

Appropriation Account 2017

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 2017 for the salaries and expenses of the Central Statistics Office (CSO).

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €3.86 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 have been applied in the preparation of the account except for:

Depreciation

Assets employed during the 2016 Census of Population were depreciated over a two year period (2016-2017).

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 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 Agreements between this Office and the National Shared Service Office for the provision of HR and payroll shared services.

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

Financial Control Environment

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

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

Administrative Controls and Management Reporting

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- a risk management system operates within the Office.
- there are systems aimed at ensuring the security of the ICT systems.
- there are appropriate capital investment control guidelines and formal project management disciplines.

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. I confirm that during 2017, the Office complied with these procedures with the exception of expenditure of €261,954 in relation to six contracts rolled over pending completion of tendering processes. Four of the contracts related to telecommunications, one related to cleaning services and one related to catering services. It is planned to retender all of these services during 2018.

Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Risk and Control Framework

The Office has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board (MB) on a bi-annual basis. The risk management framework also incorporates the assessment of risk at a local level and within projects. Weekly MB meetings discuss risks to CSO outputs. 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 MB, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that the Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Office responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2017 that resulted in, or may result in, a material loss.

Pádraig Dalton
Accounting Officer
Central Statistics Office

28 March 2018

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 2017 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 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Central Statistics Office and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

31 August 2018

Vote 4 Central Statistics Office

Appropriation Account 2017

	2017		2016
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Delivery of annual statistical programme	49,972	46,269	76,557
Gross expenditure	49,972	46,269	76,557
<i>Deduct</i>			
B Appropriations-in-aid	1,388	1,542	1,442
Net expenditure	48,584	44,727	75,115

Surplus

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

	2017	2016
	€	€
Surplus to be surrendered	3,856,323	6,966,305

Pádraig Dalton
Accounting Officer
Central Statistics Office

28 March 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Pay	36,080	36,391
Non pay	10,189	40,166
Gross expenditure	46,269	76,557
<i>Deduct</i>		
Appropriations-in-aid	1,542	1,442
Net expenditure	44,727	75,115
Changes in capital assets		
Purchases cash	(1,019)	
Depreciation	4,444	
Loss on disposals	3	
Adjustments (note 2.2)	103	
	3,531	3,349
Changes in net current assets		
Increase in closing accruals	181	
Decrease in stock	9	
	190	(219)
Direct expenditure	48,448	78,245
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	7,718	6,868
Notional rents	1,568	1,568
Net programme cost	57,734	86,681

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 4 borne elsewhere.

	2017	2016
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,760	1,726
Vote 12 Superannuation and Retired Allowances	4,796	3,905
Vote 13 Office of Public Works	1,057	1,143
Vote 18 National Shared Services Office	105	94
	7,718	6,868

Note 2 Statement of Financial Position as at 31 December 2017

	Note	2017 €000	2016 €000
Capital assets	2.2	7,239	10,680
Current assets			
Bank and cash	2.3	327	419
Stocks	2.4	43	52
Prepayments		781	841
Accrued income		313	424
Other debit balances	2.5	328	344
Net Exchequer funding due	2.7	807	693
Total current assets		2,599	2,773
Less current liabilities			
Accrued expenses		427	327
Other credit balances	2.6	1,462	1,457
Total current liabilities		1,889	1,784
Net current assets		710	989
Net assets		7,949	11,669
Represented by:			
State funding account	2.1	7,949	11,669

2.1 State funding account

	Note	2017 €000	2016 €000
Balance at 1 January		11,669	14,799
Disbursements from the Vote			
Estimate provision	Account	48,584	
Surplus to be surrendered	Account	(3,856)	
Net vote		44,728	75,115
Expenditure (cash) borne elsewhere		7,718	6,868
Non cash expenditure – notional rent		1,568	1,568
Net programme cost		(57,734)	(86,681)
Balance at 31 December		7,949	11,669

2.2 Capital assets

	Land and buildings	Office equipment	Furniture and fittings	Capital assets under development	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2017	34	64,706	3,465	1,841	70,046
Adjustments ¹	—	(22)	—	(99)	(121)
Additions	—	597	—	512	1,109
Disposals	—	(876)	(41)	—	(917)
Brought into use	—	1,996	—	(1,996)	—
Cost or valuation at 31 December 2017	34	66,401	3,424	258	70,117
Accumulated depreciation					
Opening balance at 1 January 2017	34	56,065	3,267	—	59,366
Depreciation for the year	—	4,401	43	—	4,444
Depreciation on disposals	—	(873)	(41)	—	(914)
Adjustments ¹	—	(18)	—	—	(18)
Cumulative depreciation at 31 December 2017	34	59,575	3,269	—	62,878
Net assets at 31 December 2017	—	6,826	155	258	7,239
Net assets at 31 December 2016	—	8,641	198	1,841	10,680

¹ Office equipment which cost €21,869 (net book value €4,374) has been removed from capital assets as it had been capitalised twice in 2014. In addition, three in-house IT development projects with a total value of €99,007 were deemed defunct during 2017. No further development work is planned on these projects.

2.3 Bank and cash

at 31 December	2017	2016
	€000	€000
PMG balances	245	398
Commercial bank	81	19
Petty cash	1	2
	327	419

2.4 Stocks

at 31 December	2017	2016
	€000	€000
Stationery	33	38
IT consumables	10	14
	43	52

2.5 Other debit balances

at 31 December	2017	2016
	€000	€000
Recoupable salary costs	170	205
Recoupable travel costs	19	16
Recoupable travel pass scheme	17	30
Other debit suspense items	122	93
	<u>328</u>	<u>344</u>

2.6 Other credit balances

at 31 December	2017	2016
	€000	€000
Amounts due to the State		
Income Tax	564	539
Pay Related Social Insurance	391	388
Professional Services Withholding Tax	8	1
Value Added Tax	35	7
Pension contributions	94	124
Universal Social Charge	133	149
	<u>1,225</u>	<u>1,208</u>
Payroll deductions held in suspense	188	241
Other credit suspense items	49	8
	<u>1,462</u>	<u>1,457</u>

2.7 Net Exchequer funding due

at 31 December	2017	2016
	€000	€000
Surplus to be surrendered	3,856	6,966
Exchequer grant undrawn	(4,663)	(7,659)
Net Exchequer funding due	<u>(807)</u>	<u>(693)</u>
Represented by:		
Debtors		
Bank and cash	327	419
Debit balances: suspense	328	344
	<u>655</u>	<u>763</u>
Creditors		
Due to State	(1,225)	(1,208)
Credit balances: suspense	(237)	(248)
	<u>(1,462)</u>	<u>(1,456)</u>
	<u>(807)</u>	<u>(693)</u>

2.8 Commitments

at 31 December	2017	2016
	€000	€000
Global commitments		
Procurement of goods and services	5,083	1,779
Total of legally enforceable commitments	<u>5,083</u>	<u>1,779</u>

2.9 Matured liabilities

at 31 December	2017	2016
	€000	€000
Estimate of matured liabilities	<u>25</u>	<u>5</u>

Note 3 Vote Expenditure by Subhead

Analysis of administration expenditure

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

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	38,983	36,080	36,391
ii	Travel and subsistence	1,035	1,348	1,245
iii	Training and development and incidental expenses	1,142	1,439	2,553
iv	Postal and telecommunications services	1,039	797	1,767
v	Office equipment and external IT services	4,203	3,907	6,312
vi	Office premises expenses	1,173	1,057	845
vii	Consultancy services and value for money and policy reviews	511	69	19
viii	Collection of statistics ¹	1,886	1,572	27,425
		49,972	46,269	76,557

¹ The higher outturn in 2016 was due to Census 2016 field operations

i Salaries, wages and allowances

Estimate provision: €38.983 million, outturn: €36.080 million

The savings of €2.903 million on expenditure on salaries, wages and allowances was due to the estimate being based on staff numbers of 755. The average staff number during 2017 was 736, but this fluctuated from a high of 793 in January to a low of 710 in April. There were delays in filling vacancies at statistician level and in IT technical grades as the recruitment market for statisticians and IT professionals is currently very competitive.

ii Travel and subsistence

Estimate provision: €1.035 million, outturn: €1.348 million

Travel and subsistence costs were €0.313 million higher than expected in the year, primarily due to increased recruitment at the Statistician Grade in 2017. The travel and subsistence costs associated with increased recruitment was not properly accounted for in the estimate provision requested for 2017 contributing to an overspend in the year. The bulk of expenditure on travel relates to home travel that is necessary in the course of CSO surveys. For 2017 this expenditure amounted to €0.953 million (a 7% increase on 2016). Foreign travel costs were €0.395 million in 2017 (an 8% increase on 2016) and were necessary mainly in the course of representation at EU meetings.

iii Training and development and incidental expenses

Estimate provision: €1.142 million, outturn: €1.439 million

The increase of €0.297 million on expenditure on training and development and incidental expenses was due to increased expenditure on IT related training and development of €0.121 million and by the payment of a once-off legal cost of €0.086 million relating to compliance with CSO Surveys that was finalised in 2017. The IT training was necessary because of the recruitment of new staff.

vii Consultancy services and value for money and policy reviews

Estimate provision: €0.511 million, outturn: €0.069 million

The decrease of €0.442 million was due to the continued process of implementing considerable change in the Irish Statistical System during the course of 2017. Because of the scale of change, the consultancy provision was made in 2017 for anticipated needs that might have arisen in the course of the year. In the event, no such need arose on the scale that was anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

	2017		2016
	Estimated	Realised	Realised
	€000	€000	€000
1 European Union receipts	130	277	1
2 Miscellaneous	70	70	41
3 Receipts from pension-related deduction on public service remuneration	1,188	1,195	1,400
Total	1,388	1,542	1,442

Significant variations

Overall, appropriations-in-aid were €0.154 million more than the estimate as forecast.

Explanation for the main variance is set out below:

1 *European Union receipts*

Estimate provision: €0.130 million, outturn: €0.277 million

The increase of €0.147 million was due to receipt of EU funding in the amount of €0.253 million in December 2017 on foot of a statement of costs that was issued mid-year for a prices contract. Payments are made following CSO submission of results and depend on the satisfactory acceptance of these results by Eurostat. The receipt of funds can vary according to the availability of funds in Eurostat. This makes accurate prediction of when due amounts are likely to be received difficult.

Note 5 Employee Numbers and Pay

5.1 Employee numbers

	2017	2016
Number of staff at year end (full time equivalents)	737	799

5.2 Pay

	2017	2016
	€000	€000
Pay	33,371	33,650
Higher, special or additional duties allowance	110	119
Other allowances	79	87
Overtime	68	83
Employer's PRSI	2,452	2,452
Total Pay	36,080	36,391

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment 2017	Highest individual payment 2016
			€	€
Higher, special or additional duties	45	—	7,522	7,820
Overtime and extra attendance	23	1	15,059	13,672
Shift and roster allowances	12	—	9,007	8,112
Miscellaneous	1	—	6,961	11,440
Extra remuneration in more than one category	16	3	22,266	21,119

5.4 Payroll overpayments

Overpayments at the year end were €107,083 in respect of 89 cases (2016: €90,026, 31 cases). Of this, €47,392 have recovery plans in place.

Note 6 Miscellaneous

6.1 Support for statistical endeavour

The Office awarded prize money of €3,210 in 2017 as part of the seventh John Hooper Medal for Statistics competition. This competition was open to senior cycle second level students.

6.2 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2017, the CSO received EU income of €277,000 which has been recognised as appropriations-in-aid. This included income of €253,000 in relation to a purchasing price parity contract that facilitates comparison between capital city prices and €23,000 relating to an IT data delivery contract. The majority of the related expenditure incurred in delivering these projects was charged to subhead A1 in 2017 or in earlier years.

6.3 Compensation and legal costs

	Number of cases	Legal costs paid by the Office €000	Legal costs awarded €000	Compensation awarded €000	2017 Total €000	2016 Total €000
Claims by:						
Employees	1	2	3	15	20	51
External organisation	1	—	86	—	86	—
		2	89	15	106	51

6.4 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.