and legal costs

In 2023, the OGP was responding to two sets of legal proceedings in relation to procurement competitions. These proceedings are distinct from an older matter, following which the OGP paid legal costs in the amount of €57,465 in 2022. No legal fees were paid in 2023 in relation to these two open proceedings.

In February 2024, for one of these proceedings, the Supreme Court ruled in favour of the OGP and refused the application for leave to appeal. As such neither the OGP, nor any other Government agency, will be liable for any costs associated with this case.

6.2 Deferred surrender

Deferred surrender comprises savings in 2023 of €115,000 in capital expenditures in the subhead A.3 Procurement consultancy and other costs.

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €38.751 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.

Exceptional demand due to migration

The continued demand for emergency accommodation and support for Ukrainian Beneficiaries of Temporary Protection (BOTPs) had a very significant impact on the Department in 2023. By the end of 2023, over 100,000 BOTPs had arrived in Ireland, of whom over 75% sought assistance with accommodation from the State. The initial allocation for the Ukraine Response in Vote 40 was based on the 2022 outturn. The provision of accommodation for BOTPs is costly, demand-led, time urgent and a highly responsive service with immediate requirements determined by numbers of arrivals from Ukraine. Two supplementary estimates obtained by the Department towards the end of 2023 provided sufficient funds to meet the eventual outturn of approximately €1.5 billion in subhead E.5 on the Ukraine response.

The Department was also impacted by the increased numbers of international protection applicants that arrived in 2023. This is a demand-led service with requirements for accommodation and services increasing as the number of new international protection applications increase. 2023 saw 13,277 new international protection applicants. For comparison purposes the numbers accommodated increased from 7,244 in December 2021 to 18,534 in December 2022 and reaching 26,000 by the end of December 2023. Two supplementary estimates were secured towards the end of 2023 to meet the outturn of €656 million in subhead E.4.

Transfer of functions

On 1 March 2023, responsibility for policy, functions and funding relating to Specialist Community Based Disability Services (SCBDS) transferred to the Department from the Department of Health. The Board of the Health Service Executive is now accountable to the Department with respect to SCBDS. Policy and budget responsibility for mainstream health services (including those delivered to people with disabilities) continues to lie with the Department of Health.

On 3 May 2023, Dáil Éireann approved 2023 further revised estimates, transferring €2.647 billion in SCBDS net funding to Vote 40 from Vote 39 Health. This allocation included €2.63 billion in gross funding for the Health Service Executive. In a 2023 supplementary estimate, Health Service Executive disability services were allocated an additional €112.518 million in core funding, increasing the total SCBDS budget for 2023 to €2.759 billion.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023 have been applied in the preparation of the account, except for the following.

Depreciation

Assets are depreciated annually on a straight-line basis over their estimated useful life, with a full year's depreciation charged in the year of acquisition and none in year of disposal.

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.

Reclassification of assets

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

Asset class	*Useful life*	*Rate of amortisation*
Acquired/developed software	5 years	20%

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 for this Department for the provision of ICT shared services, and the National Shared Services Office (NSSO) 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 Officer of the NSSO 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 2023, net funding of €1.03 billion 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 which forms the general understanding of the purpose, context, objectives, terms and conditions of the relationship between both parties. The current service level agreement is in place until 31 December 2024, and a letter of comfort has issued to Pobal that the Department will enter into the process to extend the service level agreement beyond the current expiry date. This will enable Pobal to continue to engage the requisite staff and external contract services required to perform its work.

An independent review of the Early Learning and Care (ELC) and School-Age Childcare (SAC) operating model was undertaken by Indecon Economic Consultants in 2021. The review, published on 29 March 2022, concluded that a new dedicated State agency under the remit of the Minister for Children, Equality, Disability, Integration and Youth (the Minister) is the optimal operating model for the ELC and SAC sector for the years ahead. This agency would undertake the functions currently carried out by Pobal Early Years (including Better Start), the 30 city/county childcare committees, as well as operational functions undertaken by the Department.

Following publication of the review, the Department commenced a design and implementation planning phase of this reform project. In December 2023, the Department contracted Indecon Economic Consultants to carry out a phase of research, analysis and stakeholder engagement to inform the design of a dedicated early learning and childcare agency. This will include an assessment in respect of the functions to be carried out by the agency. A Programme Advisory Board has been established to oversee this important work, and comprises interdepartmental representatives alongside several external experts with experience at senior level in change management and large-scale reform, leadership, governance, public policy, and a knowledge of the ELC and SAC sector.

Progress has been made in advancing this ambitious and transformative reform programme, including the recent completion of a series of consultation sessions with a wide range of stakeholders, on the vision for the agency. The outcome of this phase of work will underpin all decisions taken in respect of the design of the agency. A full agency design and implementation plan will be presented to Government for approval on completion of this review.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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

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 and EU 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 is approved by the Accounting Officer. The function's work is informed by analysis of the risks to which the Department is exposed. 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. In addition to its ongoing duties, the Internal and EU Audit Unit has been designated by the Minister as the audit authority for the EU Asylum, Migration and Integration Fund (AMIF).

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 is a professional accountant and had a staffing complement of 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 the Department of Public Expenditure, National Development Plan Delivery and Reform and Chartered Institute of Internal Auditors (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 2023 was approved by me in March 2023. During 2023, internal audit issued eight reports. On no occasion was a 'no assurance' audit opinion made. On three occasions a 'limited assurance' audit opinion was made.

I confirm that there are procedures in place to ensure that the reports and recommendations of the internal audit function are appropriately pursued.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details to the Department of Public Expenditure, National Development Plan Delivery and Reform of 50 non-competitive contracts in excess of €25,000 (exclusive of VAT) in the annual return required under circular 40/2002.

Non-compliance with procurement rules

The Office complied with the guidelines with the exception of 50 contracts in excess of €25,000 (exclusive of VAT) undertaken without a competitive process, totalling €84,922,706 (exclusive of VAT) as set out below.

- Forty-seven contracts with a value of €84,770,882 related to the provision of international protection accommodation services.
- One contract with a value of €78,972 related to the software and support for the Department's financial management system.
- One contract with a value of €42,972 related to technical consultancy services associated with the development of international protection sites.
- One contract with a value of €29,880 related to additional research commissioned with the Economic and Social Research Institute.

The Funds Administration Unit in the Department is the Managing Authority for delivering Ireland's national programme under the Asylum, Migration and Integration Fund (AMIF). AMIF funding from the EU Commission is released in the accounts through appropriations-in-aid once it is deemed to be certain. At 31 December 2023, the balance of funds received but not released was €32.38 million. €13.96 million of this may be returned to the EU Commission. This is made up of €13.5 million for an Emergency Accommodation Grant and €0.46 million for the CAPS-EU Project.

In June 2020, the Department of Justice and Equality was awarded a grant amount of €13.5 million to provide emergency accommodation to persons entering the state who were seeking international protection, but could not be accommodated within the existing accommodation portfolio. This grant was awarded directly, and was not part of Ireland's AMIF national programme. The full grant amount was claimed and paid to the Department following the transfer of certain functions in late 2020. However, a subsequent European Court of Auditors report identified issues with the procurement of emergency accommodation, and recommended a full recovery of the grant amount paid. This recommendation is currently being considered by the EU Commission, and the full amount of €13.5 million is being retained in the suspense account pending a decision.

The Department was directly awarded €0.46 million in respect of the CAPS-EU project in December 2020. This was not part of Ireland's AMIF national programme. The project has completed, and the Department has submitted a final expenditure claim; the EU Commission is currently reviewing the final claim submission. At this point, it is expected that a refund of approx. €0.40 million will need to be made to the EU Commission once the process is completed. The full amount is therefore being held in the suspense account.

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 Minister is briefed on corporate risk on a regular basis.

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 and 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 have a low 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

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 EU Audit Unit and the 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

Impact of Russian invasion of Ukraine on the Department

The continued demand for emergency accommodation and support for Ukrainian Beneficiaries of Temporary Protection (BOTPs) had a significant impact on the Department in 2023.

By the end of 2023, over 100,000 BOTPs had arrived in Ireland, and over 81,000 of those have been referred to the Department seeking accommodation from the State. Of these, more than 58,000 were in serviced accommodation (hotels, bed and breakfasts etc.) at the end of the year.

Approximately 16,000 BOTPs had been allocated to pledged accommodation through the Irish Red Cross consortium and the 'Offer a Home' scheme, operated by local authorities, from the start of the scheme in 2022 to the end of 2023.

The number of temporary protection orders granted continued to grow in 2023, with a further approximate 29,000 BOTPs seeking state supported accommodation in 2023.

In December 2023, the Government decided on a range of measures to better align the accommodation supports offered to future BOTPs, with those of other EU member states.

The continued high level of activity required the further expansion of staffing resources by the Department. By the end of 2023, there were over 170 staff assigned to the Ukraine team.

The Department is committed to ensuring that invoices are paid promptly while also ensuring that appropriate financial procedures are followed. The timely payment of invoices in respect of accommodation and support services for BOTPs proved challenging initially, due to the scale of accommodation procured in the early stages of the crisis response.

In early 2023, the Department undertook a project to improve the payments system. Initial automation measures introduced resulted in significant process improvements and addressed the invoice backlog challenge which had arisen. A more ambitious electronic payments project followed, to entirely overhaul the Department's system for processing invoices. The Department commenced rolling this out to suppliers in December 2023.

Additional enhancements to internal financial controls include the establishment of a dedicated compliance team in June 2023. The compliance team examines adherence to contractual requirements, including but not limited to financial compliance, compliance with health and safety and accommodation standards across the BOTP accommodation portfolio.

Since April 2024, additional support has been provided to the compliance team, including engaging an accountancy firm to undertake work, which includes forensic accounting services, to support the Department.

As the Department focuses on consolidating its accommodation portfolio, this will ensure enhanced value for money while protecting Exchequer funding, including recovery of any overclaims identified.

The Department's risk register was updated to reflect the impact the conflict in Ukraine had on the Department.

Early Years — compliance with programme rules

During the 2023 calendar year, consisting of two programme years (2022/23 and 2023/24), a total of 1,734 contracts/allocations with service providers were inspected.

For the service providers contracted to deliver the National Childcare Scheme (NCS), 449 contracts were inspected. The overclaims rate as a percentage of the allocation inspected was 0.97%, equating to €229,986. All identified overclaims will be subject to recoupment against future funding. The average number of non-compliance outcomes was 2.6 out of 24 checks per service. Following a non-compliance outcome under the NCS, service providers are required to take rectification actions and to submit self-declarations of future compliance. 97% of service providers inspected in 2023 have taken the requisite rectification actions. For the remaining 3%, tailored supports are provided for those with major non-compliant outcomes and all of the services are considered for future risk profiling.

In relation to the Early Childhood Care and Education (ECCE) programme, of the 737 inspections conducted for the calendar year up to December 2023, 18.9% were found to be 'major non-compliant' where major non-compliance reflects the compliance issues of greatest significance to Exchequer funding, including attendance record requirements and where more than 20% of child registrations require updating. The overclaim rate for ECCE was 0.22% or €100,084.

In relation to the Community Childcare Subvention Plus (CCSP) Savers scheme, which has been closed to new entrants since 2019, of the 76 inspections conducted, 50% were found to be 'major non-compliant'. The overclaim rate from the total funding allocation was 4.47% or €47,528.

A total of 472 allocations were inspected for the Access and Inclusion Model (AIM) Level 1 (Out of a total of 2,489, or 19% of AIM Level 1 allocations), with a 99% compliance rate. Overclaims of €1,786 were identified for AIM Level 1, or 0.21% of the €866,001 checked.

In relation to ELC and SAC contracts/allocations inspected overall, the overclaim rate was 0.54% or €379,384.

The majority of verification work in respect of the Covid-19 schemes has been completed. The Temporary Wage Subsidy Childcare Scheme (TWSCS) non-compliant amounts totalling approximately €464,000 (3.31%) has been fully recouped. Internal audit recommended expansion of the coverage sample for the TWSCS and the Department has agreed with Pobal that they will conduct further audits during 2024. A total of 596 applicants received funding of €4.69 million under the Fire Safety Grant.

As of the end of 2023, the recoupment position following desk-based verifications of 100% of service providers who received this grant (a full expansion of the original verification sample), was €722,251 recouped (or 15% of the total grant funding amount). Reasons for recoupment included expenditure incurred and paid outside the eligibility period, monies spent on ineligible items as per the grant funding agreement and the idenitification of unspent monies. The Playing Outside grant benefited 3,691 applicants to the amount of €4.7 million. Checks are ongoing for this grant as the sample is being expanded to cover all applicants. Verifications for the ventilation grant, which is the Department's final Covid-19 scheme, are due to commence in Q3 2024.

There were a number of positive developments during the 2023 calendar year. NCS compliance ratings were aligned with those of the ECCE and CCSP Savers funding programmes for reporting and compliance ratings issued, based on non-compliance categorisations of minor, moderate and major non-compliance.

The newly updated Compliance Framework was operational and saw a suite of new supports for non-compliant services introduced via a 'supports level' which operates to support service providers to become compliant before their potential placement on the pathway to sanction, as per the revised Framework. Supports offered are administered by Pobal Integrated Case Management and are offered by the local-area childcare committees. Development also progressed on introducing a compliance sanction for persistently non-compliant services who refuse to engage with supports. The sanction will be incorporated into the operation of the Compliance Framework. Development actions have included legal considerations, programme rule changes and integration of the pathway to sanction with the Early Years Platform.

The AIM Level 7 compliance function and additional supports for services to achieve and maintain compliance with exchequer-funded programmes were also developed during 2023, with implementation scheduled for Q2 2024.

Compliance Inspection Risk Profiling (CRISP) is a risk rating system developed to rate the risk level of service providers, based on key variables such as previous compliance outcomes, total contract value and time since last inspection. The first inspections of services using the CRISP model commenced in March 2023. The 2023/2024 Programme Year will see a larger proportion of services being sampled or inspected according to the CRISP. This model will provide greater assurances around targeting compliance resources towards inspections for services most likely to have non-compliant outcomes.

At the end of 2023, Pobal's debt management process recorded a debtor balance of approximately €4.6 million against all Departmental programmes. This included programmes other than the ELC and SAC programme 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 have reviewed the legacy debts and have identified amounts that are likely to be irrecoverable, with an analysis of the total irrecoverable debts to be completed. This debtor management process will conclude by establishing a set procedure for the future identification and treatment of debts as they emerge.

Kevin McCarthy
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

24 September 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 40 Children, Equality, Disability, Integration and Youth for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

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 procurement rules in respect of contracts that operated in 2023 in respect of the provision of international protection accommodation services.

Payment controls and late payment interest

The Accounting Officer has outlined in the statement on internal financial control that the timely payment of invoices from suppliers in respect of accommodation and support services for beneficiaries of temporary accommodation proved very challenging. Note 6.6 discloses that late payment interest and compensation charged to the vote in 2023 amounted to €3.3 million.

Rapid build housing

Chapter 5 of my report on the accounts of the public services for 2023 examines the delivery of rapid build housing which is funded from subhead E.5. of the vote.

Seamus McCarthy
Comptroller and Auditor General

26 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 40 Children, Equality, Disability, Integration and Youth

Appropriation Account 2023

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Children and family support programme				
	Original	995,243			
	Supplementary	81,414			
			1,076,657	1,074,331	948,879
B	Sectoral programmes for children and young people				
	Original	1,124,219			
	Supplementary	(23,787)			
			1,100,432	1,097,071	824,919
C	Policy and legislation programme				
	Original	64,303			
	Supplementary	(18,909)			
			45,394	41,096	33,597
D	An equal and inclusive society				
	Original	2,686,026			
	Supplementary	109,172			
			2,795,198	2,773,345	29,611
E	A fair and efficient support system for international protection seekers				
	Original	1,053,773			
	Supplementary	1,113,049			
			2,166,822	2,159,155	892,961

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Gross expenditure					
	Original	5,923,564			
	Supplementary	1,260,939			
			7,184,503	**7,144,998**	**2,729,967**
Deduct					
F	**Appropriations-in-aid**		**31,959**	**31,205**	**35,055**
Net expenditure					
	Original	5,891,605			
	Supplementary	1,260,939			
			7,152,544	**7,113,793**	**2,694,912**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**38,750,829**	**86,718,120**

Kevin McCarthy
Accounting Officer
Department of Children, Equality, Disability, Integration and Youth

24 September 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		7,095,428	2,691,451
Pay		43,808	33,484
Non pay		5,762	5,032
Gross expenditure		**7,144,998**	**2,729,967**
Deduct			
Appropriations-in-aid		**31,205**	**35,055**
Net expenditure		**7,113,793**	**2,694,912**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(171,807)		
Depreciation	1,845		
Intangible assets (note 2.2)			
Purchases	(3,516)		
Amortisation	4,147		
		(169,331)	(35,220)
Changes in net current assets			
Decrease in inventories (note 2.4)	6		
Increase in prepayments (note 2.5)	(24,104)		
Decrease in accrued expenses (note 2.7)	(119,666)		
		(143,764)	151,214
Direct expenditure		**6,800,698**	**2,810,906**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		8,752	7,187
Net programme cost		**6,809,450**	**2,818,093**

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.

		2023 €000	2022 €000
Vote 9	Office of the Revenue Commissioners	40	41
Vote 12	Superannuation and Retired Allowances	3,276	2,866
Vote 13	Office of Public Works	3,770	3,366
Vote 18	National Shared Services Office	98	74
Vote 20	Garda Síochána	231	70
Vote 43	Office of the Government Chief Information Officer	1,260	695
Central Fund - ministerial pensions		77	75
		8,752	**7,187**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	261,053	91,496
Intangible assets	2.2	8,232	8,863
Total fixed assets		**269,285**	**100,359**
Current assets			
Bank and cash	2.3	35,913	32,716
Inventories	2.4	—	6
Prepayments	2.5	53,834	29,729
Other debit balances	2.6	10,808	12,049
Total current assets		**100,555**	**74,500**
Less current liabilities			
Accrued expenses	2.7	39,239	158,904
Other credit balances	2.8	11,565	3,286
Asylum, Migration and Integration Fund	2.9	32,379	30,582
Net Exchequer funding	2.10	2,777	10,897
Total current liabilities		**85,960**	**203,669**
Net current assets / (liabilities)		14,595	(129,169)
Net assets / (liabilities)		**283,880**	**(28,810)**
Represented by:			
State funding account	2.11	**283,880**	**(28,810)**

2.1 Property, plant and equipment

	Land and buildings	Office and IT equipment	Furniture and fittings	Assets under development [b]	Total
	€000	€000	€000	€000	€000
Cost or valuation					
At 1 January 2023	70,425	550	1,104	29,010	101,089
Additions	11,146	—	—	160,661	171,807
Adjustments [a]	—	(490)	(862)	—	(1,352)
At 31 December 2023	81,571	60	242	189,671	271,544
Accumulated depreciation					
At 1 January 2023	8,547	491	555	—	9,593
Depreciation for the year	1,811	12	22	—	1,845
Depreciation on adjustments [a]	—	(451)	(496)	—	(947)
At 31 December 2023	10,358	52	81	—	10,491
Net assets					
At 31 December 2023	**71,213**	**8**	**161**	**189,671**	**261,053**
At 31 December 2022	61,878	59	549	29,010	91,496

Note [a] This adjustment relates to the removal of individual items with values of up to €10,000 from the asset register. These assets are still in use.

[b] Assets under development comprises expenditure relating to the Rapid Build Housing Programme and the Modular Homes Programme.

[c] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Assets under development	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	18,308	260	18,568
Additions	2,358	1,158	3,516
Transfers	70	(70)	—
At 31 December 2023	20,736	1,348	22,084
Accumulated amortisation			
At 1 January 2023	9,705	—	9,705
Amortisation for the year	4,147	—	4,147
At 31 December 2023	13,852	—	13,852
Net assets			
At 31 December 2023	**6,884**	**1,348**	**8,232**
At 31 December 2022	8,603	260	8,863

Note [a] From 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets.

[b] Intangible assets under development primarily comprises expenditure relating to the Early Years Platform Customer Relationship Management system developed by Pobal.

2.3 Bank and cash

at 31 December	2023	2022
	€000	€000
PMG balances	(16,191)	(4,835)
Other bank balances	52,104	37,551
	35,913	**32,716**

2.4 Inventories

at 31 December	2023	2022
	€000	€000
Stationery	—	4
IT consumables	—	2
	—	**6**

Note [a] Commencing in 2023, high-volume, low-value items are fully expensed in the year and are no longer classified as stock items.

2.5 Prepayments

at 31 December	2023	2022
	€000	€000
Pobal	18,267	13,584
International protection seekers costs	33,791	12,817
Ukrainian accommodation and certain related expenditure	770	1,890
Childcare programmes	151	1,000
Administration/operational	339	288
Research	500	150
Disability related expenditure	16	—
	53,834	**29,729**

2.6 Other debit balances

at 31 December	2023	2022
	€000	€000
Advances to OPW	—	8,009
Ukrainian recognition scheme	10,285	3,660
Recoupable salaries	139	79
Other debit suspense items	384	301
	10,808	**12,049**

2.7 Accrued expenses

at 31 December	2023	2022
	€000	€000
Ukrainian accommodation and certain related expenditure	21,299	143,626
International protection seekers costs	15,880	14,481
Refugee and migrant integration	589	207
Other programme accruals	789	140
Administration/operational	652	450
Disability related expenditure	30	—
	39,239	**158,904**

2.8 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	878	755
Pay related social insurance	694	569
Professional services withholding tax	230	191
Value added tax	139	63
Local property tax	6	6
Universal social charge	177	149
Relevant contracts tax	850	—
	2,974	1,733
Funds owed to OPW	7,023	—
Extra exchequer receipts	352	505
Other credit suspense items	1,216	1,048
	11,565	**3,286**

2.9 Asylum, Migration and Integration Fund

at 31 December	2023	2022
	€000	€000
EU receipts	**32,379**	**30,582**

2.10 Net Exchequer funding

at 31 December	2023 €000	2022 €000
Surplus to be surrendered	38,751	86,718
Deferred surrender	—	—
Exchequer grant undrawn	(35,974)	(75,821)
Net Exchequer funding	**2,777**	**10,897**
Represented by:		
Debtors		
Bank and cash	35,913	32,716
Debit balances: suspense	10,808	12,049
	46,721	44,765
Creditors		
Due to the State	(2,974)	(1,733)
Credit balances: suspense	(8,591)	(1,553)
Asylum, Migration and Integration Fund	(32,379)	(30,582)
	(43,944)	(33,868)
	2,777	**10,897**

2.11 State funding account

	Note	2023		2022
		€000	€000	€000
Balance at 1 January			(28,810)	85,746
Disbursements from the Vote				
Estimate provision	Account	7,152,544		
Surplus to be surrendered	Account	(38,751)		
Net vote			7,113,793	2,694,912
Expenditure (cash) borne elsewhere	1.1		8,752	7,187
Non cash items – Property, plant and equipment adjustment	2.1		(8,863)	—
Non cash items – Intangible assets adjustment	2.2		8,863	—
Adjustment	2.1		(405)	1,438
Net programme cost	1		(6,809,450)	(2,818,093)
Balance at 31 December			**283,880**	**(28,810)**

2.12 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services [a]	247,209	96,092
Capital [b]	49,626	208,390
Non-capital grant programmes [c]	306,464	235,055
Total of legally enforceable commitments	**603,299**	**539,537**

Note [a] The increase in procurement of good and services primarily relates to

- International protection services contract commitments increased as a result of the growth in new arrivals seeking international protection in 2023. Commitments relating to the provision of accommodation resulting from the continued arrival of BOTPs. At the end of 2023 there were in excess of 100,000 BOTPs, of which 75% were seeking State supported accommodation.

[b] Capital project commitments have decreased as the majority of the expenditure, related to the modular housing rapid build programme, was incurred by the end of 2023.

[c] The increase in non-capital grant programmes relates to

- an increase in the Ukraine recognition payment commitment due to the continued arrival of BOTPs and the high percentage of these seeking State-supported accommodation.
- an increase in the Early Years Core Funding Scheme commitment due to an increase in scheme costs and the growth in number of service providers.

b) Major capital projects

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Rapid Build Programme	**29,010**	**158,764**	**49,626**	**237,400**	**237,400**

2.13 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimates of matured liabilities not discharged at year end	**4,374**	**54,675**

2.14 Contingent liabilities

Legal costs for eight judicial reviews settled by the Department in December 2021, which were noted in the 2021 and 2022 appropriation accounts, were still payable as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled as a request for payment has yet to be received by the Department.

The legal costs included in the 2022 appropriation account in respect of two illegal birth registration cases which settled during 2022 remain payable by the Department as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled. Other costs related to these cases have been paid in 2023 and have been included in note 6.2.

Legal costs in respect of two personal injury cases settled by the Department during 2023 are payable as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled.

Plaintiff legal costs in respect of a legal challenge relating to wardship are payable by the Department as at 31 December 2023. The Department is currently unable to quantify the total liability to be settled.

Indemnities have been provided to the owners of Citywest in relation to the Department's use of the hotel and convention centre as a Transit Hub for beneficiaries of temporary protection and international protection applicants. These indemnities relate to the cancellation of events in the conference centre, insurance and potential damages/litigation arising from claims from residents. The costs associated with the cancellation of events has been estimated at approximately €1.3 million, but negotiations are still ongoing between Citywest and various relevant parties regarding cancellations. There have been no claims to date in relation to insurance, damages or litigation and any actual amount or the timing of potential liabilities is uncertain.

The dispute included in the 2022 appropriation account, in relation to the direction issued to the Department to pay legal costs of approximately €71,000 to the State Claims Agency by the Commission of Investigation, is still ongoing and therefore the Department is currently unable to quantify the total liability to be settled or the timing of the payment.

The Department is involved in 55 legal cases, 44 which were noted in the 2022 appropriation account that may generate liabilities depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

There are a number of potential legal challenges relating to wardship and the new Assisted Decision Making Act and 58 potential personal injury cases, that 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.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	55,871	43,808	33,484
ii	Travel and subsistence	559	522	335
iii	Training and development and incidental expenses	3,016	1,736	1,761
iv	Postal and telecommunications services	176	121	154
v	Office equipment and external IT services	1,654	1,566	945
vi	Office premises expenses	2,263	1,537	1,603
vii	Consultancy services and value for money policy reviews	1,231	280	234
		64,770	**49,570**	**38,516**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €3.016 million; outturn €1.736 million

This allocation was provided for training and incidentals in 2023 for which no requirement arose.

vi Office premises expenses

Estimate provision €2.263 million; outturn €1.537 million

The underspend was primarily driven by lower than anticipated energy costs as well as reduced demand for office equipment resulting from blended working arrangements in place.

vii Consultancy services and value for money policy reviews

Estimate provision €1.231 million; outturn €280,000

Expected spend on consultancy did not materialise during the year.

Programme A Children and family support

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	9,454			
	Supplementary	(1,914)			
			7,540	7,884	6,026
A.2	Administration − non pay				
	Original	1,528			
	Supplementary	(200)			
			1,328	1,037	905
A.3	Child and Family Agency				
	Original	917,082			
	Supplementary	84,069			
			1,001,151	1,001,151	915,640
A.4	Youth justice – including Oberstown Children Detention Campus				
	Original	28,544			
	Supplementary	(490)			
			28,054	27,380	26,308
A.5	Guardian ad Litem Executive Office				
	Original	100			
	Supplementary	(50)			
			50	45	—
A.6	Child and Family Agency Covid related supports				
	Original	1			
	Supplementary	(1)			
			—	—	—
A.7	Services to support victims of domestic, sexual and gender based violence		38,534	36,834	—
			1,076,657	**1,074,331**	**948,879**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall the expenditure in relation to Programme A was €79.088 million higher than originally provided.

A.3 Child and Family Agency

Estimate provision €917.082 million; outturn €1.001 billion

The overspend of €84 million was mainly due to growing demand in 2023 for single occupancy or other special emergency arrangements, and a shortage of alternative provision of residential care options. In addition, the Child and Family Agency (Tusla) experienced significantly increasing numbers of separated children seeking international protection. Other factors driving this overspend in 2023 included legal cost pressures due to increased guardian ad litem usage, shortfall of disability funding from the Health Service Executive, increased costs arising from the Workplace Relations Commission agreement and double payment of foster care allowance in December 2023 announced in Budget 2024.

Programme B Sectoral programmes for children and young people

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration − pay				
	Original	12,079			
	Supplementary	(2,452)			
			9,627	10,076	7,702
B.2	Administration − non pay				
	Original	1,953			
	Supplementary	(200)			
			1,753	1,326	1,158
B.3	ECCE and AIM pre-school programmes				
	Original	308,200			
	Supplementary	7,319			
			315,519	315,518	330,867
B.4	National Childcare Scheme and other childcare programmes				
	Original	357,626			
	Supplementary	(15,013)			
			342,613	342,600	219,942
B.5	Childcare programmes: delivery supports and other initiatives				
	Original	359,664			
	Supplementary	(13,183)			
			346,481	344,634	158,442
B.6	Youth organisations and services (part funded by the National Lottery)		75,648	74,808	72,492
B.7	Creative Ireland		150	149	120
B.8	Economic and social disadvantage measures (Dormant Accounts funded)		8,157	7,476	10,545
B.9	Programme for Peace and Reconciliation				
	Original	741			
	Supplementary	(257)			
			484	484	975

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.10	Early Learning & Care/School Age Childcare Covid supports				
	Original	1			
	Supplementary	(1)			
			—	—	22,676
			1,100,432	**1,097,071**	**824,919**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme B was €27.148 million lower than originally provided.

B.8 Economic and social disadvantage measures (Dormant Accounts funded)

Estimate provision €8.157 million; outturn €7.476 million

The underspend of €681,000 was primarily due to the cancellation of initiatives funded under the Dormant Accounts scheme.

B.9 Programme for Peace and Reconciliation

Estimate provision €741,000; outturn €484,000

The underspend of €257,000 was due to the delay in initialisation of the new PEACEPLUS cross-border programme, which means that the Special EU Programme Body has not been in a position to begin funding the project expenditure as anticipated.

Programme C Policy and legislation

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration − pay				
	Original	15,755			
	Supplementary	(3,196)			
			12,559	13,143	10,045
C.2	Administration − non pay				
	Original	2,545			
	Supplementary	(200)			
			2,345	1,728	1,510
C.3	Miscellaneous legal fees and settlements		539	101	67
C.4	National Longitudinal Study and other research programmes				
	Original	2,589			
	Supplementary	(1,110)			
			1,479	1,135	3,175
C.5	Children and young people's policy framework and other programmes				
	Original	12,293			
	Supplementary	(567)			
			11,726	11,203	6,131
C.6	Adoption Authority of Ireland				
	Original	7,213			
	Supplementary	400			
			7,613	7,348	8,096
C.7	Office of the Ombudsman for Children		3,900	3,900	3,495
C.8	Response to legacy of Mother and Baby Institutions				
	Original	9,169			
	Supplementary	(6,948)			
			2,221	1,322	568
C.9	Mother and Baby Institutions Payment Scheme				
	Original	10,000			
	Supplementary	(7,288)			
			2,712	995	—
C.10	Magdalen Fund		300	221	510
			45,394	**41,096**	**33,597**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme C was €23.207 million lower than originally provided.

C.3 Miscellaneous legal fees and settlements

Estimate provision €539,000; outturn €101,000

This subhead relates to miscellaneous legal fees and settlement which by their nature are unpredictable. The full allocation was not required in 2023.

C.4 National Longitudinal Study and other research programmes

Estimate provision €2.589 million; outturn €1.135 million

The underspend of €1.454 million was mainly due to an underspend on research activities for the Growing up in Ireland Study Team and commissioned research projects progressing at a slower pace than anticipated. These carry-over costs are expected to be reflected in the 2024 expenditure.

C.5 Children and young people's policy framework and other programmes

Estimate provision €12.293 million; outturn €11.203 million

The underspend of €1 million was due to the publication of the National Policy Framework for Children and Young People in Q4 rather than Q1. This delayed communications and other implementation work.

C.8 Response to legacy of Mother and Baby Institutions

Estimate provision €9.169 million; outturn €1.322 million

The underspend of €7.8 million was mainly due to excavation work at the Tuam site not commencing as early as envisaged, and the independent recruitment process undertaken to appoint a Special Advocate for Survivors took longer than anticipated.

C.9 Mother and Baby Institutions Payment Scheme

Estimate provision €10 million; outturn €995,000

The underspend of €9 million was mainly due to the payment scheme not opening for applications in 2023 as anticipated. Therefore, costs profiled for payments to the third party provider did not materialise. In addition, as the scheme did not open in 2023, the costs associated with a public information awareness campaign and other costs related to security and audit services and training pre go-live were delayed. The scheme opened on 20 March 2024.

Programme D An equal and inclusive society

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
D.1	Administration – pay				
	Original	5,453			
	Supplementary	(1,141)			
			4,312	1,753	1,340
D.2	Administration − non pay				
	Original	752			
	Supplementary	(50)			
			702	230	201
D.3	National Disability Authority		5,788	5,753	5,330
D.4	Refugee and migrant integration		8,928	5,492	4,355
D.5	Grants to national women's organisations		642	642	611
D.6	Traveller and Roma initiatives		5,942	5,542	5,077
D.7	Positive action for gender equality				
	Original	5,865			
	Supplementary	(2,155)			
			3,710	2,436	3,190
D.8	Equality and LGBTI initiatives		1,055	1,055	1,293
D.9	Decision Support Service		8,464	8,464	6,519
D.10	Disability equality		1,650	94	1,695
D.11	Specialist Disability Services				
	Original	2,590,305			
	Supplementary	112,518			
			2,702,823	2,696,787	—
D.12	Specialist Disability Services Covid-19		39,000	39,000	—
D.13	Farrelly Commission of Investigation		1,400	776	—
D.14	Disability programmes and regulatory bodies		10,412	4,975	—
D.15	Payments in respect of Thalidomide		370	346	—
			2,795,198	**2,773,345**	**29,611**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme D was €87.32 million higher than originally provided.

D.4 Refugee and migrant integration

Estimate provision €8.928 million; outturn €5.492 million

The underspend of €3.436 million was mainly due to the overall impact of the Ukraine crisis response. Fewer resettlements and underspend on grant agreements due to accommodation pressures, resulted in lower than anticipated drawdowns from Local Authorities as well as lower spends in associated planned costs. This in turn impacted the capacity to carry out budgeted selection missions due to accommodation pressures in Reception Centres. No 2023 selection missions were carried out with the associated planned budget significantly impacted.

D.6 Traveller and Roma initiatives

Estimate provision €5.942 million; outturn €5.542 million

The underspend of €400,000 was primarily due to delays in drawing up the replacement strategy to the National Traveller and Roma Inclusion Strategy 2017-2021, which meant that projected expenditure on developing and publishing the new strategy, and on progressing a number of actions to be identified therein, was less than expected.

D.7 Positive Actions for Gender Equality

Estimate provision €5.865 million; outturn €2.436 million

The underspend of €3.429 million was mainly due to a delay in holding a call for proposals under the European Social Fund Plus fund for gender equality.

D.10 Disability Equality

Estimate provision €1.65 million; outturn €94,000

The underspend of €1.556 million arose from policy positions in relation to various forecasted costs not being finalised within the envisaged timeframe. These chiefly related to the extended development time afforded to the National Disability Strategy and the Autism Innovation Strategy. The planned launch of the National Disability Strategy was pushed to 2024 in response to stakeholder engagement that strongly indicated a Convention on the Rights of Persons with Disabilities compliant co-design process, would require more time in development. This had a knock-on impact on spend related to National Disability Strategy (NDS) activities or NDS dependent activities. Consultations for the Autism Innovation Strategy were also moved to 2024 as bi-lateral meetings with Departments and Agencies to develop actions were extended, in part due to the need for consideration of the 109 recommendations of the Joint Oireachtas Committee on Autism's Report, which was published mid-way through the Strategy development process. This delayed the publishing of the draft Autism Innovation Strategy, which in turn hindered the launch of consultations affecting the associated spend. Linked to the NDS delay, the European Social Fund (ESF) bid did not proceed, and further consideration was required concerning the ongoing function of the Disability Participation and Consultation Network, resulting in an underspend. Funding relating to the Employers for Change programme, operated by the Open Doors Initiative, was deferred as part of a reorganisation of funding and governance arrangements in respect of the programme.

D.13 Farrelly Commission of Investigation

Estimate provision €1.4 million; outturn €776,000

The underspend of €624,000 was mainly due to the fact that after 7 years the majority of the work has been completed and professional fee notes are now only received on an ad-hoc basis.

D.14 Disability Programmes & Regulatory Bodies

Estimate provision €10.412 million; outturn €4.975 million

The underspend of €5.437 million was mainly due to a delay in the commencement of a World Health Organization initiative, as well as lower than expected costs associated with Thalidomide services and supports and the Personalised Budget initiative.

Programme E A fair and efficient support system for international protection seekers

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
E.1	Administration − pay				
	Original	13,130			
	Supplementary	(2,664)			
			10,466	10,952	8,371
E.2	Administration − non pay				
	Original	2,121			
	Supplementary	(350)			
			1,771	1,441	1,258
E.3	Asylum, Migration and Integration Fund				
	Original	2,786			
	Supplementary	236			
			3,022	1,676	1,538
E.4	International protection seekers accommodation				
	Original	394,936			
	Supplementary	236,453			
			631,389	655,361	367,223
E.5	Ukraine Accommodation and Related Costs				
	Original	640,800			
	Supplementary	879,374			
			1,520,174	1,489,725	514,571
			2,166,822	**2,159,155**	**892,961**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme E was €1.105 billion higher than originally provided.

E.3 Asylum, Migration and Integration Fund

Estimate provision €2.786 million; outturn €1.676 million

The underspend of €1.11 million was mainly due to the delay in approving funding under an AMIF Call for Proposals. As a result, grant payments to approved projects will occur in 2024.

E.4 International protection seekers accommodation

Estimate provision €394.94 million; outturn €655.36 million

The overspend of €260.4 million was due to International Protection Accommodation Services being a demand-led service with requirements for accommodation and services increasing with demand from increasing numbers of International Protection applications. In recent times there have been record increases in the number of new arrivals seeking international protection accommodation in Ireland, with total numbers accommodated increasing from 7,244 in December 2021 to 18,534 in December 2022, and reaching approximately 26,000 by the end of December 2023.

E.5 Ukraine accommodation and related costs

Estimate provision €640.8 million; outturn €1.49 billion

The overspend of €849 million was mainly due to the fact that the allocation for subhead E.5 was based on the outturn of 2022. During 2023, costs increased significantly due a range of factors associated with the continuation of the Ukraine war and the EU's extension of the application of the Temporary Protection Directive. The main drivers of the increased costs for the department were the continued arrival of BOTPs exceeding 100,000 by the end of 2023, the high proportion of BOTPs (approx. 75%) seeking supported accommodation, the costs in sourcing accommodation solutions and necessary supports primarily from commercial sources and in partnership with local authorities and the funding of the Accommodation Recognition Payment administered by the Department of Social Protection on behalf of the Department involving €800 per month for over 13,000 hosts of over 28,000 BOTPs.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	9,947	12,000	8,672
2	Superannuation scheme – non teaching staff of Children Detention Schools	734	684	685
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Receipts from superannuation contributions on public service remuneration	11,000	9,291	9,448
6	Dormant Accounts receipts	8,157	7,500	10,531
7	Programme for Peace and Reconciliation	882	849	1,801
8	EU receipts	893	471	3,335
9	Miscellaneous	343	410	583
	Total	**31,959**	**31,205**	**35,055**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000). Overall appropriations-in-aid were €754,000 lower than forecast.

1 Superannuation scheme – Child and Family Agency

Estimate provision €9.947 million; realised €12 million

The increase in receipts of €2 million was mainly due to increased numbers of Tusla Whole Time Equivalent staff in 2023, and the effect of pay increments and pay increases from public sector agreements.

5 Receipts from superannuation contributions on public service remuneration

Estimate provision €11 million; realised €9.291 million

The shortfall in receipts of €1.7 million was mainly due to lower Pension Related Deduction receipts than originally expected in the Child and Family Agency. The allocation figure was an estimate split of the total Appropriations in Aid allocation, based on 2022 receipts as percentage of pay budget. This was partly offset by the increased number of department staff in 2023.

6 Dormant Accounts receipts

Estimate provision €8.157 million; realised €7.5 million

The shortfall in receipts of €657,000 was primarily due to the cancellation of initiatives funded under the Dormant Accounts scheme.

8 EU receipts

Estimate provision €893,000; realised €471,000

The shortfall in receipts of €422,000 was mainly due to a change in the basis of calculation for releasing funds from AMIF receipts to the Exchequer.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	505	2,968
Adjustment to opening balance	(6)	(8)
Refunds of grant funding: Pobal	6,754	7,167
Refunds of grant funding: ETBs	374	1,275
Oberstown Children Detention Campus	75	25
Child and Family Agency	—	21
Other	389	363
Transferred to the Exchequer	(7,739)	(11,306)
Balance at 31 December	**352**	**505**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	769	606
Agencies of the Department	5,380	5,033
	6,149	**5,639**

5.2 Pay

Remuneration of Department staff

	2023 €000	2022 €000
Pay	38,979	29,844
Higher, special or additional duties allowances	218	115
Other allowances	252	154
Overtime	549	598
Employer's PRSI	3,717	2,773
Total pay [a]	**43,715**	**33,484**

Remuneration of agency staff

	2023 €000	2022 €000
Pay [b]	321,592	297,374
Higher, special or additional duties allowances	2,819	2,872
Other allowances	1,430	1,607
Overtime	2,344	1,524
Employer's PRSI	32,921	31,185
Total pay	**361,106**	**334,562**

Note [a] The total pay figure is distributed across subheads A.1, B.1, C.1, D.1 and E.1.

[b] 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.

The agencies are National Disability Authority (NDA), Adoption Authority of Ireland (AAI), Child and Family Agency (Tusla), Office of the Ombudsman for Children (OCO) and Oberstown Children Detention Campus.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Departmental staff				
Higher, special or additional duties allowances	32	8	25,628	22,755
Other allowances	38	1	69,592	35,651
Overtime	160	16	35,745	41,270
Extra remuneration in more than one category	30	9	25,236	17,170
Staff of agencies of the Department				
Higher, special or additional duties allowances	536	60	23,710	20,880
Other allowances	420	16	30,013	30,218
Overtime	877	51	70,866	43,898
Extra remuneration in more than one category	561	46	36,052	58,130

5.4 Payroll overpayments

at 31 December	Number of recipients	2023	2022
		€	€
Overpayments	51	84,725	61,867
Recovery plans in place	11	13,494	9,413

Note [a] Three officers who had no overpayment recovery plans in place totalling €4,536 were transferred to two Government departments in 2023.

[b] In 2023, 59 overpayments were recouped in full. The NSSO is managing and progressing recoupment plans for the balance of the overpayments.

5.5 Other remuneration arrangements

Eight retired civil servants in receipt of a civil service pension were re-engaged at a total cost of €85,846. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €57,164 (inclusive of salary, employee's superannuation and employer's PRSI) in respect of one officer who was serving outside the Department for part of 2023 in the Department of Justice and whose salary was paid by the Department. This amount is included in the figure for Recoupable Salaries within note 2.6 other debit balances.

5.6 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	425	370
60,000	69,999	53	29
70,000	79,999	57	55
80,000	89,999	51	29
90,000	99,999	37	28
100,000	109,999	14	21
110,000	119,999	15	8
120,000	129,999	3	1
130,000	139,999	—	—
140,000	149,999	—	—
150,000	159,999	2	1
160,000	169,999	3	3
170,000	179,999	3	—
180,000	189,999	—	1
190,000	199,000	—	—
200,000	209,999	—	—
210,000	219,999	—	—
220,000	229,000	—	—
230,000	239,000	1	—

5.7 Severance/Redundancy

During 2023, one staff member whose employment was terminated, was paid a redundancy payment of €10,524 and severance payments totalling €24,084.

Grade	Severence payment €	Added years of notional service	Early payment of pension with no actuarial reduction (years)
Civilian Driver	34,608	Nil	Nil
Total	**34,608**		

5.8 Remuneration and benefits of Accounting Officer

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

	2023 €000	2022 €000
Basic pay		
Kevin McCarthy - appointed 19 January 2022	238	187
Fergal Lynch - appointment ceased 18 January 2022	—	18
	238	**205**

The value of retirement benefits earned in the period is not included above. Both Accounting Officers are members of the pre 1995 superannuation scheme for established civil servants and their entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

In September 2023, following an independent report on the grading of certain Secretary General posts, the Minister for Public Expenditure, National Development Plan Delivery and Reform conveyed sanction for the re-grading of the post of Secretary General in the Department from Secretary General Level III to Secretary General Level II, with effect from the appointment date of the current Secretary General in January 2022.

Note 6 Miscellaneous

6.1 Payments to Pobal

In accordance with the Department's accounting policy, the net funds provided to Pobal for the year of €1.030 billion were charged to the relevant subheads as set out below.

During 2023, Pobal returned funds totalling €6.938 million to the Department. €6.596 million of the funds relating to prior years were returned to the Exchequer as extra Exchequer receipts (see note 4.2) with €0.158 million received in late December 2023 to be returned to the Exchequer in 2024. €0.184 million was recorded as Appropriations in Aid Dormant Accounts receipts.

		2023	2022
		€000	€000
Subhead			
B.3	ECCE and AIM pre-school programmes	313,844	330,867
B.4	National childcare scheme and other childcare programmes	342,600	219,942
B.5	Childcare programmes: delivery supports and other initiatives	335,971	148,489
B.6	Youth organisations and services (part funded by the National Lottery)	14,610	14,043
B.8	Economic and social disadvantage measures (Dormant Accounts funded)	281	1,366
B.10	Early Learning and Care (ELC) and School Age Childcare (SAC) Covid related supports	—	22,676
C.5	Children and young people's policy framework and other programmes	2,429	1,262
E.5	Ukraine accommodation and related costs	20,590	6,345
	Total paid to Pobal	**1,030,325**	**744,990**

Note Pobal administers a large number of grant programmes on behalf of the Department. At 31 December 2023, Pobal had grant commitments totalling €18.3 million relating to programmes administered on behalf of the Department.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2023	2022
Number of cases	29	46	75	41
	€000	€000	€000	€000
Department's own legal costs	—	203	203	26
Payments by/on behalf of Department				
Compensation	391	521	912	230
Legal costs	62	153	215	327
Other costs	72	87	159	23
2023 Total	**525**	**964**	**1,489**	**606**
2022 Total	**415**	**191**	**606**	

Note [a] At 31 December 2023, the Department has included in accrued expenses, €27,226 (2022: €52,989) being the total outstanding legal costs due to the State Claims Agency.

[b] As at 31 December 2023, legal costs of €60,000 are payable by the State Claims Agency in respect of a judicial review relating to access to health data which settled during 2022. The State Claims Agency will seek reimbursement for these costs from the Department.

[c] As at 31 December 2023, legal costs of €146,651 are payable to the State Claims Agency in respect of a legal action related to the application of Regulations regarding Assessment of Needs. These costs, along with a further €9,647 incurred in January 2024, relate to the Plaintiff's legal fees.The State Claims Agency sought reimbursement for these costs from the Department and these will be paid in 2024.

Cumulative costs of cases completed in 2023

	Claims by		
	employees	members of the public	Total
Number of cases	11	3	14
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	249	—	249
Legal costs	136	129	265
Other costs	18	1	19
Total	**403**	**130**	**533**

6.3 Committees, commissions and special inquiries

In March 2017, a commission of investigation was established into certain matters relative to a disability service in the South East and related matters. Commission expenditure is accounted for in subhead D.13 Farrelly Commission of Investigation.

	Year of appointment	Cumulative expenditure to the end of 2023	2023	2022
		€000	€000	€000
D.13 − Farrelly Commission of Investigation (Certain matters relative to a disability service in the South East and related matters)	2017	7,565 [a]	776	775

Note [a] The cumulative expenditure to the end of 2023 includes €6.789 million of expenditure incurred in the Department of Health, prior to the transfer of function of the SCBDS to the Department in 2023.

6.4 National Lottery funding

Subhead B.6 Youth organisations and services, is part funded by the National Lottery.

	2023	2023	2022
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead			
B.6 Youth organisations and services	**75,548**	**74,725**	**72,411**

6.5 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 ESF and the AMIF respectively. Estimates of expenditure and actual outturns were as follows.

	2023		2023	2022
	Estimate		Outturn	Outturn
	€000	€000	€000	€000
Subhead				
B.9 – Programme for Peace and Reconciliation				
Original	741			
Supplementary	(257)			
		484	484	975
D.4 – Refugee and migrant integration		8,928	5,492	4,355
E.3 – Asylum, Migration and Integration Fund [a]				
Original	2,786			
Supplementary	236			
		3,022	1,676	1,538

Note [a] AMIF expenditure for the year was €1.68 million. EU receipts in respect of AMIF funding are released in the accounts through appropriations-in-aid when they are deemed to be certain. The balance of funds received but not released into the accounts are contained in note 2.9.

6.6 Late payment interest

	2023	2022
	€000	€000
Total of interest and compensation payments	**3,288**	**247**

Appropriation Account 2023

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 2023 for the salaries and expenses of the Policing Authority and for the payment of certain grants.

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

A surplus of €844,000 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 An 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 2024. The annual report of the Authority for 2023 will also be submitted to the Minister for Justice by 31 March 2024.

On foot of the 2020 report of the Commission on the Future of Policing in Ireland, the Policing, Security and Community Safety Act 2024 (the Act) was signed into law in February 2024. This Act provides for the establishment of a new Policing and Community Safety Authority (PCSA) by merging the functions of the Policing Authority and the Garda Síochána Inspectorate. The staff of the Policing Authority will become staff of the PCSA on the establishment day. However, until such time as the PCSA is established, the Policing 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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 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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit and Risk Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular monthly 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.

Internal audit and Audit and Risk Committee

The Authority has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which is approved by the Audit and Risk Committee in consultation with the Accounting Officer. Due to the size of the Authority, 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 risks, including financial risks, to which the Authority is exposed and its annual internal audit plans, approved by 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 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

The Authority ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €801,000 in 2023.

The Authority has provided details of two non-competitive contracts in the annual return in respect of Circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

The Authority complied with the guidelines on all contracts in excess of €25,000 (exclusive of VAT) and did not have any non-compliant contracts in 2023.

Risk and control framework

The Authority has an effective 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

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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Helen Hall
Accounting Officer
Policing Authority

11 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 41 Policing Authority for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

7 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 41 Policing Authority

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of independent oversight of the policing functions of An Garda Síochána	4,213	3,389	3,399
Gross expenditure		**4,213**	**3,389**	**3,399**
	Deduct			
B	**Appropriations-in-aid**	**70**	**89**	**72**
Net expenditure		**4,143**	**3,300**	**3,327**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**843,521**	**528,903**

Helen Hall
Accounting Officer
Policing Authority

11 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Administration pay		2,397	2,430
Administration non-pay		992	969
Gross expenditure		**3,389**	**3,399**
Deduct			
Appropriations-in-aid		**89**	**72**
Net expenditure		**3,300**	**3,327**
Changes in capital assets			
Property, plant and equipment			
Depreciation (note 2.1)	6		
Changes in net current assets			
(Increase) in prepayments	(7)		
Increase in accrued expenses	28		
		27	23
Direct expenditure		**3,327**	**3,350**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		374	333
Net programme cost		**3,701**	**3,683**

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.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	—	10
Vote 13	Office of Public Works	258	259
Vote 18	National Shared Services Office	5	6
Vote 24	Justice	60	58
Vote 43	Office of the Government Chief Information Officer	51	—
		374	**333**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	—	18
Total fixed assets		**—**	**18**
Current assets			
Bank and cash		113	99
Prepayments	2.2	24	17
Net Exchequer funding	2.4	—	2
Other debit balances		2	1
Total current assets		**139**	**119**
Less current liabilities			
Accrued expenses		35	7
Other credit balances	2.3	113	102
Net Exchequer funding	2.4	2	—
Total current liabilities		**150**	**109**
Net current assets		(11)	10
Net assets		**(11)**	**28**
Represented by:			
State funding account	2.5	**(11)**	**28**

2.1 Property, plant and equipment [a]

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Cost or valuation [b]			
At 1 January 2023	47	36	83
Additions	—	—	—
Adjustment [c]	(47)	(17)	(64)
At 31 December 2023	—	19	19
Accumulated depreciation			
At 1 January 2023	32	33	65
Depreciation for the year	5	1	6
Adjustment of depreciation [c]	(37)	(15)	(52)
At 31 December 2023	—	19	19
Net assets			
At 31 December 2023	**—**	**—**	**—**
At 31 December 2022	15	3	18

Note
[a] Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021
[b] On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (note 2.2)
[c] Adjusted to exclude assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Prepayments

at 31 December	2023 €000	2022 €000
Administration	11	11
Software support	13	6
	24	**17**

2.3 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	62	56
Pay related social insurance	25	26
Professional services withholding tax	12	5
Value added tax on foreign invoices	7	10
	106	97
Other credit suspense items	7	5
	113	**102**

2.4 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus	844	529
Exchequer grant undrawn	(842)	(531)
Net Exchequer funding	**2**	**(2)**
Represented by:		
Debtors		
Bank and cash	113	99
Debit balances: suspense	2	1
	115	100
Creditors		
Due to the State	(106)	(97)
Credit balances: suspense	(7)	(5)
	(113)	(102)
	2	**(2)**

2.5 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			28	51
Disbursements from the Vote				
Estimate provision	Account	4,143		
Surplus to be surrendered	Account	(843)		
Net vote			3,300	3,327
Expenditure (cash) borne elsewhere	1.1		374	333
Property, plant and equipment adjustment (non-cash)	2.1		(12)	—
Net programme cost	1		(3,701)	(3,683)
Balance at 31 December			**(11)**	**28**

2.6 Commitments

at 31 December	2023	2022
	€000	€000
Research	20	24
Procurement of goods and services	94	29
	114	**53**

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.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	2,679	2,397	2,430
ii	Travel and subsistence	70	34	20
iii	Training and development and incidental expenses	1,090	778	621
iv	Postal and telecommunications services	25	22	10
v	Office equipment and external IT services	154	102	154
vi	Office premises expenses	115	56	163
vii	Consultancy services and value for money and policy reviews	80	—	1
		4,213	**3,389**	**3,399**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €1.090 million; outturn €778,000

The estimate provision for 2023 included €350,000 for the purpose of a job analysis and competency modelling project for the ranks of Superintendent, Chief Superintendent and Assistant Commissioner in An Garda Síochána. The Authority was successful in bringing this significant project under budget. This factor, together with lower legal fees and a budget underspend from the delay in the establishment of the Policing and Community Safety Authority (PCSA) has resulted in an underspend of €312,000 (2022: €404,000).

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	70	71	71
2	Miscellaneous	—	18	1
	Total	**70**	**89**	**72**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2023**	**2022**
Number of staff at year end	**35**	**38**

5.2 Pay

	2023	2022
	€000	€000
Pay	2,166	2,193
Higher, special or additional duties allowances	7	11
Employer's PRSI	224	226
Total pay	**2,397**	**2,430**

5.3 Authority members' fees and expenses

During 2023, there were a total ten members of the Authority, including the Chairperson (2022: nine). The Authority met in plenary a total of 17 times (six in public) (2022: 14 (five in public)) and a total of 16 subcommittee meetings were held (2022: 22).

Fees totalling €136,689 were paid to the Authority members during 2023 (2022: €142,490). Expenses paid to or on behalf of members in 2023 were €19,568 (2022: €7,412). The fees and expenses were charged to subhead A (iii) Training and development and incidental expenses.

5.4 Authority's staffing by pay band

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

Pay bands (€)		Number of employees	
From	**To**	**2023**	**2022**
20,000	59,999	22	26
60,000	69,999	2	1
70,000	79,999	1	2
80,000	89,999	5	4
90,000	99,999	2	2
100,000	109,999	1	1
110,000	119,999	1	1
120,000	169,999	—	—
170,000	179,999	1	1

5.5 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 €30,863. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

5.6 Remuneration and benefits of Accounting Officer

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

	2023	**2022**
	€000	**€000**
Basic pay	174	170

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

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €9.824 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account, except for the following.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	50%-10%
Acquired/developed software	10 years	10%

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).

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.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit 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

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 in place.

Internal audit and Audit Committee

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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €20.156 million in 2023.

The Department has provided details of one non-competitive contract in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

In 2023, the Department made payments on a contract for which the procurement process was not fully in line with the guidelines. A framework put in place by an agency of the Department was utilised to procure this service. This was a contract for IT development of an online platform to allow greater access for use of public broadband connection point facilities, covering the period from December 2022 to December 2025 with a value of up to €700,000 (exclusive of VAT). Total payments of €125,580 were made in relation to this contract in 2023.

It is the policy of this Department to avail of all relevant 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

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

No weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

Mary Hurley
Accounting Officer
Department of Rural and Community Development

27 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 42 Rural and Community Development for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that a material instance of non-compliance with procurement rules occurred in respect of a contract that operated in 2023.

Seamus McCarthy
Comptroller and Auditor General

19 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 42 Rural and Community Development

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Rural Development and Regional Affairs				
	Original	201,610			
	Deferred surrender	10,500			
	Supplementary	(6,975)			
			205,135	202,537	181,384
B	Community Development				
	Original	222,268			
	Deferred surrender	4,000			
	Supplementary	17,975			
			244,243	224,382	203,566
C	Charities Regulatory Authority		5,103	4,974	4,292
Gross expenditure					
	Original	428,981			
	Deferred surrender	14,500			
	Supplementary	11,000			
			454,481	**431,893**	**389,242**
	Deduct				
D	**Appropriations-in-aid**		**44,900**	**52,136**	**55,667**
Net expenditure					
	Original	384,081			
	Deferred surrender	14,500			
	Supplementary	11,000			
			409,581	**379,757**	**333,575**

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. €20 million of unspent allocations in respect of the capital elements of subhead B.14 Ukraine supports – community fund was carried forward to 2024 (note 6.4).

	2023	2022
	€	€
Surplus	29,823,779	18,732,854
Deferred surrender	(20,000,000)	(14,500,000)
Surplus to be surrendered	**9,823,779**	**4,232,854**

Mary Hurley
Accounting Officer
Department of Rural and Community Development

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		418,411	376,889
Pay		12,150	11,155
Non pay		1,332	1,198
Gross expenditure		**431,893**	**389,242**
Deduct			
Appropriations-in-aid		**52,136**	**55,667**
Net expenditure		**379,757**	**333,575**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(591)		
Depreciation	354		
Loss on disposals	4		
Intangible assets (note 2.2)			
Amortisation	2		
		(231)	(1,043)
Changes in net current assets			
Increase in prepayments	(490)		
Decrease in accrued income	1,462		
Increase in accrued expenses	407		
Increase in deferred income	779		
		2,158	7,892
Direct expenditure		**381,684**	**340,424**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		1,819	1,916
Net programme cost		**383,503**	**342,340**

1.1 Net allied services expenditure

The net allied services expenditure amount comprises the following amounts in relation to Vote 42 borne elsewhere.

		2023 €000	2022 €000
Vote 12	Superannuation and Retired Allowances	184	194
Vote 13	Office of Public Works	866	1,107
Vote 18	National Shared Services Office	26	23
Vote 20	Garda Síochána	124	—
Vote 24	Justice	379	350
Vote 43	Office of the Government Chief Information Officer	240	242
		1,819	**1,916**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	11,629	11,398
Intangible assets	2.2	—	—
Total fixed assets		**11,629**	**11,398**
Current assets			
Bank and cash		19,509	15,545
Prepayments	2.3	7,838	7,348
Accrued income	2.4	29,116	30,578
Other debit balances	2.5	25	69
Total current assets		**56,488**	**53,540**
Less current liabilities			
Accrued expenses	2.6	546	139
Deferred Income	2.7	779	—
Other credit balances	2.8	1,280	1,111
Net Exchequer funding	2.9	18,254	14,503
Total current liabilities		**20,859**	**15,753**
Net current assets		35,629	37,787
Net assets		**47,258**	**49,185**
Represented by:			
State funding account	2.10	**47,258**	**49,185**

2.1 Property, plant and equipment [a]

	Buildings	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Cost or valuation				
At 1 January 2023	12,942	469	210	13,621
Additions	363	228	—	591
Disposals	—	(8)	—	(8)
At 31 December 2023	13,305	689	210	14,204
Accumulated depreciation				
At 1 January 2023	1,794	345	86	2,225
Depreciation for the year	265	68	21	354
Depreciation on disposals	—	(4)	—	(4)
At 31 December 2023	2,059	409	107	2,575
Net assets				
At 31 December 2023	**11,246**	**280**	**103**	**11,629**
At 31 December 2022	11,148	126	124	11,398

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment to intangible assets (see note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Cost or valuation		
At 1 January 2023	585	585
Additions	—	—
At 31 December 2023	585	585
Accumulated amortisation		
At 1 January 2023	583	583
Amortisation for the year	2	2
At 31 December 2023	585	585
Net assets		
At 31 December 2023	**—**	**—**
At 31 December 2022	2	2

Note [a] With effect from 1 January 2023, software acquisition and development assets were reclassified from property, plant and equipment (note 2.1).

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
Outdoor Recreation Infrastructure Scheme	38	296
Community Services Programme	5,921	3,792
Rural supports	961	2,171
Leader – rural economy sub programme	741	1,012
Administration	177	77
	7,838	**7,348**

2.4 Accrued income

at 31 December		2023	2022
		€000	€000
A.5	Leader – rural economy sub programme	5,727	8,083
A.7	Rural regeneration and development – outdoor recreation infrastructure scheme	4,660	5,350
B.8	Programme for Peace and Reconciliation	18,729	17,145
		29,116	**30,578**

2.5 Other debit balances

at 31 December	2023	2022
	€000	€000
Travel pass schemes	20	22
Leader food initiative	—	46
Other debit suspense items	5	1
	25	**69**

2.6 Accrued expenses

at 31 December	2023	2022
	€000	€000
IT services and support	—	5
Specific programme accruals	528	110
Administration expenses	18	18
Other accruals	—	6
	546	**139**

2.7 Deferred income

at 31 December	2023 €000	2022 €000
EU advance for the 2023-2027 LEADER Programme	779	—
	779	**—**

2.8 Other credit balances

at 31 December	2023 €000	2022 €000
Amounts due to the State		
Income tax	232	221
Pay related social insurance	136	117
Professional services withholding tax	42	41
Value added tax	74	212
	484	591
Tidy Towns	654	449
Other	142	71
	1,280	**1,111**

2.9 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	9,824	4,233
Deferred surrender	20,000	14,500
Exchequer grant undrawn	(11,570)	(4,230)
Net Exchequer funding	**18,254**	**14,503**
Represented by:		
Debtors		
Bank and cash	19,509	15,545
Debit balances: suspense	25	69
	19,534	15,614
Creditors		
Credit balances: suspense	(1,280)	(1,111)
	18,254	**14,503**

2.10 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			49,185	56,034
Disbursements from the Vote				
Estimate provision	Account	409,581		
Deferred surrender		(20,000)		
Surplus to be surrendered	Account	(9,824)		
Net vote			379,757	333,575
Expenditure (cash) borne elsewhere	1.1		1,819	1,916
Net programme cost	1		(383,503)	(342,340)
Balance at 31 December			**47,258**	**49,185**

2.11 Commitments

a) Global commitments at 31 December	2023 €000	2022 €000
Procurement of goods and services	—	156
Non-capital grant programmes[a]	231,701	140,543
Capital grant programmes	256,915	263,290
Total of legally enforceable commitments	**488,616**	**403,989**

b) Non-capital grant programmes	2023 €000	2022 €000
Opening balance	140,699	109,106
Grants paid in the year	(181,059)	(182,062)
New grant commitments	272,061	213,655
Closing balance	**231,701**	**140,699**

c) Capital grant programmes	2023 €000	2022 €000
Opening balance	263,290	244,996
Grants paid in the year	(186,847)	(186,868)
New grant commitments	180,472	205,162
Closing balance	**256,915**	**263,290**

Note [a] The increase in non-capital grant programmes relative to 2022 is mainly due to an increase in the commitments in the PEACE programme from €0.13 million to €76.8 million.

2.12 Contingent liabilities

The Department was involved in one legal case that concluded in 2024. The Department is liable to pay €88,286 in relation to costs and settlement of this case. Payment will be made in 2024.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,897	12,150	11,155
ii	Travel and subsistence	410	334	265
iii	Training and development and incidental expenses	604	603	420
iv	Postal and telecommunications services	82	56	53
v	Office equipment and external IT services	302	228	199
vi	Office premises expenses	216	78	85
vii	Consultancy and value for money and policy reviews	121	—	120
viii	Research	101	33	56
		14,733	**13,482**	**12,353**

Significant variations

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

vi Office premises expenses

Estimate provision €216,000; outturn €78,000

The shortfall in expenditure of €138,000 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 delays in planned upgrades.

vii Consultancy and value for money and policy reviews

Estimate provision €121,000; 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 2023, there was no requirement to draw from this subhead.

Programme A Rural Development and Regional Affairs

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration – pay		7,477	6,804	6,895
A.2	Administration − non pay		981	748	715
A.3	Western Development Commission		2,382	2,355	2,325
A.4	Rural supports [a]				
	Original	32,207			
	Supplementary	16,000			
			48,207	46,316	34,337
A.5	Leader – rural economy sub programme				
	Original	46,000			
	Supplementary	2,000			
			48,000	51,020	51,984
A.6	Regional economic development		3,380	2,716	1,902
A.7	Rural regeneration and development [b]				
	Original	95,000			
	Deferred surrender	10,500			
	Supplementary	(24,475)			
			81,025	78,960	70,367
A.8	Islands				
	Original	14,183			
	Deferred surrender	(500)			
			13,683	13,618	12,859
			205,135	**202,537**	**181,384**

Notes

[a] A.4 Rural supports includes the CLÁR programme, the Local Improvement Scheme (LIS) and the Walks Scheme.

[b] A.7 Rural regeneration and development consists of the Rural Regeneration and Development Fund (RRDF), the Town and Village Renewal Scheme (TVRS), and the Outdoor Recreation Infrastructure Scheme (ORIS).

Significant variations

The following outlines the reasons for significant variations in non-administration subheads (+/- 5% and €100,000).

A.4 Rural supports

Estimate provision €32.207 million; outturn €46.316 million

This subhead provides funding for a number of schemes including the Walks Scheme, CLÁR and Local Improvement Scheme (LIS), as well as some other initiatives supporting rural development. The increase in expenditure of €14.109 million relative to the estimate provision was largely due to additional demand under the LIS which was funded through a technical supplementary from savings elsewhere in the vote.

A.5 Leader – rural economy sub programme

Estimate provision €46 million; outturn €51.02 million

The increase in expenditure of €5.02 million relative to the estimate provision was due to Leader being a multi annual programme which is demand led. Delivery in 2023 exceeded anticipated levels as the programming period comes to conclusion. The increased resource was provided from savings elsewhere within the vote through a technical supplementary and €3.02 million through virements from A.4 Rural supports (€970,000), A.6 Regional economic development (€650,000), A.7 Rural regeneration and development (€1 million) and A.8 Islands (€400,000).

A.6 Regional economic development

Estimate provision €3.38 million; outturn €2.716 million

The shortfall in expenditure of €664,000 relative to the estimate provision was due to procurement of infrastructure to support the enhancement of services provided at broadband connection points not proceeding as planned in 2023. €650,000 of this saving was repurposed through a virement to meet demand under A.5 LEADER.

A.7 Rural regeneration and development

Estimate provision €105.5 million; outturn €78.96 million

The shortfall in expenditure of €26.54 million relative to the estimate provision was largely due to savings under the Rural Regeneration and Development Fund (RRDF) element of this subhead. Expenditure for RRDF projects was impacted by the continuing effect of the Covid 19 pandemic in terms of the pipeline of projects moving into construction state. Other issues such as the subsequent high demand for construction contractors has had an impact on timelines. In addition, inflationary cost increases have necessitated a detailed review of costs in some cases.

Programme B Community Development

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay		5,344	5,225	4,222
B.2	Administration − non pay		825	572	474
B.3	Supports for community and voluntary sector (part funded by the National Lottery)				
	Original	19,845			
	Supplementary	1,000			
			20,845	20,722	33,774
B.4	SICAP, local/regional development supports (part funded by the National Lottery)				
	Original	53,266			
	Supplementary	12,000			
			65,266	65,252	56,064
B.5	Local community development committees (support)		2,405	2,391	2,308
B.6	Supports for disadvantaged communities		7,500	7,500	7,500
B.7	Dormant account measures		12,570	12,464	12,302
B.8	Programme for Peace and Reconciliation		6,967	6,967	8,467
B.9	Water Safety Ireland		1,424	1,545	1,389
B.10	Library development and archive service				
	Original	7,731			
	Supplementary	(1,200)			
			6,531	6,312	5,398
B.11	Community Enhancement Programme				
	Original	21,001			
	Deferred surrender	4,000			
	Supplementary	6,175			
			31,176	32,043	24,998
B.12	Community Services Programme		52,390	52,389	46,670
B.13	ESF social innovation supports		1,000	1,000	—
B.14	Ukraine supports – community fund		30,000	10,000	—
			244,243	**224,382**	**203,566**

Significant variations

The following outlines the reasons for significant variations in non-administration subheads (+/- 5% and €100,000).

B.4 SICAP, local/regional development supports

Estimate provision €53.266 million; outturn €65.252 million

The increase of €11.986 million in expenditure relative to the original provision was met mainly through a €10 million substantive supplementary for work under the Social Inclusion and Community Activation Programme (SICAP) to support new arrivals from Ukraine. In addition, €2 million from A.7 Rural regeneration and development was repurposed through a technical supplementary to fund dog control work.

B.9 Water Safety Ireland

Estimate provision: €1.424 million; outturn: €1.545 million

The increase of €121,000 in expenditure relative to the original provision was caused by additional funding allocated to Water Safety Ireland (WSI) to meet a business case submitted in regard to educational programmes being developed by WSI.

B.10 Library development and archive service

Estimate provision: €7.731 million; outturn: €6.312 million

The shortfall in expenditure of €1.419 million relative to the estimate provision was due to profiled capital expenditure on a number of library projects that faced a challenging year in 2023, particularly with construction supply issues. Delays in the approval of My Open Library initiatives also contributed to a lower outturn figure than estimated.

B.11 Community Enhancement Programme

Estimate provision: €25.001 million; outturn: €32.043 million

The increase in expenditure of €7.042 million relative to the estimate provision was due to the significant demand for the Community Centre Investment Fund and the small capital grants scheme under this subhead. Funding was allocated from savings elsewhere in the vote through a technical supplementary and €0.87 million from A.7 Rural regeneration and development through a virement.

B.14 Ukraine supports – Community Fund

Estimate provision: €30 million; outturn: €10 million

The shortfall in expenditure of €20 million relative to the estimate provision was due to slow progress in completion of projects due to constraints in the construction sector. Funding of €20 million was carried forward for use in 2024.

Programme C Charities Regulatory Authority

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	76	122	37
C.2	Administration − non pay	30	12	10
C.3	Charities Regularity Authority	4,987	4,840	4,244
C.4	Charities Appeal Tribunal	10	—	—
		5,103	**4,974**	**4,291**

Significant variations

There are no significant variations (more than+/- 5% and €100,000) for this programme area.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Leader – rural economy sub programme	27,229	33,858	32,577
2	Programme for Peace and Reconciliation	4,500	4,338	4,978
3	Dormant accounts – programme expenditure	12,570	12,465	12,302
4	Social Inclusion and Community Activation Programme	1	—	—
5	Receipts from additional superannuation contributions on public service remuneration	400	470	435
6	Miscellaneous contributions	200	1,005	5,375
Total		**44,900**	**52,136**	**55,667**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

1 Leader – rural economy sub programme

Estimate €27.229 million; realised €33.858 million

The excess receipts of €6.629 million were due to increased levels of payments under the EU Leader programme during 2023 which resulted in a corresponding increase in the level of EU receipts received by the Department.

6 Miscellaneous contributions

Estimate €200,000; realised €1.005 million

The excess receipts of €805,000 for 2023 was mainly due to a number of refunds received in respect of grants issued in prior years, which had not been anticipated.

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	16	16
Voluntary surrender of ministerial salaries	16	16
Pobal refund of Energy Support Scheme	8,085	—
Transferred to the Exchequer	(8,101)	(16)
Balance at 31 December	**16**	**16**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2023	2022
Department	200	172
Agencies [a]	82	80
Total	**282**	**252**

Note [a] Comprises staffing of the following agencies: Charities Regulator, Western Development Commission and Water Safety Ireland.

5.2 Pay

Remuneration of Department staff

	2023 €000	2022 €000
Pay	11,128	10,212
Higher, special or additional duties allowances	105	126
Overtime	19	23
Employer's PRSI	898	794
Total pay [a]	**12,150**	**11,155**

Note [a] The total pay figure is distributed across subheads A.1, B.1 and C.1.

Remuneration of agency staff

	2023 €000	2022 €000
Pay	4,718	4,541
Higher, special or additional duties allowances	45	25
Overtime	—	—
Employer's PRSI	481	458
Total pay [a]	**5,244**	**5,024**

Note [a] The total pay figure is distributed across subheads A.3, B.9 and C.3.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Department staff				
Higher, special or additional duties allowances	13	2	31,807	24,941
Overtime	6	1	17,993	20,682
Extra remuneration in more than one category	1	1	20,840	25,682
Agency staff				
Higher, special or additional duties allowances	2	—	9,436	14,040

5.4 Department employee pay bands

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	116	113
60,000	69,999	26	22
70,000	79,999	14	13
80,000	89,999	16	15
90,000	99,999	9	8
100,000	109,999	6	2
110,000	119,999	6	7
120,000	129,999	3	—
130,000	139,999	—	1
140,000	149,999	—	1
150,000	159,999	1	1
160,000	169,999	—	1
170,000	179,999	2	—
180,000	189,999	—	—
190,000	199,999	—	—
200,000	209,999	—	—
210,000	219,999	1	—

5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	15	19,857	12,313
Recovery plan in place	9	8,534	12,313

5.6 Remuneration and benefits of Accounting Officer

The Accounting Officers' remuneration for the financial year was as follows

	2023 €000	2022 €000
Mary Hurley	215	145
Kevin McCarthy	—	15
	215	**160**

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of Civil Service pre 95 pension scheme and her entitlements in that regard do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 National Lottery funding

		2023		2022
		Estimate	Outturn	Outturn
		€000	€000	€000
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	15,628	12,999	14,902
B.4	SICAP local/regional development supports (part funded by the National Lottery)	2,797	2,734	2,890
		18,425	**15,733**	**17,792**

Note The schemes part-funded by National Lottery funding within the B.3 subhead are the Volunteering Supports, Scheme to Support National Organisations and the Senior Alert Scheme. The total outturn for these in 2023 was €5.763 million, €3.181 million and €7.055 million respectively. The Senior Alerts Scheme is also part funded by the Dormant Accounts Fund, given the level of demand for the scheme, and the outturn for both 2022 and 2023 includes €3 million which is funded through the Dormant Accounts Fund, with the remainder (i.e. €181,000 in 2023) part-funded by the National Lottery. The grants part-funded by National Lottery Funding within the B.4 sub-head are for work or projects that are outside of the Department's Social Inclusion and Community Activation Programme but within its ethos, with a focus on organisations that provide supports to those who are disadvantaged.

6.2 EU funding

Expenditure under subheads A.5 Leader – rural economy sub programme, B.4 SICAP local/regional development supports (part funded by the National Lottery), B.8 Programme for Peace and Reconciliation and B.13 ESF social innovation supports are co-financed by the EU.

6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2023, the Department transferred amounts totalling €101.968 million to support these programmes as outlined below.

		2023	2022
		€000	€000
A.4	Rural supports	1,648	1,665
A.5	Leader – rural economy sub programme	2,248	834
A.6	Regional Economic Development	—	750
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	10,233	19,528
B.4	SICAP, local regional development supports (part funded by the National Lottery)	2,596	1,798
B.6	Supports for disadvantaged communities	1,349	1,236
B.7	Dormant account measures	4,469	5,098
B.11	Community Enhancement Programme	26,035	14,936
B.12	Community Services Programme	52,390	46,670
B.13	ESF – social innovation supports	1,000	—
	Total [a]	**101,968**	**92,515**

Note [a] Pobal has identified amounts totalling €13.93 million which remain unspent in relation to 2023 payments from the Department (€22.843 million in 2022). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal. These amounts exclude payments in respect of Pobal's administration costs related to services provided on behalf of the Department.

6.4 Deferred surrender

Deferred surrender comprises savings in 2023 of €20 million in capital expenditures in the following subheads that were carried over to 2024.

		€000
Description of subhead:		
B.14	Ukraine supports – community fund	20,000
		20,000

6.5 Write-offs

The following sums were written off in the year

	2023	2022
	€	€
Leader programme	116,013	—
Community services programme	22,421	—
	138,434	**—**

6.6 Compensation and legal costs

Payments/costs paid by the Department in the year

	2023	2022
Number of cases	1[a]	—
	€000	**€000**
Department's own legal costs	11	—
Payments by/on behalf of Department		
Compensation	43	—
Legal costs	10	—
Total	**64**	**—**

Note [a] Employee claim. The case was finalised in 2023, and all related costs were incurred in 2023.

Appropriation Account 2023

Vote 43

Office of the Government Chief Information Officer

Introduction

As Secretary General of the Department of Public Expenditure, National Development Plan Delivery and Reform, 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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €953,000 is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 6 form part of the account.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

The cost, accumulated depreciation and net book value of intangible assets representing software acquisition and development were transferred from Property, plant and equipment. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 5 years	20%

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, that 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 Department and the National Shared Services Office (NSSO) for the provision of HR, finance 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, including financial shared services, to this Department.

Financial control environment

A control environment consisting of 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

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 Office of the Government Chief Information Officer (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 achieved ISO 27001 certification through the internationally accredited certification body, Certification Europe. This information security management system 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

The Department of Public Expenditure, National Development Plan Delivery and Reform 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

The Office ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €36 million in 2023.

The Office has provided details of five non-competitive but compliant contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to the Department of Public Expenditure, National Development Plan Delivery and Reform.

The Office complied with the appropriate national and EU procedures.

Risk and control framework

The Department of Public Expenditure, National Development Plan Delivery and Reform 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 high level risks facing the Department are 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

The Department of Public Expenditure, National Development Plan Delivery and Reform 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

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

7 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 43 Office of the Government Chief Information Officer for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

24 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 43 Office of the Government Chief Information Officer

Appropriation Account 2023

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Government ICT services				
	Original	40,483			
	Supplementary	4,903			
			45,386	44,534	43,154
Gross expenditure			**45,386**	**44,534**	**43,154**
	Deduct				
B	**Appropriations-in-aid**		**197**	**298**	**220**
Net expenditure					
	Original	40,286			
	Supplementary	4,903			
			45,189	**44,236**	**42,934**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**952,989**	**368,007**

David Moloney
Accounting Officer
Office of the Government Chief Information Officer

7 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Programme cost		36,544	36,170
Pay		6,438	5,629
Non pay		1,552	1,355
Gross expenditure		**44,534**	**43,154**
Deduct			
Appropriations-in-aid		**298**	**220**
Net expenditure		**44,236**	**42,934**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	(12,161)		
Depreciation	2,514		
Intangible assets (note 2.2)			
Purchases	(807)		
Amortisation	229		
		(10,225)	(16,478)
Changes in net current assets			
(Increase)/Decrease in prepayments		718	(329)
Increase/(Decrease) in accrued expenses		58	276
Direct expenditure		**34,787**	**26,403**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		(8,217)	(6,204)
Net programme cost		**26,570**	**20,199**

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.

		2023 €000	2022 €000
Vote 7	Office of the Minister for Finance	—	41
Vote 9	Office of the Revenue Commissioners	613	1,558
Vote 12	Superannuation and Retired Allowances	33	32
Vote 13	Office of Public Works	977	1,092
Vote 18	National Shared Services Office	738	135
		2,361	2,858
Cost of shared services provided to other votes		(10,578)	(9,062)
		(8,217)	**(6,204)**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	16,123	6,476
Intangible assets	2.2	15,759	15,181
Total fixed assets		31,882	21,657
Current assets			
Bank and cash		906	552
Prepayments	2.3	2,743	3,461
Other debit balances	2.4	222	259
Total current assets		**3,871**	**4,272**
Less current liabilities			
Accrued expenses		647	589
Other credit balances	2.5	603	772
Net Exchequer funding	2.6	525	39
Total current liabilities		**1,775**	**1,400**
Net current assets		2,096	2,872
Net assets		**33,978**	**24,529**
Represented by:			
State funding account	2.7	**33,978**	**24,529**

2.1 Property, plant and equipment [a]

	Office and IT equipment €000	Furniture and fittings €000	Total €000
Cost or valuation			
At 1 January 2023	19,744	17	19,761
Additions	12,161	—	12,161
At 31 December 2023	31,905	17	31,922
Accumulated depreciation			
At 1 January 2023	13,270	15	13,285
Depreciation for the year	2,512	2	2,514
At 31 December 2023	15,782	17	15,799
Net assets			
At 31 December 2023	**16,123**	—	**16,123**
At 31 December 2022	6,474	2	6,476

Note [a] On 1 January 2023, acquired and developed software assets were transferred to Intangible assets (see note 2.2)

2.2 Intangible assets [a]

	Acquired and developed software	Intangible assets under development	Total
	€000	€000	€000
Cost or valuation			
At 1 January 2023	1,122	14,694	15,816
Additions	279	528	807
At 31 December 2023	1,401	15,222	16,623
Accumulated amortisation			
At 1 January 2023	635	—	635
Amortisation for the year	229	—	229
At 31 December 2023	864	—	864
Net assets			
At 31 December 2023	**537**	**15,222**	**15,759**
At 31 December 2022	487	14,694	15,181

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

2.3 Prepayments

at 31 December	2023	2022
	€000	€000
IT services	667	1,114
Licences	1,837	1,938
Software maintenance	206	46
Telecom services	33	363
	2,743	**3,461**

2.4 Other debit balances

at 31 December	2023	2022
	€000	€000
Government networks	172	221
Agency services	10	—
Other debit suspense accounts	6	5
Recoupment of secondment	34	33
	222	**259**

2.5 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	110	103
Pay related social insurance	61	37
Professional services withholding tax	212	241
Value added tax	177	361
Pension contributions	19	16
	579	758
Payroll deductions held in suspense	24	14
	603	**772**

2.6 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	953	368
Exchequer grant undrawn	(428)	(329)
Net Exchequer funding	**525**	**39**
Represented by:		
Debtors		
Bank and cash	906	552
Debit balances: suspense	222	259
	1,128	811
Creditors		
Due to the State	(579)	(758)
Credit balances: suspense	(24)	(14)
	(603)	(772)
	525	**39**

2.7 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			24,529	7,998
Disbursements from the Vote				
Estimate provision	Account	45,189		
Surplus to be surrendered	Account	(953)		
Net vote			44,236	42,934
Expenditure (cash) borne elsewhere	1.1		(8,217)	(6,204)
Net programme cost	1		(26,570)	(20,199)
Balance at 31 December			**33,978**	**24,529**

2.8 Commitments

at 31 December	2023	2022
	€000	€000
Procurement of goods and services	781	1,917
Total	**781**	**1,917**

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	7,486	6,438	5,629
ii	Travel and subsistence	70	59	36
iii	Training and development and incidental expenses	70	70	48
iv	Professional, consultancy and other services	1,200	1,196	892
v	Operating expenses	67	61	72
vi	Asset and equipment expenses	150	137	148
vii	Premises and accommodation expenses	40	29	23
viii	Communication and marketing expenses	—	—	136
		9,083	**7,990**	**6,984**

Programme A Government ICT Services

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
A.1	Administration − pay		7,486	6,438	5,629
A.2	Administration − non pay		1,597	1,552	1,355
A.3	Government ICT services				
	Original	26,900			
	Supplementary	4,903	31,803	32,044	17,670
A.4	EU Recovery and Resilience		4,500	4,500	18,500
			45,386	**44,534**	**43,154**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Government ICT services

Estimate provision €26.9m; outturn €32.0m

A supplementary estimate of €4.903m was included in this subhead.

This programme subhead provides for the delivery and development of a wide range of ICT services across Government including the Build to Share (BTS) suite of services.

The excess expenditure in this subhead was due to the extension of the National Low Latency Platform (NLLP - see note 6.2) to the ports of Dublin, Rosslare and Cork using 5G, dark fibre, and radio connectivity. It is expected that the non-VAT portion of the costs, being €4 million, will be recouped by the Exchequer through the Brexit Adjustment Reserve. The Reserve does not fund the VAT element of expenditure, in this case being €903,000.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Miscellaneous	17	107	41
2	Receipts from additional superannuation contributions on public service remuneration	180	191	179
	Total	**197**	**298**	**220**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end	100	81

5.2 Pay

	2023 €000	2022 €000
Pay	5,788	5,056
Other allowances	67	68
Overtime	59	66
Employer's PRSI	524	439
Total pay	**6,438**	**5,629**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2023 €	Highest individual payment 2022 €
Allowances	12	1	13,596	15,527
Overtime	24	—	6,895	14,825
Extra remuneration in more than one category	—	—	—	—

5.4 OGCIO staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	53	56
60,000	69,999	14	5
70,000	79,999	8	13
80,000	89,999	5	2
90,000	99,999	8	10
100,000	109,999	1	1
110,000	119,999	3	2
120,000	129,999	1	—
130,000	139,999	1	1
190,000	199,999	1	1

5.5 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	6	11,383	24,537
Recovery plans in place	—	—	1,162

5.6 Salary of Accounting Officer

The Accounting Officer for Vote 43 Office of the Government Chief Information Officer is also the Accounting Officer for Vote 11 Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform. His salary level is disclosed in the Appropriation Account for Vote 11.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

	Year established	2023 €000	2022 €000
Data Governance Board [a]	2021	27	22

Note [a] The Data Sharing and Governance Act 2019 established the Data Governance Board. The Board plays a key role in implementing the provisions of the Act.

Under the legislation, the Board has a clearly defined set of legal powers and obligations and will advise the Minister for Public Expenditure, National Development Plan Delivery and Reform on

- the designation and operation of base registries (to store citizens' data)
- advise the Minister on the introduction of data management standards and guidelines
- promote and report on public sector bodies' compliance with the above standards and guidelines
- advise the Minister on the prohibition of collection of certain data by public sector bodies
- advise the Minister on directing public sector bodies to share data under the Act
- advise the Minister on the designation and operation of base registries, and
- review all data sharing agreements under the Act.

Remuneration for eligible Board members is paid through the salary subhead.

6.2 EU funding

The outturn shown in subhead A.4 includes payments in respect of activities which are included in the National Recovery and Resilience Plan. Estimates of expenditure and actual outturns were as follows.

		2023 Estimate €000	2023 Outturn €000	2022 Outturn €000
A.4	EU Recovery and Resilience [a]	4,500	4,500	18,500
		4,500	**4,500**	**18,500**

Note [a] This was a new subhead in 2022. The EU allocated €23 million to the OGCIO as part of its Recovery and Resilience Programme to fund the National Low Latency Platform (NLLP) project. €18.5m was spent in 2022 and €4.5m was spent in 2023. This project aims to ensure that the public service maximises the benefits and outcomes from 5G and to develop its capacity to innovate through increased connectivity that supports the use of new technologies.

6.3 Government ICT Services

This programme subhead provides for the delivery and development of a wide range of ICT services across Government including the Build to Share (BTS) suite of services which include delivery of

- managed desktop services to over 8,500 users across 27 public service bodies in 40 locations
- common applications to over 58,000 users in 55+ public service bodies
- government network services to over 150 public service bodies in 1,100 locations
- websites including Gov.ie – single source of information on government
- private government cloud – providing cloud services to public service bodies
- current and emerging Government as a Platform (GaaP) services including Digital Postbox, Single Digital Gateway (delivering on an EU regulatory requirement), Government Digital Wallet (delivering on EU regulatory requirement).

The outturn shown in subhead A.3 Government ICT services includes payments in respect of activities facilitated through a supplementary estimate of €4.903 million.

Appropriation Account 2023

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 2023 for the salaries and expenses of the Data Protection Commission.

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

A surplus of €9.049 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, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

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

Asset class	*Useful life*	*Rate of amortisation*
Software licences	Licence term 2-10 years	10-50%
Acquired/developed software	10 years	10%

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is 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 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 letters of assurance from the Accounting Officers for the National Shared Services Office and for 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

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, inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.

Administrative controls and management reporting

In respect of the Data Protection Commission, 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 2023, the ICT division of the Department of Justice provided the Data Protection Commission with certain ICT services. The Department of Justice's ICT division under a service level agreement provided an assurance statement outlining the control processes in place in 2023.

Internal audit and Audit and Risk Committee

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 held five meetings for the period 1 January to 31 December 2023.

Procurement

The Commission ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods and services, including the cost of contracted-in staff, amounted to a total of €5.845 million in 2023.

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

Risk and control framework

The Data Protection Commission implemented a risk management system which identifies and reports key risks and the management actions 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 are identified, evaluated, and graded according to their significance. The register is reviewed and updated by the Senior Management 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

During the period covered by the 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.

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 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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Dr Des Hogan
Accounting Officer
Data Protection Commission

26 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 44 Data Protection Commission for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

21 June 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 44 Data Protection Commission

Appropriation Account 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Provision of Data Protection Regulation	26,907	17,832	16,876
Gross expenditure		**26,907**	**17,832**	**16,876**
	Deduct			
B	**Appropriations-in-aid**	**285**	**259**	**233**
Net expenditure		**26,622**	**17,573**	**16,643**

Surplus

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

	2023	2022
	€	€
Surplus to be surrendered	**9,048,881**	**6,306,004**

Dr Des Hogan
Accounting Officer
Data Protection Commission

26 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

		2023	2022
	€000	€000	€000
Pay		11,987	10,906
Non pay		5,845	5,970
Gross expenditure		**17,832**	**16,876**
Deduct			
Appropriations-in-aid		**(259)**	**(233)**
Net expenditure		**17,573**	**16,643**
Changes in capital assets			
Property, plant and equipment (note 2.1)			
Purchases	—		
Depreciation	5		
Intangible assets (note 2.2)			
Purchases	(140)		
Amortisation	269		
		134	(174)
Changes in net current assets			
Decrease in closing accruals	(90)		
Increase in closing prepayments	(12)		
		(102)	278
Direct expenditure		**17,605**	**16,747**
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		656	161
Net programme cost		**18,261**	**16,908**

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.

		2023	2022
		€000	€000
Vote 12	Superannuation and Retired Allowances	87	—
Vote 13	Office of Public Works	487	83
Vote 18	National Shared Services Office	22	20
Vote 24	Justice	60	58
		656	**161**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	—	1,063
Intangible assets	2.2	929	—
Total fixed assets		**929**	**1,063**
Current assets			
Bank and cash	2.3	421	587
Prepayments	2.4	215	203
Other debit balances		4	4
Total current assets		**640**	**794**
Less current liabilities			
Accrued expenses	2.5	376	466
Other credit balances	2.6	419	591
Net Exchequer funding	2.7	6	—
Total current liabilities		**801**	**1,057**
Net current assets/(liabilities)		(161)	(263)
Net assets		**768**	**800**
Represented by:			
State funding account	2.8	**768**	**800**

2.1 Property, plant and equipment [a]

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Cost or valuation [b]			
At 1 January 2023	37	2	39
At 31 December 2023	37	2	39
Accumulated depreciation			
At 1 January 2023	32	2	34
Depreciation for the year	5	—	5
At 31 December 2023	37	2	39
Net assets			
At 31 December 2023	**—**	**—**	**—**
At 31 December 2022	1,063	—	1,063

Note [a] Cost or valuation includes assets acquired for less than €10,000 prior to 1 January 2021

[b] From 1 January 2023, software acquisition and development assets were reclassified as intangible assets (note 2.2).

2.2 Intangible assets [a]

	Acquired and developed software	Total
	€000	€000
Gross assets		
At 1 January 2023	1,193	1,193
Additions	140	140
At 31 December 2023	1,333	1,333
Accumulated amortisation		
At 1 January 2023	135	135
Amortisation for the year	269	269
At 31 December 2023	404	404
Net assets		
At 31 December 2023	929	929
At 31 December 2022	—	—

Note [a] At 1 January 2023, acquired and developed software assets were transferred from Property, plant and equipment.

2.3 Bank and cash

at 31 December	2023 €000	2022 €000
PMG balances and cash	417	466
Commercial bank accounts [a]	4	121
	421	**587**

Note [a] In addition to the Danske Bank PMG account, the Commission holds four other commercial bank accounts, two of which had a nil balance at 31 December 2023.

2.4 Prepayments

at 31 December	2023 €000	2022 €000
Office premises expenses	174	174
Communications	16	14
Other	25	15
	215	**203**

2.5 Accrued expenses

at 31 December	2023 €000	2022 €000
IT services and support	6	348
Administration expenses	48	18
Legal costs	322	100
	376	**466**

2.6 Other credit balances

at 31 December	2023 €000	2022 €000
Amounts due to the State		
Income tax	301	278
Value added tax on foreign invoices	10	14
Professional services withholding tax	82	100
	393	392
Other credit suspense items	26	199
	419	**591**

2.7 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	9,049	6,306
Exchequer grant undrawn	(9,043)	(6,306)
Net Exchequer funding	**6**	**—**
Represented by:		
Debtors		
Bank and cash	421	587
Debit balances: suspense	4	4
	425	591
Creditors		
Due to the State	(393)	(392)
Credit balances: suspense	(26)	(199)
	(419)	(591)
	6	**—**

2.8 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			800	904
Disbursements from the Vote				
Estimate provision		26,622		
Surplus to be surrendered		(9,049)		
Net vote			17,573	16,643
Expenditure (cash) borne elsewhere	1.1		656	161
Net programme cost	1		(18,261)	(16,908)
			768	**800**

2.9 Commitments

Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	**1,739**	**563**

2.10 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.

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	17,643	11,987	10,906
ii	Travel and subsistence	110	41	34
iii	Training and development and incidental expenses	4,247	3,287	3,873
iv	Postal and telecommunications services	45	41	48
v	Office equipment and external IT services	2,462	1,401	823
vi	Office premises expenses	1,850	920	984
vii	Consultancy services and value for money and policy reviews	540	155	208
viii	Research	10	—	—
		26,907	**17,832**	**16,876**

Significant variations

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

i Salaries, wages and allowances

Estimate provision €17.643 million; outturn €11.987 million

The shortfall in expenditure of €5.656 million relative to the estimate provision is largely explained by ongoing challenges in relation to low candidate yield from the specialist competitions run in 2023 and a slow rate of assignment from generalist Public Appointment Service (PAS) panels and timeframes in which competitions are being advertised. Engagement with PAS reveals similar challenges in relation to candidate numbers for large volume competitions, and continued high demand from client organisations with several recruitment campaigns pushed into 2024.

iii Training and development and incidental expenses

Estimate provision €4.247 million; outturn €3.287 million

The underspend of €960,000 relative to the estimated provision was driven by lower than anticipated legal costs. The factors which contributed to this underspend include the following. Firstly, a drop-off in the need to procure external legal advice on new complex procedural matters arising for the first time. It was always anticipated that we would reach a point of critical mass, in terms of the rate at which new procedural matters might arise. It appears that that point occurred mid-way through 2023, when new issues requiring legal assessment suddenly reduced in frequency. Further, our own internal legal resources were effective in terms of the ability to handle the majority of issues arising during the year in-house without the need for external legal advice. (It is important to note here that, while there was a slow down in the rate at which new complex procedural matters arose during 2023, that trend may well change into the future as the legal terrain continues to develop and further legal challenges are brought). Secondly, a number of anticipated litigation costs and expenses did not emerge as anticipated during 2023. This resulted from delays in the rate of progression of certain proceedings (arising from stays in the litigation caseload or the timing of court hearing dates). In addition, anticipated costs liabilities failed to emerge during 2023 (and will now fall to be dealt with in 2024).

v Office equipment and external IT services

Estimate provision €2.462 million; outturn €1.401 million

The shortfall in expenditure of €1.061 million relative to the estimates provided were driven by the following factors. There were less than anticipated ICT charges due to lower than forecast staff headcount growth; the Data Protection Commission office move was postponed again and is now scheduled to start in 2024; and challenges with the procurement of key technical expertise in 2023 delayed the development of the strategic ICT platform and has resulted in many of the initiatives being rescheduled to 2024.

vi Office premises expenses

Estimate provision €1.85 million; outturn €920,000

The shortfall in expenditure of €930,000 relative to the estimate provision was primarily driven by lower than anticipated operational costs due to remote working and a delay in procuring new additional office space and commencement of its fit-out works once procured.

vii Consultancy services and value for money and policy reviews

Estimate provision €540,000; outturn €155,000

The shortfall in expenditure of €385,000 relative to the estimate provision was primarily driven by less than anticipated requirement for consultancy services.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated	Realised	Realised
		€000	€000	€000
1	Receipts from additional superannuation contributions on public service remuneration	275	242	233
2	Miscellaneous	10	17	—
	Total	**285**	**259**	**233**

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	110	—
Administrative fines receipts	815	17,640
Transferred to the Exchequer	(925)	(17,530)
Balance at 31 December	**—**	**110**

4.3 Fines

The Data Protection Commission's statutory remit allows for the imposition of administrative fines. No fine imposed by the Data Protection Commission is collectable until confirmed by court order (whether on appeal or by confirmation application). Fines imposed by the Data Protection Commission as part of its regulatory activities are not categorised as income for the Data Protection Commission, and are instead remitted to the central exchequer. The Data Protection Commission derives no financial benefit from the fines it imposes when exercising the sanctioning powers of its regulatory role.

	2023 €000	2022 €000
Opening balance	1,285,114	225,171
Fines imposed in the year	1,551,783	1,077,583
Fines collected (see note 4.2)	(815)	(17,640)
Fines adjusted/written off	—	—
Closing balance	**2,836,082**	**1,285,114**

There were seven fines imposed by the Data Protection Commission in 2023 with a total value of €1,551,782,500. Four of these fines, with a value of €1,550,522,500, are subject to appeal before the courts. One fine, with a value of €460,000, has been confirmed by the Circuit Court in 2024. Two fines were collected with a value of €800,000.

One fine imposed in 2022, with a value of €15,000, was collected in 2023.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	**2023**	**2022**
Number of staff at year end	209	196

5.2 Pay

	2023 €000	2022 €000
Pay	10,783	9,849
Higher, special or additional duties allowances	85	50
Employer's PRSI	1,119	1,007
Total pay	**11,987**	**10,906**

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	12	4	17,176	13,539

5.4 Payroll overpayments

at 31 December	Number of recipients	2023	2022
		€	€
Overpayments	14	67,658	21,271
Recovery plans in place	5	17,714	21,271

5.5 Commission staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	152	148
60,000	69,999	5	5
70,000	79,999	20	20
80,000	89,999	13	12
90,000	99,999	5	5
100,000	109,999	8	4
110,000	119,999	3	1
120,000	129,999	1	—
130,000	139,999	1	—
140,000	149,999	—	—
150,000	159,999	—	—
160,000	169,999	—	—
170,000	179,999	1	1

5.6 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Basic pay	176	170

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

The above relates to the remuneration and benefits of Ms. Helen Dixon who was the Accounting Officer of the Data Protection Commission for the year 2023.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Commission in the year

	Total 2023 [a]	Total 2022 [a]
Number of cases	60	44
	€000	€000
Commission's own legal costs	844	967
Payments by/on behalf of the Commission		
Compensation	—	—
Legal costs	544	—
Other costs	—	—
Total	**1,388**	**967**

Note [a] Claims by members of the public.

Cumulative costs of cases completed in 2023

	Total 2023 [a]
Number of cases	13
	€000
Commission's own legal costs	399
Payments by/on behalf of the Commission	
Compensation	—
Legal costs	—
Other costs	—
Total	**399**

Note [a] Claims by members of the public.

6.2 Legal fees

Total legal costs of €2.869 million includes costs of €1.388 million which were incurred in respect of 60 sets of proceedings against the Data Protection Commission (to include judicial reviews, plenary proceedings and statutory appeals which were taken against the Data Protection Commission).

In addition, the total figure of €2.869 million also includes the Data Protection Commission's legal costs in respect of a further 13 sets of proceedings which were commenced by the Data Protection Commission itself, including six marketing prosecutions and five administrative fines. The six marketing prosecutions were taken by the Data Protection Commission before the District Court under SI 336/2011[a] and the five confirmation applications were made by the Data Protection Commission before the Circuit Court under Section 143 of the Data Protection Act 2018 to confirm administrative fines which were imposed on organisations by the Data Protection Commission. The legal costs in respect of all 13 sets of proceedings totalled €166,284. However, five of these marketing prosecutions resulted in the prosecution costs being awarded to the Data Protection Commission, which totalled €5,158 (the Data Protection Commission was also awarded its costs in some of the fining confirmation applications, however the final amount payable has yet to be paid between the parties). This reduced the overall legal costs associated with the proceedings taken by the Data Protection Commission in 2023 to €161,126.

The remaining €1.315 million of total legal costs was for general legal advices.

Note a SI 336/2011 — European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011 [known as the E-Privacy Regulations]

Appropriation Account 2023

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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €10.079 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 National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account.

Allocation of costs

The Department of Education provides a shared service to this Department for a number of corporate functions for which an agreed allocation of costs has been applied for accounting purposes. This Department does not hold fixed assets and assets used by this Department are owned and controlled by the Department of Education and recorded in the appropriation account for Vote 26. A notional depreciation charge has been applied in the net allied services expenditure note to reflect the use of these 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

Since its establishment in 2020, this Department has availed of a shared services arrangement with the Department of Education in respect of a number of business and corporate areas. The detailed arrangements governing these shared services are subject to a process of joint development and documentation with memorandums of understanding in place in relation to a number of areas. These include: ICT and shared services delivery to the tertiary sector; capital planning; finance and agency governance; procurement; mobile phones; child protection; FOI and data protection; records management; health and safety; human resources; payroll and pension administration.

Shared services are also being provided to this Department for payroll and human resource functions by the National Shared Services Office (NSSO).

I rely on letters of assurance provided by the Accounting Officer of the Department of Education and the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

Aegis bodies

Oversight of aegis bodies is undertaken by designated units within the Department led by Principal Officers with support from other relevant divisions across the Department and on a shared services basis by the Sectoral Governance Unit of the Department of Education.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each board, and the Chair of each board.

The relationship between this Department and the bodies under its aegis is typically informed by

- the legislative underpinning of the body
- the requirements set out in the *Code of Practice for the Governance of State Bodies* as published by the Department of Public Expenditure, National Development Plan Delivery and Reform.

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 with each body.

As appropriate, the Department ensures that time-limited or full derogations from aspects of the code of practice have been agreed and documented in order to satisfy its 'comply or explain' requirements. The code of practice 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.

During 2023, the Department continued to implement a formal review process involving the completion of a 'compliance assurance return' (CAR). This review was undertaken to aid assurance as to the extent to which the Department's non-commercial aegis bodies adhere to the core components of the code of practice while also providing assurances with regard to the extent to which the bodies are complying with evolving governance and statutory obligations. The governance material gathered from CAR is also utilised to enable the Department to consider approaches to future governance work programmes.

Within the wider higher education sector, sectoral codes of practice aligned to the specific legislative and regulatory frameworks of universities and institutes of technology are in place. The reform of institutional governance arrangements within the higher education sector is set out in the Higher Education Authority Act 2022.

Financial control environment

A control environment comprising the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- An Audit Committee to advise me in discharging my responsibilities with regards to the internal financial control system.
- Procedures for all key business processes have been documented and there are systems in place to safeguard assets.

Administrative controls and management reporting

A framework of administrative procedures and regular management reporting is in place including segregation of duties along with 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 relevant guidelines.

Internal audit and Audit Committee

The Department has an internal audit function with appropriately trained personnel, supported by an external service provider, which operates in accordance with a written charter. Its work is informed by analysis of the risks to which the Department is exposed and its annual audit plan, approved by me, is based on this analysis.

The internal audit plan, overseen by the Internal Audit Committee and approved by the Secretary General aims to cover the Department's key controls on a rolling basis over a reasonable period. Three audits were completed in 2023. Arising from the audits conducted, a number of audit recommendations were implemented to strengthen controls and provide greater assurance on the governance framework and the system of internal control in operation within the Department.

The role of the Audit Committee is to provide an ongoing systematic review of the control environment and governance procedures across all areas of activity for which the Department has responsibility. This Department supports the Audit Committee in discharging its responsibilities, respects its independence and undertakes to provide adequate resources to enable the Audit Committee to properly discharge its functions.

European Social Fund

The European Social Fund and European Globalisation Fund Support Unit within this Department is responsible for the policy and management of the European Social Fund (ESF) in Ireland including processing of claims.

Responsibility for auditing the fund rests with the ESF Auditing Authority of the Department of Education which operates with the direct authority of the Minister for Public Expenditure, National Development Plan Delivery and Reform in line with the terms of SI 188/2017 and in accordance with its own written charter. The auditing authority reports to this Department's Audit Committee and to the European Commission.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of seven 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, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of six contracts in excess of €25,000 (exclusive of VAT), totalling €497,409 during 2023, as set out below.

- Four contracts for the provision of IT project management and support services that were awarded under a single supplier framework agreement that was subsequently deemed to be non-compliant. The contracts awarded were ranging in value between €37,700 and €230,701. No further contracts have been awarded under this framework agreement. Further requirements for ICT technical support were procured through a mini competition under an OGP framework - Multi Supplier Framework Agreement for the Provision of External ICT Technical Support Services (provided by Teams of Resources). This contract was signed on 1 January 2024 with the initial term expiring on 31 December 2025.
- One contract, €30,800, was awarded for the provision of customer relationship management (CRM) software on a pilot basis pending procurement of a longer term solution for services delivered by Education Shared Business Services (ESBS). A CRM platform is currently being developed within the Department with a minimum viable product recently presented to ESBS business units currently using the arrangement with the current service provider. ESBS are expected to move to a new platform in 2025.
- One contract, €37,558, was awarded for the provision of photography and video services to communicate the outcomes of Department policies to the public. As the value of the contract exceeded the allowable threshold limit, it was deemed non-compliant.

The above contracts have been included in the Department's 40/2002 annual return for 2023.

Risk and control framework

The Department has a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, mitigate those risks. The Department also has a Risk Policy in effect, including a Risk Appetite Statement. The Risk Committee assists the Secretary General and the Management Board in fulfilling the Department's risk management responsibilities.

A risk register is in place which identifies key risks facing the Department and these have been identified, evaluated and graded according to their significance. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The risk register was formally reviewed by the Management Board during 2023.

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 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

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 senior management within the Department responsible for the development and maintenance of the internal financial control framework.

ICT security

ICT is part of a shared service arrangement with the Department of Education and an agreement setting out the framework for the delivery of ICT services, signed by both Departments, is in place. The Department of Education confirms its strong commitment to the security of ICT systems and implements multiple cybersecurity protocols to protect the security of its IT systems and infrastructure. These measures are reviewed and updated on a regular basis.

The cyber-security protocols and measures are supported by the work of the National Cyber Security Centre (NCSC) and the National Computer Security Incident Response Team (NCSIR), which provides early warnings, alerts, announcements and dissemination of information in respect of risk and incidents. In addition, the Department of Education is supported by security expertise from multiple third party organisations. As part of the National Cyber Security Strategy 2019-2024, the NCSC, in conjunction with the Office of the Government Chief Information Officer, has developed a cyber-security baseline standard for Government ICT. The Department is implementing this standard and developing a cyber-security strategy based on advice and guidance from the NCSC and other cyber security advisors.

Internal financial control issues

No weaknesses in internal financial control were identified in the Department in relation to 2023 that resulted in losses that require disclosure in the appropriation account.

Colm O'Reardon
Accounting Officer
Department of Further and Higher Education,
Research, Innovation and Science

28 March 2024

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 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 45 Further and Higher Education, Research, Innovation and Science for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the 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 appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

23 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

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

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

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

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

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

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

I report by exception if, in my opinion,

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

Reporting on the statement on internal financial control

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

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

Reporting on other matters

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

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

Vote 45 Further and Higher Education, Research, Innovation and Science

Appropriation Account 2023

			2023		2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
Programme expenditure					
A	Skills development				
	Original	591,686			
	Supplementary	(8,174)			
			583,512	575,110	695,003
B	Higher education				
	Original	2,328,199			
	Deferred surrender	55,169			
	Supplementary	128,461			
			2,511,829	2,484,176	2,334,060
C	Research, innovation and science				
	Original	271,790			
	Supplementary	181			
			271,971	263,054	254,566
Gross expenditure					
	Original	3,191,675			
	Deferred surrender	55,169			
	Supplementary	120,468			
			3,367,312	**3,322,340**	**3,283,629**
	Deduct				
D	**Appropriations-in-aid**				
	Original	77,746			
	Supplementary	13,000			
			90,746	**95,944**	**92,361**
Net expenditure					
	Original	3,113,929			
	Deferred surrender	55,169			
	Supplementary	107,468			
			3,276,566	**3,226,396**	**3,191,268**

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. €40.091 million of unspent allocations in respect of capital elements was carried forward to 2024.

	2023 €	2022 €
Surplus	50,170,038	74,111,054
Deferred surrender	(40,091,000)	(55,169,000)
Surplus to be surrendered	**10,079,038**	**18,942,054**

Colm O'Reardon
Accounting Officer
Department of Further and Higher Education,
Research, Innovation and Science

28 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Programme cost	3,303,627	3,268,506
Pay	16,855	13,935
Non pay	1,858	1,188
Gross expenditure	**3,322,340**	**3,283,629**
Deduct		
Appropriations-in-aid	**95,944**	**92,361**
Net expenditure	**3,226,396**	**3,191,268**
Changes in net assets		
(Increase)/decrease in closing accruals	(1,722)	2,635
Direct expenditure	**3,224,674**	**3,193,903**
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	7,422	7,625
Notional rents	614	449
Net programme cost	**3,232,710**	**3,201,977**

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.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	24	29
Vote 12	Superannuation and Retired Allowances	4,012	4,179
Vote 13	Office of Public Works	233	199
Vote 18	National Shared Services Office	26	23
Vote 20	Garda Síochána	244	47
Vote 26	Education	2,814	3,066
Vote 43	Office of the Government Chief Information Officer	33	37
Central Fund – ministerial pensions		36	45
		7,422	**7,625**

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Current assets			
Bank and cash	2.1	77,888	90,400
Prepayments	2.2	5,178	6,103
Accrued income	2.3	1,916	771
Other debit balances	2.4	400	294
Total current assets		**85,382**	**97,568**
Less current liabilities			
Accrued expenses	2.5	2,074	3,576
EU moneys for distribution	2.6	37,523	32,143
Other credit balances	2.7	732	1,170
Net Exchequer funding	2.8	40,033	57,381
Total current liabilities		**80,362**	**94,270**
Net assets		**5,020**	**3,298**
Represented by:			
State funding account	2.9	**5,020**	**3,298**

2.1 Bank and cash

at 31 December	2023 €000	2022 €000
PMG balances	77,888	90,400
	77,888	**90,400**

2.2 Prepayments

at 31 December	2023 €000	2022 €000
South East Technological University (Waterford Campus)	5,117	6,020
ESF eCohesion	28	25
Shared services	24	—
Other	9	58
	5,178	**6,103**

2.3 Accrued income

at 31 December	2023 €000	2022 €000
Additional superannuation contributions from HEIs	1,111	771
Shared services	320	—
Other	485	—
	1,916	**771**

2.4 Other debit balances

at 31 December	2023 €000	2022 €000
Agency payments	5	19
Cycle to work scheme	2	6
Payroll suspense	383	—
Transfer of functions	—	258
Travel pass scheme	6	—
Salary recoupment from other departments and agencies	4	11
	400	**294**

2.5 Accrued expenses

at 31 December	2023 €000	2022 €000
Capital programmes	1,945	3,386
Shared services	86	108
Other	43	82
	2,074	**3,576**

2.6 EU money for distribution

at 31 December	2023 €000	2022 €000
ESF PEIL 2014 – 2020	25,583	24,517
ESF EIST 2021 – 2027	11,940	7,626
	37,523	**32,143**

2.7 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	237	205
Pay related social insurance	168	140
Universal social charge	50	43
Local property tax	1	1
Professional services withholding tax	39	66
Value added tax	40	378
Transfer of functions	38	—
Pension contributions	64	28
Relevant contracts tax	20	—
Extra Exchequer receipts	75	309
	732	**1,170**

2.8 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	10,079	18,942
Deferred surrender	40,091	55,169
Exchequer grant undrawn	(10,137)	(16,730)
Net Exchequer funding	**40,033**	**57,381**
Represented by:		
Debtors		
Bank and cash	77,888	90,400
Other debit balances	400	294
	78,288	90,694
Creditors		
EU moneys for distribution	(37,523)	(32,143)
Other credit balances	(732)	(1,170)
	(38,255)	(33,313)
	40,033	**57,381**

2.9 State funding account

	Note		2023	2022
		€000	€000	€000
Balance at 1 January			3,298	5,933
Disbursements from the Vote				
Estimate provision	Account	3,276,566		
Surplus to be surrendered	Account	(10,079)		
Deferred surrender		(40,091)		
Net vote			3,226,396	3,191,268
Expenditure (cash) borne elsewhere	1		7,422	7,625
Non cash expenditure – notional rent	1		614	449
Net programme cost	1		(3,232,710)	(3,201,977)
Balance at 31 December			**5,020**	**3,298**

2.10 Commitments

a) Global commitments	**2023**	**2022**
at 31 December	**€000**	**€000**
Procurement of goods and services	637	896
Non-capital grant programmes [a]	3,137,816	2,574,435
Capital grant programmes [b]	910,946	835,030
Public private partnership projects	1,313,893	1,376,259
Total of legally enforceable commitments	**5,363,292**	**4,786,620**

Note [a] Non-capital grant programme commitments include grants that will be made to aegis bodies and other organisations including universities, technological universities, institutes of technology, and education and training boards to fund current expenditure including pay.

[b] Capital grant programme commitments relate to grants that the Department has committed to make to aegis bodies for capital projects overseen by those bodies.

b) Major capital grant programmes

Capital grant programmes involving total expenditure of €10 million or more

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Agency commitments: capital - buildings					
B.16 HEA Dublin City University, Polaris Building	11,288	12,712	—	24,000	24,000
B.16 HEA Technological University Dublin, Grangegorman Academic Hub	12,000	2,000	—	14,000	14,000
B.16 HEA Trinity College Dublin, E3 Building	15,000	—	—	15,000	15,000
B.16 HEA University College Dublin, Future Tech Building	14,502	10,498	—	25,000	25,000
B.16. HEA ATU (Coonagh Fitout Phase 1 [a]	5,653	11,915	6,976	24,544	24,544
A.5 Advanced Manufacturing Training Centre of Excellence (AMTCE) (LMETB) [a]	9,664	5,478	2,559	17,701	11,446
B.16 UCD O'Brien Centre for Science Phase III) [b]	—	17,302	7,698	25,000	—

	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
Agency commitments: capital - research					
C.5.7 European Southern Observatory (ESO)	18,402	3,184	12,485	34,071	30,669
C.3.1 SFI Science Foundation Ireland	356,574	78,323	305,371	740,268	628,404
C.4.2 SFI Science Foundation Ireland, PhD Programme	42,646	13,896	47,042	103,584	103,584
Total	**485,729**	**155,308**	**382,131**	**1,023,168**	**876,647**

Note [a] Following a review of all major capital grant programmes carried out by the Department in 2023, it identified this project as having been omitted from the 2022 appropriation account due to an oversight.

[b] Project expenditure commenced in 2023

Significant variations

An explanation is provided below in relation to any major project where the expected total spend has changed by more than €500,000 compared to 2022.

A.5 Advanced Manufacturing Training Centre of Excellence (AMTCE) (LMETB)

Increase in expected total spend: €6.255 million

The increase in expected total spend compared to 2022 is due to funding being provided for additional electrical apprentice workshops to address an emergency response to addressing the apprenticeship backlog.

C.5.7 European Southern Observatory

Increase in expected total spend: €3.402 million

This increase reflects the annual membership fee to the ESO which is recognised as a commitment on an annual basis upon publication of the annual Revised Estimates.

C.3.1 Science Foundation Ireland

Increase in expected total spend: €111.864 million

The increase in expected total spend from 2022 to 2023 was primarily due to the awarding of three additional Phase 2 renewals to research centres (€78 million) and additional co-centre commitments (€34 million).

Unitary payments of public private partnership projects

The Department has obligations under four separate contracts to design, build, finance, maintain and operate educational infrastructure 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.

The Department makes monthly unitary charge payments to the relevant PPP investor 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.

Name of PPP project	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Legally enforceable commitments to be met in subsequent years	Project total 2023	Project total 2022
	€000	€000	€000	€000	€000
Grangegorman quads	71,919	20,730	496,085	588,734	605,836
HEIPPP Bundle I	6,263	1,700	710,394	718,357	717,667
MTU - Cork School of Music	135,277	8,647	78,224	222,148	224,223
MTU - National Maritime College of Ireland	154,283	6,704	29,190	190,177	196,275
Total	**367,742**	**37,781**	**1,313,893**	**1,719,416**	**1,744,001**

Significant variations

An explanation is provided below in relation to any unitary payments where the expected total spend has changed by more than €500,000 compared to 2022.

- The decrease in unitary payments under *Grangegorman Quads* (€17.102 million) is linked to both a decrease in forecast inflation rates and a correction to the 'legally enforceable commitments to be met in subsequent years' figure.
- The increase in unitary payments under *HEIPPP Bundle* (€690,000) is due to the indexation review resulting in a revision to the calculation projections.
- The decrease in unitary payments under *MTU Cork School of Music* (€2.075 million) is due to changes in forecasted rates of inflation compared to the prior year along with a correction to the 'legally enforceable commitments to be met in subsequent years' figure.
- The decrease in unitary payment under the *National Maritime College of Ireland* (€6.098 million) is due to changes in forecasted rates of inflation compared to the prior year along with a correction to the 'legally enforceable commitments to be met in subsequent years' figure.

2.11 Matured liabilities

at 31 December	2023 €000	2022 €000
Estimate of matured liabilities not discharged at year end	**18**	**90**

2.12 Contingent liabilities

The Department has contingent liabilities estimated at less than €80,000 (2022: €60,000).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

		2023			2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
i	Salaries, wages and allowances				
	Original	19,452			
	Supplementary	(1,001)			
			18,451	16,855	13,935
ii	Travel and subsistence				
	Original	380			
	Supplementary	150			
			530	352	226
iii	Training and development and incidental expenses				
	Original	515			
	Supplementary	851			
			1,366	943	421
iv	Postal and telecommunications services		75	38	46
v	Office equipment and external IT services				
	Original	1,471			
	Supplementary	(147)			
			1,324	334	352
vi	Office premises expenses		214	173	143
vii	Consultancy and other services		367	18	—
			22,327	**18,713**	**15,123**

Significant variations

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

iii Training and development and incidental expenses

Estimate provision €515,000; outturn €943,000

The increase of €428,000 is mainly due to expenditure on national promotional campaigns including Rent-a-Room and Year of Skills.

A supplementary estimate of €851,000 was approved to provide for the increase in expenditure. Savings at the end of the year were reallocated to other subheads through virement.

v Office equipment and external IT services

Estimate provision €1.471 million; outturn €334,000

The saving of €1.137 million relative to the estimate provision was primarily due to underspends on IT services which are provided through a shared service arrangement by the Department of Education. An allocation in the Revised Estimates is provided to meet the costs of this service and a further allocation is provided should additional demands arise. This additional allocation was not required.

Savings of €147,000 were reallocated within the Vote as part of a supplementary estimate with remaining savings at year end reallocated through virement.

vii Consultancy and other services

Estimate provision €367,000; outturn €18,000

The decrease of €349,000 relative to the estimate provision is mainly due to a lower than anticipated requirement for consultancy and other services in the year.

Programme A Skills Development

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
A.1	Administration − pay				
	Original	7,927			
	Supplementary	(408)			
			7,519	6,868	4,430
A.2	Administration − non pay				
	Original	1,232			
	Supplementary	349			
			1,581	757	378
A.3	Grants to SOLAS in respect of administration and general expenses				
	Original	29,714			
	Supplementary	(4,474)			
			25,240	24,988	24,506
A.4	European Social Fund (ESF) and European Globalisation Adjustment Fund for Displaced Workers (EGF) supports				
	Original	804			
	Supplementary	147			
			951	932	264
A.5	Grants to SOLAS in respect of further education and training activities				
	Original	510,618			
	Supplementary	(2,667)			
			507,951	501,295	626,517
A.6	Grant to Quality and Qualifications Ireland		5,935	5,935	5,118
A.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (AnCO)				
	Original	35,456			
	Supplementary	(1,121)			
			34,335	34,335	33,790
			583,512	**575,110**	**695,003**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

A.3 Grants to SOLAS in respect of administration and general expenses

Estimate provision €29.714 million; outturn €24.988 million

The decrease of €4.726 million relative to the estimate provision was primarily due to

- reduced pay costs as lower numbers of staff were recruited than planned
- deferral of expenditure to 2024 on eCollege programme due to a change in approach in scaling up to multiple vendors
- anticipated expenditure on communications and ICT that did not materialise as planned.

Savings of €4.474 million were offset against other pressures on the Vote as part of a supplementary estimate.

A.4 European Social Fund (ESF) and European Globalisation Adjustment Fund for Displaced Workers (EGF) supports

Estimate provision €804,000; outturn €932,000

The increase of €128,000 between the original estimate and the outturn is mainly related to additional costs incurred in the development of a new ESF (2021-27) IT system IEFAS which is managed by the ESF Managing Authority. The 2022 provision vs outturn reported a corresponding underspend related to this system.

A supplementary estimate of €147,000 was approved to provide for the increases in expenditure on this subhead.

Programme B Higher Education

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
B.1	Administration − pay				
	Original	9,138			
	Supplementary	(470)			
			8,668	7,919	7,380
B.2	Administration − non pay				
	Original	1,420			
	Supplementary	400			
			1,820	873	629
B.3	Grant for general expenses of Higher Education Authority				
	Original	15,176			
	Supplementary	(3,200)			
			11,976	10,500	9,200
B.4	General current grants to universities, institutes of technology and other designated institutions of higher education				
	Original	1,285,961			
	Supplementary	146,497			
			1,432,458	1,442,132	1,332,316
B.6	Dublin Dental Hospital (grant)				
	Original	13,753			
	Supplementary	99			
			13,852	13,852	14,343
B.7	Dublin Institute for Advanced Studies (grant)				
	Original	8,186			
	Supplementary	59			
			8,245	8,245	7,831
B.8	Royal Irish Academy of Music (grant)				
	Original	3,985			
	Supplementary	29			
			4,014	4,014	3,645
B.9	Grants to certain third level institutions				
	Original	9,444			
	Supplementary	1,774			
			11,218	10,710	11,029

				2023	2022
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
B.10	Superannuation etc. payable to former staff of universities and institutes of technology				
	Original	228,890			
	Supplementary	61,330			
			290,220	291,558	341,220
B.11	Student support and related expenses				
	Original	430,363			
	Supplementary	(80,632)			
			349,731	341,217	317,932
B.12	Research activities		65,550	65,550	63,450
B.13	EU, international and north south activities				
	Original	11,049			
	Supplementary	2,575			
			13,624	13,170	10,022
B.14	Grangegorman Development Agency		4,013	4,013	3,510
B.15	Miscellaneous grants and services		657	137	137
B.16	Third level infrastructure				
	Original	158,400			
	Deferred surrender	49,169			
			207,569	192,935	132,364
B.17	Public private partnership costs		40,000	39,758	41,221
B.18	Shared services				
	Original	42,214			
	Deferred surrender	6,000			
			48,214	37,593	37,832
			2,511,829	**2,484,176**	**2,334,061**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

B.3 Grant for general expenses of Higher Education Authority

Estimate provision €15.176 million; outturn €10.500 million

The decrease of €4.676 million between the original estimate and the outturn is due to reduced pay costs as lower numbers of staff were recruited than planned. Delays encountered with office fit-out costs resulted in capital savings. Unspent capital was carried forward to 2024.

Savings were reallocated within the Vote as part of a supplementary estimate and through virement at year end.

B.4 General current grants to universities, institutes of technology and other designated institutions of higher education

Estimate provision €1.286 billion; outturn €1.442 billion

The increase of €156.171 million relative to the estimate provision was primarily due to costs associated with the following.

- Cost of living measures which included a once-off reduction to the student contribution fee for undergraduate students eligible for free fees (€142 million) and funding to address operational inflationary pressures in the higher education sector (€9.2 million).
- €35 million for pay costs arising from the Building Momentum pay agreement.
- €3.2 million to provide higher education supports to individuals displaced by the war in Ukraine.
- A range of other costs and savings resulting in some net offsets against the above expenditure pressures.
- €9 million towards free fees first instalment 2023/24.

A supplementary estimate of €146.497 million in addition to virement of €9 million from current expenditure savings was provided for increases in expenditure on this subhead.

B.9 Grants to certain third level institutions

Estimate provision €9.444 million; outturn €10.71 million

The increase of €1.266 million relative to the estimate provision was primarily due to costs associated with cost of living measures for a once-off reduction to the student contribution fee for undergraduate students eligible for free fees (€1.774 million).

A supplementary estimate of €1.774 million was approved to provide for increases in expenditure on this subhead. Savings arising at year end were reallocated within the Vote through virement.

B.10 Superannuation etc. payable to former staff of universities and institutes of technology

Estimate provision €228.89 million; outturn €291.558 million

The increase of €62.668 million relative to the estimate provision is due to additional funding requirements to address accumulated liabilities relating to university pension schemes. Pension costs of former staff of Institutes of Technology also increased due to greater number of retirements than anticipated and increases to the average cost of pension and lump sum payments.

A supplementary estimate of €61.33 million along with a virement of €1.3 million from current expenditure savings provided for increases in expenditure on this subhead.

B.11 Student support and related expenses

Estimate provision €430.363 million; outturn €341.217 million

The net decrease of €89.146 million relative to the estimate provision was due to

- Increased funding allocated to the student assistance fund and the post graduate fee contribution grant as part of the Government's response to the cost of living crisis (€9.89 million).
- Increased funding to provide supports to individuals, displaced by the war in Ukraine in third level education in Ireland (€2.96 million).
- Savings due to reduced payments to SUSI following the once-off €1,000 reduction to the student contribution fee for undergraduate students eligible for free fees. This saving was offset against the increased expenditure on subhead B.4 for the same measure (€52 million).
- Additional savings arose due to fewer applications to the student grant, demand led, scheme than expected in the academic year 2023/24.

Net savings, €80.632 million, were reallocated within the Vote as part of a supplementary estimate, with a virement of €8.514 million at year end.

B.13 EU, international and north-south activities

Estimate provision €11.049 million; outturn €13.17 million

The increase of €2.121 million relative to the estimate provision was mainly due to additional expenditure arising for the provision of supports by way of a monthly stipend to displaced Ukrainian students in the tertiary education system.

A supplementary estimate of €2.575 million was approved to address the increase in expenditure.

B.15 Miscellaneous grants and services

Estimate provision €657,000; outturn €137,000

The decrease of €520,000 relative to the estimate provision is mainly due to a lower than anticipated requirement for miscellaneous expenditure in the year.

B.16 Third level infrastructure

Estimate provision €207.569 million; outturn €192.935 million

The decrease of €14.634 million relative to the estimate provision is mainly due to challenges in the delivery of capital projects caused by volatility in the construction market in terms of labour shortages, material supply chain disruption and more particularly material price inflation following the war in Ukraine. The underspend on this subhead was carried in full to 2024.

B.18 Shared services

Estimate provision €48.214 million; outturn €37.593 million

The decrease of €10.621 million relative to the estimate provision is mainly due to capital expenditure that was expected in 2023 to cover the programme of work to merge software applications of the new technological universities not progressing as planned. Savings also materialised on consultancy and capital costs on the higher education payroll shared services project. Underspent capital of €8.912 million was carried forward to 2024.

Programme C Research, Innovation and Science

		Estimate provision		2023 Outturn	2022 Outturn
		€000	€000	€000	€000
C.1	Administration − pay				
	Original	2,387			
	Supplementary	(123)			
			2,264	2,068	2,125
C.2	Administration − non pay				
	Original	370			
	Supplementary	104			
			474	228	181
C.3	Science and technology development programme				
	Original	240,586			
	Supplementary	200			
			240,786	235,286	221,774
C.4	Programme for research in third level institutions		21,928	19,932	24,182
C.5	Subscriptions to international organisations		6,469	5,531	6,275
C.6	Legal costs and other services (including Global Science Forum)		50	9	29
			271,971	**263,054**	**254,566**

Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditure (+/-5% and €100,000).

C.4 Programme for research in third level institutions

Estimate provision €21.928 million; outturn €19.932 million

The overall decrease of €1.996 million between the original estimate and the outturn is due to savings which were carried over to meet capital expenditure demands in 2024 (€3.596 million). This saving was offset by an increase in expenditure to provide an interim ICT high end computing service pending the outcome of a national review to determine requirements and inform future capital decisions (€1.6 million).

C.5 Subscriptions to international organisations

Estimate provision €6.469 million; outturn €5.531 million

The decrease of €938,000 between the original estimate and the outturn is due to savings which were carried over to meet capital expenditure demands in 2024 (€1.4 million).This was offset by additional costs arising from increased membership fees to the European Southern Observatory and the European Molecular Biology Laboratory (€0.465 million).

Note 4 Receipts

4.1 Appropriations-in-aid

				2023	2022
		Estimated		Realised	Realised
		€000	€000	€000	€000
D.1	Superannuation contributions		570	798	690
D.2	Receipts from EU funding		1,637	—	—
D.3	Receipts from additional superannuation contributions on public service remuneration				
	Original	70,589			
	Supplementary	8,000			
			78,589	84,797	78,813
D.4	Miscellaneous				
	Original	4,950			
	Supplementary	5,000			
			9,950	10,349	12,858
	Total		**90,746**	**95,944**	**92,361**

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

D.1 Superannuation contributions

Estimate €570,000; realised €798,000

The increase of €228,000 relative to the estimate provision arose because additional superannuation contributions (ASCs) received were higher than anticipated due to an increase in staff numbers and pay awards in 2023.

D.2 Receipts from EU funding

Estimate €1.637 million; realised €Nil

The decrease of €1.637 million relative to the estimate provision was primarily due to a technical delay resulting in the submission being formally submitted later than anticipated.

D.3 Receipts from additional superannuation contributions on public service remuneration

Estimate €70.589 million; realised €84.797 million

The increase of €14.208 million relative to the estimate provision arose because additional superannuation contributions (ASCs) received were higher than anticipated. This increase arose due to increased staff numbers and the impact of pay awards arising from the Building Momentum Pay Agreement.

A supplementary of €8 million was approved for this subhead to provide for the increase in appropriations received.

D.4 Miscellaneous

Estimate €4.950 million; realised €10.349 million

The increase of €5.399 million relative to the estimate provision primarily arose from the receipt of additional moneys from TU Dublin in respect of their contribution towards the Grangegorman PPP.

A supplementary of €5 million was approved for this subhead to provide for the increase in appropriations received.

4.2 Extra receipts payable to the Exchequer

	2023 €000	2022 €000
Balance at 1 January	309	—
Recoupment of unspent funding	521	3,349
Transferred to the Exchequer	(755)	(3,040)
Balance at 31 December	**75**	**309**

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2023	2022
Department	260	229
Tertiary level [a]	26,302	26,043
Other agencies	698	605
Number of staff at year end	**27,260**	**26,877**

Note [a] Reflects core-funded posts only.

5.2 Pay

Remuneration of Department staff	2023 €000	2022 €000
Pay	15,339	12,707
Higher, special or additional duties allowances	90	84
Other allowances	1	1
Overtime	35	12
Employer's PRSI	1,390	1,131
Total pay [a, b]	**16,855**	**13,935**

Note [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 note 3 and is distributed across subheads A.1, B.1 and C.1.

Other agencies	2023 €000	2022 €000
Pay	53,287	50,869
Higher, special or additional duties allowances	415	255
Other allowances	68	53
Overtime	4	14
Employer's PRSI	5,194	4,934
Total pay	**58,968**	**56,125**

5.3 Allowances and overtime payments

Department staff	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	11	4	22,309	21,619
Other allowances	4	—	—	—
Overtime	12	1	14,971	—

The details of allowances and overtime payments in this table relate solely to Departmental staff.

Other agencies	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Higher, special or additional duties allowances	47	13	46,699	25,796
Other allowances	88	—	—	—
Overtime	5	—	—	—
Extra remuneration in more than one category	19	6	47,762	26,159

The details of allowances and overtime payments in this table relate to staff employed by agencies in receipt of funding from this Department.

5.4 Department staffing by pay band

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

Pay bands (€)		Number of employees	
From	To	2023	2022
20,000	59,999	149	146
60,000	69,999	23	14
70,000	79,999	25	24
80,000	89,999	18	10
90,000	99,999	12	17
100,000	109,999	15	11
110,000	119,999	4	2
120,000	129,999	2	—
130,000	149,999	—	—
150,000	159,999	1	—
160,000	169,999	1	2
170,000	179,999	2	—
180,000	209,999	—	—
210,000	219,999	—	1
270,000	279,999	1	—

5.5 Other remuneration arrangements

Two retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €4,600. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and the other provisions) Act 2012.

The account includes expenditure in respect of one officer who was serving outside the Department for all or part of 2023 and whose salary was paid and recoupable by the Department.

The account does not include expenditure in respect of four officers who were serving outside the Department for all or part of 2023 and whose salary was paid by the relevant body.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023	2022
		€	€
Administration staff salary overpayments			
Overpayments	14	43,261	16,852
Recovery plans in place	3	2,055	—

5.7 Severance/redundancy

During 2023, two staff members received redundancy payments (total €19,434) and three staff members received severance payments (total €56,267).

The former Secretary General of the Department also received severance benefits on his retirement in 2023 (see note 5.8).

5.8 Remuneration and benefits of Accounting Officer

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

	2023	2022
	€000	€000
Jim Breslin (to 8 September 2023)		
Basic pay	161	213
Severance payment	114	—
Colm O'Reardon (from 9 September 2023)	55	—
	330	**213**

The former Secretary General, Jim Breslin, received severance benefits in line with the severance scheme in place for Secretaries General appointed prior to November 2011. In addition to a severance payment equivalent to six months salary (see table above), he was awarded an additional 9.65 years of notional service, and received early payment of pension without actuarial reduction. He is a member of the pre-1995 superannuation scheme.

Colm O'Reardon is a member of the Single Public Service Pension Scheme for public servants appointed after 1 January 2013. His entitlement to pension benefits do not extend beyond the terms of that scheme.

Note 6 Miscellaneous

6.1 Compensation and legal costs

Payments/costs paid by the Department

Total legal costs incurred by the Department in 2023 were €265,840.

Compensation and legal costs paid during 2023 in respect of cases in which the Department is or was involved did not exceed €50,000 and is included in the total figure above.

Cumulative costs completed cases – costs paid by the Department.

Cumulative costs of completed legal cases paid by the Department in 2023 did not exceed €50,000.

Payments made by the Chief State Solicitor's Office

During the period, no legal costs/fees with respect to legal cases involving the Department were paid by the Chief State Solicitor's Office (CSSO).

6.2 Fraud and suspected fraud

There were no instances of Departmental fraud, suspected fraud or suspected irregularity identified in 2023 or 2022.

6.3 Write-offs

	2023	2022
	€000	€000
Sanctioned write-off of misappropriated public funding	—	117
	—	**117**

6.4 Arbitration and conciliation costs

No arbitration and conciliation costs arose in 2023 or 2022.

6.5 EU funding

2023 European Social Fund (ESF) receipts

There were no receipts arising from the Programme for Employability, Inclusion and Learning (PEIL) 2014-2020, which is a European Social Fund (ESF) co-funded programme, due to the fact that 97% of the original allocation has been receipted previously. The remaining balance will be distributed when formal closure of the programme is completed.

The European Social Fund Plus (ESF+) co-funded programme for the 2021-2027 period, Employment Inclusion Skills and Training (EIST) was approved by the European Commission and the Cabinet during Q4 2022. The initial pre-financing receipts are expected during 2024, after the Monitoring Committee approves the Implementation Plans.

Overview of ESF Programme for Employability, Inclusion and Learning 2014-2020: position at year end 2023

	European Social Fund (ESF)	Youth Employment Initiative (YEI)	React [a] EU	Total
	€000	€000	€000	€000
Allocation 2014-2020	**484,516**	**68,145**	**141,604**	**694,265**
Receipts up to end 2022	484,516	68,145	15,016	567,677
2023 receipts	—	—	1,065	1,065
Receipts up to end 2023	**484,516**	**68,145**	**16,081**	**568,742**
As % of 2014-2020 allocation	100%	100%	11%	82%

Note [a] The React-EU amendment to the 2014-2020 allocation was approved in December 2021.

Overview of ESF+ Employment, Inclusion, Skills and Training Programme 2021-2027: position at year end 2023

	European Social Fund Plus (ESF+) Total €000
Allocation 2021-2027	508,380
Receipts up to end 2022	7,626
2023 receipts	5,084
Receipts up to end 2023	12,710
As % of 2021-2027 allocation	2.5%

6.6 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 2023 was as shown below.

	2023 €000	2022 €000
Aegis body		
Higher Education Authority	19,450	17,623
Irish Research Council	4,110	361
Léargas	22,895	33,381
Quality and Qualifications Ireland	18	270
SOLAS	32	18
	46,505	**51,653**

Aegis body	Purpose of funding
Higher Education Authority	Promotion and administration of the Erasmus+ programme.
Irish Research Council	HERA and the Dorothy Programme.
Léargas	Erasmus+, ESC, NCGE, Management Fees and Project Funding.
Quality and Qualifications Ireland	QQI is the National contact point for NARIC and EUROPASS and as such receives funding for its contribution to its initiatives.
SOLAS	CEDEFOP EU Agency.

6.7 Late payment interest

	2023 €000	2022 €000
Total net interest paid	**5**	**1**

6.8 Deferred surrender

Deferred surrender comprises savings in 2023 of €40.091 million in capital expenditures in the following subheads that were carried over to 2024.

		€000
Description of subhead:		
A.3	SOLAS general expenses	252
A.5	SOLAS grants	6,655
B.3	HEA general expenses	1,000
B.16	Third level infrastructure	14,634
B.17	Public private partnership costs	242
B.18	Shared services	8,912
C.3	Science and Technology Development Programme	3,400
C.4	Programme for Research in Third Level Institutions	3,596
C.5	Subscriptions to international organisation	1,400
		40,091