

Appropriation Account 2019

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 2019 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 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.820 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 27 of 2019, have been applied in the preparation of the account.

Depreciation is calculated on an annual basis for the purpose 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 on these and 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 Office.

This 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.

Procurement compliance

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. I confirm that during 2019, the Office complied with these procedures with the exception of expenditure of €104,915 in relation to two contracts rolled over pending completion of tendering processes. Both contracts related to telecommunications. A central framework was undertaken in 2019 in respect of both contracts and they are expected to be finalised during 2020.

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. As a result of internal restructuring and to enable analysis and implementation of a series of recommendations arising from an independent review of the operation of the function (*External Quality Assessment of Internal Audit* (Mazars)), no reports were produced by the CSO Internal Audit team during 2019. A programme of training was undertaken that year, and with a new Head of Internal Audit in place since early 2020, implementation of the audit plan has now been resumed. 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 in carrying out its functions and these have been 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.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2019 that resulted in, or may result in, a material loss.

Pádraig Dalton
Accounting Officer
Central Statistics Office

11 September 2020

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 2019 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 2019, 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

18 September 2020

Vote 4 Central Statistics Office

Appropriation Account 2019

	2019		2018
	Estimate provision €000	Outturn €000	Outturn €000
Programme expenditure			
A Delivery of annual statistical programme	56,163	55,192	48,486
Gross expenditure	56,163	55,192	48,486
<i>Deduct</i>			
B Appropriations-in-aid	1,449	2,298	1,427
Net expenditure	54,714	52,894	47,059

Surplus

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

	2019	2018
	€	€
Surplus to be surrendered	1,819,597	1,686,701

Pádraig Dalton
Accounting Officer
Central Statistics Office

25 March 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Pay	40,779	37,947
Non-pay	14,413	10,539
Gross expenditure	55,192	48,486
<i>Deduct</i>		
Appropriations-in-aid	2,298	1,427
Net expenditure	52,894	47,059
Changes in capital assets		
Purchases cash	(4,333)	
Depreciation	1,842	
Loss on disposals	15	(2,476)
	(2,476)	548
Changes in net current assets		
Increase in closing accruals	400	
Increase in stock	(3)	397
	397	(250)
Direct expenditure	50,815	47,357
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	8,941	8,083
Notional rents	1,706	1,646
Net programme cost	61,462	57,086

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.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,779	1,781
Vote 12 Superannuation and Retired Allowances	5,750	4,978
Vote 13 Office of Public Works	1,320	1,238
Vote 18 National Shared Services Office	92	86
	8,941	8,083

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	9,076	6,600
Current assets			
Bank and cash	2.2	181	(145)
Stocks	2.3	57	54
Prepayments		881	1,054
Accrued income		93	445
Other debit balances	2.4	475	413
Net Exchequer funding	2.6	679	896
Total current assets		<u>2,366</u>	<u>2,717</u>
Less current liabilities			
Accrued expenses		377	503
Other credit balances	2.5	<u>1,335</u>	<u>1,163</u>
Total current liabilities		<u>1,712</u>	<u>1,666</u>
Net current assets		<u>654</u>	<u>1,051</u>
Net assets		<u><u>9,730</u></u>	<u><u>7,651</u></u>
Represented by:			
State funding account	2.7	<u><u>9,730</u></u>	<u><u>7,651</u></u>

2.1 Capital assets

	Office equipment	Furniture and fittings ^a	Capital assets under development	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2019	66,718	3,403	869	70,990
Additions	387	40	3,906	4,333
Disposals	(508)	(20)	—	(528)
Brought into use	672	—	(672)	—
Cost or valuation at 31 December 2019	67,269	3,423	4,103	74,795
Accumulated depreciation				
Opening balance at 1 January 2019	61,128	3,262	—	64,390
Depreciation for the year	1,813	29	—	1,842
Depreciation on disposals	(493)	(20)	—	(513)
Cumulative depreciation at 31 December 2019	62,448	3,271	—	65,719
Net assets at 31 December 2019	4,821	152	4,103	9,076
Net assets at 31 December 2018	5,590	141	869	6,600

Note ^a Furniture and fittings includes assets valued at €34,000 previously classified as land and buildings.

2.2 Bank and cash

at 31 December	2019	2018
	€000	€000
PMG balances	180	(177)
Commercial bank account balance	—	31
Petty cash	1	1
	181	(145)

2.3 Stocks

at 31 December	2019	2018
	€000	€000
Stationery	45	41
IT Consumables	12	13
	57	54

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
Recoupable salary costs	157	155
Recoupable travel costs	8	15
Recoupable travel pass scheme	40	34
OPW suspense balance	64	87
Other debit suspense items	206	122
	475	413

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Income tax	490	431
Pay related social insurance	352	303
Professional services withholding Tax	22	38
Value added tax	33	15
Pension contributions	111	97
Universal social charge	100	92
	1,108	976
Payroll deductions held in suspense	182	175
Other credit suspense items	45	12
	1,335	1,163

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	1,820	1,687
Exchequer grant undrawn	(2,499)	(2,583)
Net Exchequer funding	(679)	(896)
Represented by:		
Debtors		
Bank and cash	181	(145)
Debit balances: suspense	475	412
	656	267
Creditors		
Due to State	(1,108)	(976)
Credit balances: suspense	(227)	(187)
	(1,335)	(1,163)
	(679)	(896)

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		7,651	7,949
Disbursements from the Vote			
Estimate provision	Account	54,714	
Surplus to be surrendered	Account	(1,820)	
Net vote		52,894	47,059
Expenditure (cash) borne elsewhere	1	8,941	8,083
Non cash expenditure – notional rent	1	1,706	1,646
Net programme cost	1	(61,462)	(57,086)
Balance at 31 December		9,730	7,651

2.8 Commitments

At 31 December	2019	2018
	€000	€000
Procurement of goods and services	13,525	5,467
Total of legally enforceable commitments	13,525	5,467

2.9 Matured liabilities

At 31 December	2019	2018
	€000	€000
Estimate of matured liabilities	—	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 the vote expenditure is classified as administration expenditure. The following note presents an analysis of the administration expenditure of the Vote.

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	41,884	40,779	37,947
ii	Travel and subsistence	1,370	1,522	1,316
iii	Training and development and incidental expenses	1,150	1,234	1,268
iv	Postal and telecommunication services	800	832	796
v	Office equipment and external IT services	7,373	7,835	4,599
vi	Office premises expenses	1,525	1,507	1,138
vii	Consultancy services and value for money and policy reviews	170	82	63
viii	Collection of statistics	1,891	1,401	1,359
		56,163	55,192	48,486

Significant variations

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

viii Collection of statistics

Estimate provision: €1.891 million, outturn: €1.401 million

The decrease of €490,000 on expenditure on collection of statistics was due to the cyclical nature of the CSO's field operation in the collection of statistics. In addition, the cost of the operation of a call centre was lower than anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

	2019		2018
	Estimated €000	Realised €000	Realised €000
1 European Union receipts	130	1,016	62
2 Miscellaneous	70	46	32
3 Receipts from additional superannuation contributions on public service remuneration ^a	1,249	1,236	1,333
Total	1,449	2,298	1,427

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €849,000 more than the estimate as forecast. Explanations for variances are set out below:

1 European Union receipts

Estimate: €130,000, realised: €1.016 million

The increase of €886,000 was due to payments received in respect of two agriculture contracts during 2019. A payment of €192,000 in respect of the 2016 Farm Structure Survey had been expected in 2018 but was delayed until February 2019. In addition, an advance payment of €500,000 in respect of the 2020 Census of Agriculture was received following the signing of a contract in 2019. Most payments from Eurostat are made following submission of results by the CSO and depend on the costs borne by the Office and the acceptance of results. This makes it difficult to accurately predict receipts.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end	832	772

5.2 Pay

	2019	2018
	€000	€000
Pay	37,559	35,048
Higher, special or additional duties allowance	110	94
Other allowances	99	93
Overtime	80	75
Employer's PRSI	2,931	2,637
Total pay	40,779	37,947

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Higher, special or additional duties	54	1	10,336	8,005
Overtime and extra attendance	21	1	14,124	16,978
Other allowances ^a	14	1	10,263	9,217
Extra remuneration in more than one category	19	4	21,430	24,285

Note ^a Other allowances includes shift and roster allowances (2018 highest paid individual: €9,217) and miscellaneous allowances (2018 highest paid individual: €7,050)

5.4 Other remuneration arrangements

Two retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €7,050 during 2019. The payments made were consistent with the principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

This account does not include expenditure in respect of 26 officers who were serving outside the Office for all or part of 2019 in other government departments/offices and whose salaries were not recouped by the Office.

5.5 Payroll overpayments

at 31 December	Number of recipients	2019	2018
		€	€
Overpayments	72	146,461	104,540
Recovery plans in place	29	36,922	52,817

Six overpayment recovery plans in respect of six individuals to the value of €1,867 were transferred to other departments in the year.

Note 6 Miscellaneous

6.1 EU funding

The Office receives funding in relation to projects/surveys conducted on behalf of Eurostat. During 2019, the CSO received EU income of €1,016,000 on foot of three contracts. Two were for agriculture (Farm Structure Survey and Census of Agriculture 2020) and the other was a contract that facilitates purchasing power parity comparison between capital city prices (Purchasing Price Parity Survey). This funding has been recognised as appropriations-in-aid in 2019. Whilst some of the agriculture related expenditure was borne in 2019, the bulk will be incurred in 2020 mainly to subhead A (i) of the Vote.

6.2 Compensation and legal costs

	Number of cases	Legal costs paid by the Office €000	Compensation awarded €000	Legal costs awarded €000	2019	2018
					Total €000	Total €000
Claims by employees	5	9	—	—	9	—
		9	—	—	9	—