

Appropriation Account 2018

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 2018 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 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.687 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 24 of 2018, have been applied in the preparation of the account.

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 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.

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. 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.

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 2018, the Office complied with these procedures with the exception of expenditure of €211,082 in relation to four contracts rolled over pending completion of tendering processes. Three of the contracts related to telecommunications and one to catering services. A tender process was undertaken in 2018 in respect of two contracts and the remaining two are expected to be finalised during 2019.

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 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 2018 that resulted in, or may result in, a material loss.

Pádraig Dalton
Accounting Officer
Central Statistics Office

26 March 2019

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 2018 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 2018
- 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

20 September 2019

Vote 4 Central Statistics Office

Appropriation Account 2018

	2018	2017
	Estimate provision	Outturn
	€000	€000
Programme expenditure		
A Delivery of annual statistical programme	50,347	46,269
	50,347	46,269
<i>Deduct</i>		
B Appropriations-in-aid	1,601	1,542
	48,746	44,727

Surplus

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

	2018	2017
	€	€
Surplus to be surrendered	1,686,701	3,856,323

Pádraig Dalton
Accounting Officer
Central Statistics Office

26 March 2019

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Pay	37,947	36,080
Non pay	10,539	10,189
Gross expenditure	48,486	46,269
<i>Deduct</i>		
Appropriations-in-aid	1,427	1,542
Net expenditure	47,059	44,727
 Changes in capital assets		
Purchases cash	(1,404)	
Depreciation	1,952	
	548	3,531
 Changes in net current assets		
Decrease in closing accruals	(239)	
Increase in stock	(11)	
	(250)	190
Direct expenditure	47,357	48,448
 Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	8,083	7,718
Notional rents	1,646	1,568
Net programme cost	57,086	57,734

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.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	1,781	1,760
Vote 12 Superannuation and Retired Allowances	4,978	4,796
Vote 13 Office of Public Works	1,238	1,057
Vote 18 National Shared Services Office	86	105
	8,083	7,718

Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
Capital assets	2.2	6,600	7,239
Current assets			
Bank and cash	2.3	(145)	327
Stocks	2.4	54	43
Prepayments		1,054	781
Accrued income		445	313
Other debit balances	2.5	413	328
Net Exchequer funding due	2.7	896	807
Total current assets		<u>2,717</u>	<u>2,599</u>
Less current liabilities			
Accrued expenses		503	427
Other credit balances	2.6	1,163	1,462
Total current liabilities		<u>1,666</u>	<u>1,889</u>
Net current assets		<u>1,051</u>	<u>710</u>
Net assets		<u><u>7,651</u></u>	<u><u>7,949</u></u>
Represented by:			
State funding account	2.1	<u><u>7,651</u></u>	<u><u>7,949</u></u>

2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		7,949	11,669
Disbursements from the Vote			
Estimate provision	Account	48,746	
Surplus to be surrendered	Account	<u>(1,687)</u>	
Net vote		47,059	44,728
Expenditure (cash) borne elsewhere	1	8,083	7,718
Non-cash expenditure – notional rent	1	1,646	1,568
Net programme cost	1	<u>(57,086)</u>	<u>(57,734)</u>
Balance at 31 December		<u><u>7,651</u></u>	<u><u>7,949</u></u>

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 2018	34	66,401	3,424	258	70,117
Additions	—	372	20	921	1,313
Disposals	—	(365)	(75)	—	(440)
Brought into use	—	310	—	(310)	—
Cost or valuation at 31 December 2018	34	66,718	3,369	869	70,990
Accumulated depreciation					
Opening balance at 1 January 2018	34	59,575	3,269	—	62,878
Depreciation for the year	—	1,918	34	—	1,952
Depreciation on disposals	—	(365)	(75)	—	(440)
Cumulative depreciation at 31 December 2018	34	61,128	3,228	—	64,390
Net assets at 31 December 2018	—	5,590	141	869	6,600
Net assets at 31 December 2017	—	6,826	155	258	7,239

2.3 Bank and cash

at 31 December	2018 €000	2017 €000
PMG balances	(177)	245
Other commercial bank account balance	31	81
Petty cash	1	1
	(145)	327

2.4 Stocks

at 31 December	2018 €000	2017 €000
Stationery	41	33
IT consumables	13	10
	54	43

2.5 Other debit balances

at 31 December	2018 €000	2017 €000
Recoupable salary costs	155	170
Recoupable travel costs	15	19
Recoupable travel pass scheme	34	17
OPW suspense balance	87	83
Other debit suspense items	122	39
	413	328

2.6 Other credit balances

at 31 December	2018	2017
	€000	€000
Amounts due to the State		
Income Tax	431	564
Pay Related Social Insurance	303	391
Professional Services Withholding Tax	38	8
Value Added Tax	15	35
Pension contributions	97	94
Universal Social Charge	92	133
	<u>976</u>	<u>1,225</u>
Payroll deductions held in suspense	175	188
Other credit suspense items	12	49
	<u>1,163</u>	<u>1,462</u>

2.7 Net Exchequer funding due

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	1,687	3,856
Exchequer grant undrawn	(2,583)	(4,663)
Net Exchequer funding due	<u>(896)</u>	<u>(807)</u>
Represented by:		
Debtors		
Bank and cash	(145)	327
Debit balances: suspense	412	328
	<u>267</u>	<u>655</u>
Creditors		
Due to State	(976)	(1,225)
Credit balances: suspense	(187)	(237)
	<u>(1,163)</u>	<u>(1,462)</u>
	<u>(896)</u>	<u>(807)</u>

2.8 Commitments

at 31 December	2018	2017
	€000	€000
Procurement of goods and services	5,467	5,083
Total of legally enforceable commitments	5,467	5,083

2.9 Matured liabilities

at 31 December	2018	2017
	€000	€000
Estimate of matured liabilities	1	25

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

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	40,188	37,947	36,080
ii Travel and subsistence	1,200	1,316	1,348
iii Training and development and incidental expenses	1,100	1,268	1,439
iv Postal and telecommunications services	800	796	797
v Office equipment and external IT services	4,103	4,599	3,907
vi Office premises expenses	1,000	1,138	1,057
vii Consultancy services and value for money and policy reviews	70	63	69
viii Collection of statistics	1,886	1,359	1,572
	50,347	48,486	46,269

Significant variations

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

i Salaries, wages and allowances

Estimate provision: €40.188 million, outturn: €37.947 million

The decrease of €2.241 million on expenditure on salaries, wages and allowance was due to the estimate allocation being based on staff numbers of 801 as detailed in the Revised Estimates Volume. The average staff number for the year was less than this at 745 but varied from month to month because of the cyclical nature of the work of the Office. Vacancies at Statistician and IT/technical level continued to exist throughout 2018 as the market for suitably qualified staff with statistical/analytical and IT skills continued to be very competitive. In addition, some recruitment of general service grades was delayed due to the non-availability of central panels.

v Office equipment and external IT services

Estimate provision: €4.103 million, outturn: €4.599 million

The increase of €496,000 on expenditure on office equipment and external IT services was due to unavoidable and on-going increases in fees for IT support and upgrades to core business systems.

viii Collection of statistics

Estimate provision: €1.886 million, outturn: €1.359 million

The decrease of €527,000 on expenditure on collection of statistics was due to lower than anticipated costs associated with the operation of a call centre that is used for some responses to household surveys.

Note 4 Receipts

4.1 Appropriations-in-aid

	2018		2017
	Estimated	Realised	Realised
	€000	€000	€000
1 European Union receipts	130	62	277
2 Miscellaneous	70	32	70
3 Receipts from pension-related deduction on public service remuneration	1,401	1,333	1,195
Total	1,601	1,427	1,542

Significant variations

Overall, appropriations-in-aid were €174,000 less than the estimate as forecast.

Explanations for variances are set out below:

1 *European Union receipts*

Estimate provision: €130,000, outturn: €62,000

The shortfall of €68,000 was due to lower than expected receipts from the EU in 2018. A statement of costs in respect of the 2016 Farm Structure Survey issued in June 2018 in the amount of €201,000 but no payment was received by 31 December 2018. Payments are made following submission of results and depend on satisfactory acceptance by Eurostat. This makes accurate prediction of when due amounts are likely to be received difficult.

2 *Miscellaneous*

Estimate provision: €70,000, outturn: €32,000

The shortfall of €38,000 was due to the CSO policy of making all statistics freely available on the internet.

Note 5 Staffing and Remuneration

5.1 Employee numbers(full time equivalents)

	2018	2017
Number of staff at year end	772	737

5.2 Pay

	2018	2017
	€000	€000
Pay	35,048	33,371
Higher, special or additional duties allowance	94	110
Other allowances	93	79
Overtime	75	68
Employer's PRSI	2,637	2,452
Total Pay	37,947	36,080

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	50	—	8,005	7,522
Overtime and extra attendance	16	1	16,978	15,059
Shift and roster allowances	12	—	9,217	9,007
Miscellaneous	1	—	7,050	6,961
Extra remuneration in more than one category	19	4	24,285	22,266

5.4 Payroll overpayments

Overpayments at the year end were €52,817 (2017: €107,083). At year end there were a further 60 cases, where the value of the overpayment has yet to be finalised and an agreement for recoupment is awaited. Of these, 52 have an estimated value of €88,046.

