

Appropriation Account 2020

Vote 4

Central Statistics Office

Introduction

As Accounting Officer for Vote 4, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2020 for the salaries and expenses of the Central Statistics Office.

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

A surplus of €2.18 million is liable for surrender to the Exchequer.

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

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

Capitalisation of capital assets

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

Depreciation

Depreciation is calculated on an annual basis for the purposes of this account.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Shared services

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

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

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

Financial control environment

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

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

Administrative controls and management reporting

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

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

Internal audit and Audit Committee

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

Non-compliance with procurement rules

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

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

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

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

Risk and control framework

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

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the management board on a bi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the management board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

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

Covid-19 pandemic

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

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

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

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

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

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

Internal financial control issues

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

Pádraig Dalton
Accounting Officer
Central Statistics Office

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 4 Central Statistics Office

Opinion on the appropriation account

I have audited the appropriation account for Vote 4 Central Statistics Office for the year ended 31 December 2020 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 4 Central Statistics Office for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

30 June 2021

Vote 4 Central Statistics Office

Appropriation Account 2020

	<u>2020</u>	<u>2019</u>
	Estimate provision	Outturn
	€000	€000
Programme expenditure		
A Delivery of annual statistical programme	67,010	64,979
Gross expenditure	67,010	64,979
<i>Deduct</i>		
B Appropriations-in-aid	1,320	1,469
Net expenditure	65,690	52,894

Surplus

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

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

Pádraig Dalton
Accounting Officer
Central Statistics Office

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

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

1.1 Net allied services expenditure

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

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

Note 2 Statement of Financial Position as at 31 December 2020

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

2.1 Capital assets

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

2.2 Bank and cash

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

2.3 Stocks

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

2.4 Other debit balances

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

2.5 Other credit balances

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

2.6 Net Exchequer funding

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

2.7 State funding account

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

2.8 Commitments

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

2.9 Matured liabilities

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

2.10 Contingent liabilities

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

Note 3 Vote Expenditure

Analysis of administration expenditure

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

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

Significant variations

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

ii Travel and subsistence

Estimate provision €1.222 million; outturn €369,000

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

iii Training and development and incidental expenses

Estimate provision €1.315 million; outturn €942,000

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

iv Postal and telecommunications services

Estimate provision €1.623 million; outturn €2.717 million

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

v Office equipment and external IT services

Estimate provision €11.922 million; outturn €13.462 million

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

viii Collection of statistics

Estimate provision €2.316 million; outturn €1.028 million

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

Note 4 Receipts

4.1 Appropriations-in-aid

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

Significant variations

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

3 Receipts from additional superannuation contributions on public service remuneration

Estimate €1.12 million; realised €1.246 million

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

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end	<u>853</u>	<u>832</u>

5.2 Pay

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

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

5.3 Allowances and overtime payments

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

5.4 Other remuneration arrangements

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

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

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

5.5 Payroll overpayments

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

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

Note 6 Miscellaneous

6.1 EU funding

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

6.2 Compensation and legal costs

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