

Ref: DPE 022/030/2012
October 2012

To Accounting Officers

Circular 14/12: Requirements for Appropriation Accounts 2012

A Dhuine Uasail,

1. I am directed by the Minister for Public Expenditure and Reform to refer to existing arrangements for the preparation of Appropriation Accounts and to advise of the following requirements which apply for the Appropriation Accounts 2012.

(A) *Accounting Policies:*

All Government Departments, Offices and other Vote holders, are required to prepare the Appropriation Account for the year ended 31 December 2012 and all subsequent years in accordance with the revised accounting policies set out in Section A;

(B) *Account Format:*

All Government Departments, Offices and Vote holders are required to prepare their Appropriation Account in a format consistent with their Estimate presentation – see Section B;

(C) *Additional notes required:*

All Government Departments, Offices and other Vote holders, are required to include additional information in the notes to the Appropriation Account for the year ended 31 December 2012 – see section C.

(D) *Enhanced Statement of Internal Financial Control:*

All Accounting Officers will be required to sign the revised Statement of Internal Financial Control (SIFC) – see section D;

(E) An illustrative Appropriation Account is included at section E.

2. These instructions supersede those contained in Department of Finance Circulars 18/92, 01/95, 23/08, 02/10 and 08/11 and Circular Letter of 23 February 1995 all of which are now cancelled.

3. Queries on the application of this circular should be directed to Government Accounting Section, Department of Public Expenditure & Reform at GovAcc@per.gov.ie. The Circular is available on www.govacc.per.gov.ie.

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David Moloney
Assistant Secretary

Section A: Accounting Policies

The accounting policies, which have general application across Departments, Offices and other Vote holders, for the year are set out at the beginning of the Appropriation Accounts Volume.

Departments should note any departures from these in their individual Appropriation Accounts. Departments must also state their policies for valuing assets where the valuation method of the particular class of asset is not standard.

Accounting Policies for the Appropriation Account 2012 and following years have been revised to reflect recent presentational changes and to include policy notes on Contingent Liabilities and Public Private Partnerships.

Statement of Accounting Policies and Principles

1 Basis of Accounts

Appropriation Accounts, showing the financial transactions of Government Departments, Offices and other Vote Holders, 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 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 show prior year figures for comparison purposes. Some information of an accruals nature is included in the notes to the Accounts.

The standard accounting policies and principles set out below are applied in the preparation of the Accounts. Any departures from the standard policies and principles are explained in the Accounting Officer's introduction to the Appropriation Account.

2 Reporting Period

The reporting period is the financial year ended 31 December XXXX.

3 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.

The Department of Public Expenditure and Reform requires certain receipts of Departments to be credited directly to the Exchequer as 'extra' receipts. In general, these are receipts 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 (Note 4).

In this statement, the term 'Department' includes central government departments, offices and agencies responsible for Vote management and accounting.

4 Payments

Payments consist of those sums, which have come in the 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 payment instrument 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).

5 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 the Department in the year,
- a Balance sheet showing the Department's assets and liabilities at year end (Note 2), and
- explanatory notes including details regarding capital assets, capital assets under development, the net liability to the Exchequer, and commitments.

The Balance sheet discloses the position at year-end in relation to the following:

Accrued expenses — these represent *all* liabilities at the balance sheet date 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 stock, 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 & Subsistence liabilities are recognised when travel has been completed.

Prepayments — these are payments made during the year of account to meet expenses which will arise in whole or in part in a subsequent financial year.

Accrued income — this is income due to the Department at the end of the year of account which has yet to be received.

Deferred Income — this represents income received by the Department during the year of account for goods/ services which it has yet to provide.

6 Capital Assets

The opening and closing values of capital assets on a Department's asset register and details of depreciation are shown by way of note to the Balance Sheet.

The following are not included in the statement of capital assets;

- Assets worth less than €318 acquired from 1 January 1995 to 31 December 2003, or assets worth less than €1,000 acquired since 1 January 2004.
- Heritage assets, the value of which cannot be adequately expressed in financial terms.

6.1 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 Balance Sheet (and capital assets note). Where relevant, the basis of valuation of land and buildings is explained in the Accounting Officer's introduction to the Appropriation Account.

Where land and buildings are (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 that Office. Otherwise, they appear in the account for the relevant Department.

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, but the ownership of the asset is noted in the Department's Account.

Departments that cannot provide valuations for state-owned lands and buildings controlled or managed by them append to the Appropriation Account a schedule of these assets.

Equipment, Furniture and Fittings

Since 1995 all 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.

6.2 Depreciation

Land is not depreciated. Where relevant, buildings are depreciated as indicated in the Accounting Officer's introduction to the Appropriation Account.

Equipment, furniture and fittings are depreciated on a straight-line basis at the following annual rates over their estimated useful lives:

- Furniture and fittings, and telecommunications equipment – 10%
- IT equipment and software, scientific and laboratory equipment and other office machinery – 20%

Where required, other capital items are depreciated as indicated in the Accounting Officer's introduction to the Appropriation Account.

7 Capital Assets under Development

A statement on capital assets under development is provided as a note to the Balance Sheet. It shows cash payments on assets being developed within the Department, e.g. software development or construction projects, which were not yet recognised as assets at the start of the year of account.

8 Stocks

Consumables are stated at the lower of cost or departmental valuations.

9 Net Liability to the Exchequer

The net liability to the Exchequer Note shows the funding position of the Vote at the balance sheet date taking account of the surplus to surrender and the 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.

10 Commitments

A commitment is a contractual obligation to pay on delivery for goods or services 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.

A note provides figures for commitments likely to materialise in the subsequent years under (a) procurement and (b) grant subheads, excluding commitments under €1,270.

A separate note is provided giving details of multi-annual capital commitments over €6,350,000.

11 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. Contingent liabilities are not recognised in the account but are disclosed by way of note unless the possibility of an outflow of resources is remote.

12 Public Private Partnerships (PPP)

PPPs take a number of forms including Design Build Operate (DBO); Design Build Operate and Finance (DBOF); Concession, Design Build and Finance (DBF), and Operate only.

Typically, under the contractual arrangements for PPP projects, the State remunerates the private sector partner – subject to satisfactory performance – for some or all of the costs incurred in the design, build, operation, maintenance and/or financing of the asset, as appropriate. This remuneration generally takes the form of regular unitary payments to the private sector partner over the term of the contract and is usually made from a designated PPP subhead in Departmental Votes. In some instances the State may also pay a capital grant to the private sector partner over the construction period: such a payment would be made from the relevant capital subhead in Departmental Votes. In a Concession project the private sector is remunerated, in whole or in part, by user charges, such as tolls.

13 Superannuation

Superannuation payments for retired civil servants, Gardaí, teachers, army personnel and Health Service Executive and former Health Board personnel are met on a current basis from Votes 12, 20, 26, 35 and 39. Provision for superannuation does not appear in the Appropriation Accounts of other Votes.

14 Foreign Currency Transactions

Transactions arising in foreign currencies are translated into Euro at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the year-end rates of exchange.

15 Other Notes to the Accounts

General Principles

In general, the other notes to the Appropriation Accounts aim to draw the attention of the Dáil 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, and extra remuneration. Except in the cases outlined below, notes are provided where an individual transaction, or a category of transactions taken together, involves a sum of €50,000 or more.

Notes are also provided where amounts lower than the threshold values are involved and a serious issue of principle arises or where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a note should be given.

Additional note for year end 2012 and following;

Legal Costs

In cases where cumulative legal costs incurred in the year of account exceed €50,000 a note is to be provided with a breakdown of the total cost into;

- Legal fees, and
- Compensation paid.

Existing Notes

Variations from Grant

In cases where payments from a Programme subhead vary from the grant (Note 3), a note is provided where the variation;

- is €100,000 or more, and
- represents 5% or more of the subhead (25% in the case of administrative subheads).

Where special circumstances warrant, a lower percentage variation may be explained by way of note.

Notes in relation to variations in the categories of appropriations in aid are included on a similar basis.

NB: The text explanation of any variance should explain the business reason as to why an under/over spend occurred.

Extra Remuneration

In the case of extra remuneration, the details given (Note 5) include the total amount paid under each category, the total number of recipients, the number of individuals that received €10,000 or more, and the maximum individual payment, if over €10,000. Severance/redundancy amounts should also be disclosed where material.

Late Payments

In the case of interest payments under the Late Payment in Commercial Transactions Regulations, 2002, information is supplied (Note 6) where;

- the total of interest payments due was €10,000 or more or
- an individual payment was €10,000 or more.

Commissions and Inquiries

Where appropriate, Miscellaneous Notes (Note 6) include a statement of expenditure on each Commission or Inquiry financed from the Vote. Where a Commission or Inquiry has been established on a temporary basis, the total expenditure since its establishment is also given.

Grant-in-Aid Fund and Miscellaneous Accounts

Where relevant, accounts of grant-in-aid funds financed from the Vote and of other miscellaneous accounts are presented in Note 7.

Section B: Format of Appropriation Accounts

All Government Departments, Offices and Vote holders are required to prepare their Appropriation Account in a format consistent with their Estimate presentation.

1. Introduction

Each Appropriation Account will start with an introductory note by the Accounting Officer which incorporates the ambit of the Vote, the statutory basis of the Account and a formal statement by the Accounting Officer tying the Account to the standard Statement of Accounting Policies and Principles as well as to the standard Statement on Internal Financial Control (SIFC). Any exceptions to the standard accounting policies or enhancements to internal financial controls will also be included here. The signature of the Accounting Officer will follow the introduction.

The introductory paragraph will also give the Accounting Officer an opportunity to include other information that will be of interest to the reader such as receipt or loss of significant functional areas, subsequent sale of fixed assets or other relevant post balance sheet events.

2. Audit Certificate

The Audit Certificate will follow the Accounting Officer's introductory note.

3. Appropriation Account

- a) The Appropriation Account itself will be presented without the ambit text in the heading (now in the introductory note).
- b) The Appropriation Account will be presented in a format consistent with the presentation of the Estimate and with the inclusion of the outturn for the prior year in the third column of the Account. Comparative data for the prior year will also be included in the notes where appropriate.

4. Order of the Notes to the Appropriation Account

The sequence of the Notes to the Account will be such that related information is presented together and similar information appears in the same place in the Account of each Vote. There will be 6 main notes as follows:

- a) **Note 1** will be the Operating Cost Statement (OCS), which will show total expenditure first divided into Programme cost, Pay cost and Non-Pay cost. The deduction for A-in-A will be taken after the total Programme expenditure (cash and non cash) has been derived so as to give a net programme cost.
- b) **Note 2** will be the Balance Sheet (formerly the Statement of Assets and Liabilities) and will be followed by a number of sub-notes which will give details of the main components, such as, capital assets, assets under development, stocks and stores, commitments, outstanding matured liabilities, etc.

A new requirement for 2012 and following years will be sub-notes to Note 2 reconciling the movement in the State Funding Account from the prior year to the current year and detailing where the funding has come from.

- c) **Note 3** will show the usual explanations of variations on outturn versus provision for each programme subhead.
NB Departments are reminded that the explanations should be meaningful, and should supplement rather than reiterate the information contained in the Appropriation Account.
- d) **Note 4** will deal with Receipts in two sub-notes: 4.1 - Appropriations-in-Aid and 4.2 - Exchequer Extra Receipts. The usual explanation of variations will be provided in respect of Appropriations-in-Aid. A breakdown/explanation is to be provided also where the Extra Receipts are material in nature.
- e) **Note 5** will deal with Employee Numbers and Pay. The first part of the note will give an overall view, providing figures in respect of total number of staff at year end, total pay, as well as total allowances, overtime and employer PRSI. This will be followed by sub-notes giving the usual details of allowances and overtime, performance and merit pay, redundancy and severance pay and other remuneration arrangements.
- f) **Note 6 – Miscellaneous Items** will bring together the remaining Vote specific notes for example write-offs, compensation payments, EU funding, cost of Commissions and Enquiries, Late Payment Interest, National Lottery funding, Legal costs breakdown, etc.
- g) Detailed lists of National Lottery funded grants will no longer appear with the Appropriation Account. Instead, a short sub-note should appear under note 6 giving the total amount(s) of payments made to promoters of National Lottery funding eligible charities. The note should indicate that these payments may have been part funded by the National Lottery and that the detail list(s) of grants provided are available on the relevant Department website.
- h) If additional notes are required with an Account, for example, miscellaneous accounts or grant-in-aid accounts, these should in future appear as Note 7, etc.
- i) Where the Appropriation Account of a Vote does not have a requirement for one or more of the main notes, for example, Note 1- Operating Statement, the note reference should remain (to maintain the number sequence across Votes) but with a comment to the effect that the note is not applicable.

Section C: Additional Notes

Legal Costs

In cases where cumulative legal costs incurred in the year of account exceed €50,000 a note is to be provided with a breakdown of the total cost into;

- Legal fees, and
- Compensation paid.

Balance Sheet

To advance the development of the balance sheet it will be a requirement for Appropriation Account 2012 and onwards for Departments and Offices to include some additional sub-notes to Note 2 of the Account which will;

- a) Reconcile the movement in the State Funding Account from the prior year to the current year. This will link the Balance Sheet to the Operating Cost Statement. [i.e. *Relate the cost of the provision of services as shown in the Operating Cost Statement to the changes that have occurred in the balance sheet*], and
- b) show where the funding has come from, i.e. how much of the cash cost is included in the reporting Vote and how much is included in other Votes.

Section D: Standard Statement on Internal Financial Control

On foot of the 2002 Report of the Working Group on the Accountability of Secretaries General and Accounting Officers, Accounting Officers are required to sign a standard Statement on Internal Financial Control in respect of the Appropriation Accounts. In their introductions to the Appropriation Accounts, some Accounting Officers describe actions taken or planned to enhance particular aspects of internal control in the Departments or Offices concerned. The Statement, which has been enhanced to include a statement on compliance with procurement guidelines, is in the following format;

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/Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary 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.

The position in regard to the financial 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.*

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 Department/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 Department is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.*

Internal Audit

I confirm that the Department/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 Department/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.

Section E

Vote 6: For Illustrative Purposes

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 2012 for the salaries and expenses of the Vote for Illustrative Purposes, including the Paymaster General's Office, for certain services administered by the Office of the Minister and for payment of certain grants and grants-in-aid.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Eireann under the Appropriation Act 2012, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2012 out of unspent 2011 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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

This introductory paragraph will also give the Accounting Officer an opportunity to include other information that will be of interest to the reader such as receipt or loss of significant functional areas, subsequent sale of fixed assets or other relevant post balance sheet events.

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.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Illustrative.

Accounting Officer
Department of Illustrative Purposes
March 20XX

Vote 6 For Illustrative Purposes Appropriation Account 2012

	2012 Estimate provision	2012 Outturn	2011 Outturn
	€000	€000	€000
Programme Expenditure			
A Budget Taxation and Economic Policy	27,828	25,420	31,785
B Financial Services Policy	27,828	25,420	31,785
C Delivery of Shared Services	27,828	25,420	31,786
	-	-	-
	83,484	76,260	95,356
D Appropriations-in-aid	<u>15,130</u>	<u>11,086</u>	<u>8,208</u>
Net Expenditure	<u>68,354</u>	<u>65,174</u>	<u>87,148</u>
Surplus for the year		€ 3,180,980	€ 10,011,748
Surplus to be surrendered		<u>€ 3,180,980</u>	<u>€ 10,011,748</u>
Administration			
A.1. Salaries, wages and allowances	40,230	39,693	40,433
A.2. Travel and subsistence	650	363	693
A.3. Incidental expenses	1,550	1,007	1,578
A.4. Postal and telecommunications services	1,325	966	1,411
A.5. Office machinery and other office equipment and	2,235	1,661	2,379
A.6. Office premises expenses	1,100	811	1,972
A.7. Consultancy services	20	-	52
A.8. Value for money and policy reviews	890	817	960
	-	-	-
	48,000	45,318	49,478

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	Note	€000	2012 €000	2011 €000
Programme Cost			30,942	45,878
Pay			39,693	40,433
Non-Pay			<u>5,625</u>	<u>9,045</u>
Gross expenditure			76,260	95,356
Deduct				
Appropriations in aid			<u>11,086</u>	<u>8,208</u>
Net expenditure			65,174	87,148
Changes in capital assets				
Purchases cash		(190)		
Depreciation		3,296		
Loss on disposals		<u>2</u>	3,108	2,878
Changes in assets under development				
Cash payments			(268)	(567)
Changes in net current assets				
Increase in closing accruals		(76)		
Increase in stock		<u>(4)</u>	<u>(80)</u>	<u>2</u>
Direct expenditure			67,934	89,461
Expenditure borne elsewhere				
Net allied services expenditure (cash)	1.1		20,107	18,000
Notional rents (non cash)			<u>5,390</u>	<u>5,626</u>
Net Programme cost			<u>93,431</u>	<u>113,087</u>

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 6 borne elsewhere

Vote		2012 €000	2011 €000
12	<i>Superannuation and Retired Allowances</i>	15,859	13,180
13	<i>Office of Public Works</i>	3,823	4,379
20	<i>Garda Síochána</i>	171	189
	<i>Central Fund - Ministerial etc. pensions</i>	<u>254</u>	<u>252</u>
		<u>20,107</u>	<u>18,000</u>

2 Balance Sheet as at 31 December 2012

	Note	2012 €000	2011 €000
Capital Assets	2.3	5,898	8,751
Capital Assets under Development	2.4	<u>244</u>	<u>231</u>
		<u>6,142</u>	<u>8,982</u>
Current Assets			
Bank and cash	2.5	1,597	1,735
Stocks	2.6	53	49
Prepayments		749	736
Accrued income		18	18
Other debit balances	2.7	<u>319</u>	<u>475</u>
Total Current Assets		<u>2,736</u>	<u>3,013</u>
Less Current Liabilities			
Accrued expenses		339	402
Other credit balances	2.8	1,944	1,827
Net Liability to the Exchequer	2.9	<u>(28)</u>	<u>383</u>
Total Current Liabilities		<u>2,255</u>	<u>2,612</u>
Net Current Assets		<u>481</u>	<u>401</u>
Net Assets		<u>6,623</u>	<u>9,383</u>
Represented by:			
State Funding Account	2.1	<u>6,623</u>	<u>9,383</u>
2.1 State Funding Account		2012	
Balance at 1 January		9383	
Funding drawn down	2.2	85281	
Non Cash Expenditure - Notional Rent	Note 1	5390	
Net Programme Cost	Note 1	<u>-93431</u>	
Balance at 31 December		<u>6623</u>	
2.2 Funding drawn down			
Disbursements from the Vote			
Estimate Provision	Account	68354	
Surplus to be surrendered	Account	<u>-3180</u>	
		65174	
Expenditure (cash) borne elsewhere	Note 1	<u>20107</u>	
Total Funding drawn down		<u>85281</u>	

2.3 Capital Assets

	IT Equipment €000	Furniture and Fittings €000	Office Equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2012	23,373	5,218	2,214	30,805
Additions	397	29	19	445
Disposals	-	-	(9)	(9)
Cost or valuation at 31 December 2012	<u>23,770</u>	<u>5,247</u>	<u>2,224</u>	<u>31,241</u>
Accumulated Depreciation				
Opening balance at 1 January 2012	16,616	3,442	1,996	22,054
Depreciation for the year	2,919	283	94	3,296
Depreciation on disposals	-	-	(7)	(7)
Cumulative depreciation at 31 December 2012	<u>19,535</u>	<u>3,725</u>	<u>2,083</u>	<u>25,343</u>
Net Assets at 31 December 2012	<u>4,235</u>	<u>1,522</u>	<u>141</u>	<u>5,898</u>
Net Assets at 31 December 2011	<u>6,757</u>	<u>1,776</u>	<u>218</u>	<u>8,751</u>

2.4 Capital Assets under Development

	In-House Computer Applications €000
Amounts brought forward at 1 January 2012	231
Cash payments for the year	268
Transferred to asset register	(255)
Amounts carried forward at 31 December 2012	<u>244</u>

2.5 Bank and Cash

	2012 €000	2011 €000
at 31 December		
PMG balances and cash	1,604	1,817
Orders outstanding	(7)	(82)
	<u>1,597</u>	<u>1,735</u>

2.6 Stocks

	2012 €000	2011 €000
at 31 December		
Stationery	19	24
IT consumables	<u>34</u>	<u>25</u>
	<u>53</u>	<u>49</u>

2.7 Other Debit Balances

	2012 €000	2011 €000
at 31 December		
Advances to OPW	16	31
Recoupable salaries	94	264
Recoupable travel expenditure	26	37
Recoupable travel pass scheme expenditure	118	117
Other debit suspense items	<u>65</u>	<u>26</u>
	<u>319</u>	<u>475</u>

2.8 Other Credit Balances	2012	2011
	€000	€000
at 31 December		
Amounts due to the state		
Income Tax	585	713
Pay Related Social Insurance	282	234
Professional Services Withholding Tax	605	303
Value Added Tax	118	56
Pension Contributions	3	85
Income Levy	<u>50</u>	<u>-</u>
	1,643	1,391
Payroll deductions held in suspense	284	317
Other credit suspense items	<u>17</u>	<u>119</u>
	<u><u>1,944</u></u>	<u><u>1,827</u></u>
 2.9 Net Liability to the Exchequer	 2012	 2011
	€000	€000
at 31 December 2011		
Surplus appropriations to be surrendered	3,181	10,012
Exchequer grant undrawn	<u>(3,209)</u>	<u>(9,629)</u>
Net liability to the Exchequer	<u><u>(28)</u></u>	<u><u>383</u></u>
 Represented by:		
Debtors		
Bank and cash	1,597	1,735
Other Debit balances	<u>319</u>	<u>475</u>
	1,916	2,210
Creditors		
Due to State	(1,643)	(1,391)
Other Credit balances	<u>(301)</u>	<u>(436)</u>
	(1,944)	(1,827)
	<u><u>(28)</u></u>	<u><u>383</u></u>
 2.10 Commitments	 2012	 2011
	€000	€000
at 31 December		
Total of legally enforceable commitments	498	815

3a Programme Expenditure by Subhead

	2012 Estimate provision	2012 Outturn	2011 Outturn
	€000	€000	€000
A Budget, Taxation & Economic Policy			
A.1 Administration - Pay	4638	4236	5297
A.2 Administration Non-Pay	4638	4236	5298
A.3 Committees and Commissions	4638	4236	5297
A.4 Consultancy and Other services	4638	4236	5298
A.5 Fiscal Advisory Council (Grant-inAid)	4638	4236	5297
A.6 Commission & Special Inquiries	4638	4240	5298
Total	27828	25420	31785
B Financial Services Policy			
B.1 Administration - Pay	5565	5084	6357
B.2 Administration Non-Pay	5565	5084	6357
B.3 Committees and Commissions	5565	5084	6357
B.4 Consultancy and Other services	5565	5084	6357
B.5 Commission & Special Inquiries	5568	5084	6357
Total	27828	25420	31785
C Delivery of Shared Services			
C.1 Administration - Pay	13914	12710	15893
C.2 Administration Non-Pay	13914	12710	15893
Total	27828	25420	31786

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Sub head	Explanation	Less/(more) than provided €000
	Budget, Taxation & Economic Policy	
	Fiscal Advisory Council (Grant-inAid)	
A.5	Commission & Special Inquiries	402
		Costs less than anticipated due to delay in startup of Council
A.6	Commission & Special Inquiries	402
		Costs less than anticipated due to delay in startup of Council
	Financial Services Policy	
	Consultancy and Other services	
B.4	Commission & Special Inquiries	481
		Savings arose as a result of delayed spending
B.5	Commission & Special Inquiries	481
		the saving arose as planned work was delayed
	Delivery of Shared Services	
	Administration Non-Pay	
C.2	Administration Non-Pay	1204
		Savings arose due to the reconfiguration of, and reduction in , the number of telephone lines as well as the reduction in costs following a procurement exercise

4 Receipts

4.1 Appropriations-in-aid	2012	2012	2011
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from computer services rendered by the Centre for Management and Organisation Development	115	72	114
2. Receipts from Departments in respect of Foreign Language	90	12	90
3. EU Programmes	5,500	5,471	7,350
4. Recoupment of certain expenses under the Bank Guarantee Scheme	6,620	2,496	
5. Receipts from Pension-related Deductions on Public Service Remuneration:			
(a) Receipts in respect of Civil Service staff	2,700	2,820	
6. Miscellaneous	105	215	654
Total	15,130	11,086	8,208

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
4	4,124	<i>Recoupable activities were less than anticipated.</i>
6	(110)	<i>Receipts under this heading fluctuate and are difficult to estimate accurately.</i>

4.2 Extra receipts payable to the Exchequer

Other receipts totalling €126,142 were transferred to the Exchequer during the year. The main receipt under this heading was for €124,767 in respect of voluntary surrender of salary under Section 483 of the Taxes Consolidation Act, 1997.

5 Employee Numbers and Pay

	2012	2011
Number of staff at year end (full time equivalents)	<u>563</u>	<u>611</u>
	€000	€000
Pay	39,949	40,138
Redundancy payments	145	
Higher, special or additional duties allowances	306	327
Other allowances	288	543
Overtime	414	689
Employer's PRSI	<u>1,663</u>	<u>1,739</u>
Total pay	<u>42,765</u>	<u>43,436</u>

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2012 €	Maximum individual payment 2011 €
Higher, special or additional duties	56	17	19,149	18,878
Other allowances	95	17	32,752	46,233
Overtime	178	2	29,626	33,374

Note: Certain individuals received extra remuneration in more than one category.

5.2 Performance and Merit Payments

Three officers received ex-gratia payments in recognition of exceptional performance. The total amount paid was €7,500.

Under the terms of the AHCPs 1% PCW restructuring agreement, in 66 instances a total of €118,536 was paid in respect of Seniority Allowances and Special Service Payments

5.3 Other Remuneration Arrangements

Four retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €161,512.

This account includes expenditure of €537,372 in respect of ten officers who were serving outside the Department for all or part of 2012 and whose salaries were paid from the main salary subhead of the Department.

6 Miscellaneous Items

6.1 National Lottery Funding (illustrative only)

	2012 Estimate €000	2012 Outturn €000	2011 Outturn €000
Subhead			
x. Payments to promoters of certain National Lottery funding eligible charities part funded by the National Lottery. Details are available on the Department of Finance website " www.finance.gov.ie "	8,618	8,618	8,618

6.2 EU Funding (illustrative only)

The outturn shown in Subheads X.1. and X.2 includes payments in respect of activities which are co-financed from the ERDF. Estimates of expenditure and actual outturns were as follows:

Subhead Description	2012 Estimate €000	2012 Outturn €000	2011 Outturn €000
X.1. Structural Funds Technical Assistance and other costs	977	768	971
X.2. Technical Assistance costs of Regional Assemblies (grant-in-aid)	1,400	1,022	1,356
Y.1. Peace Programme/Northern Ireland INTERREG	-	-	10,641
	<u>2,377</u>	<u>1,790</u>	<u>12,968</u>

6.3 Committees and Commissions

	Year of appointment	2012 €000	2011 €000
B3 Credit Union Advisory Committee	1967	5,084	6,357
A3 Disabled Drivers Appeals Board	1989	4,236	5,297

6.4 Commissions and Special Enquiries

A6 Commission on Taxation	2008	4,240	5,298
B5 Commission of Investigation into the Banking Sector	2010	5,084	6,357

6.5 Legal Costs

Legal costs paid during the year are categorised as follows:

Legal fees	100	100
Compensation costs	100	100
	<u>200</u>	<u>200</u>