



DPE 022/01/2022
08th December 2022

To: Accounting Officers

Circular 22/2022: Requirements for Appropriation Accounts 2022

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 that the following requirements apply for the Appropriation Accounts 2022.

(A) Statement of Accounting Policies and Principles

All Government Departments, Offices and other Vote holders, are required to prepare appropriation accounts for the year ended 31st December 2022 and all subsequent years in accordance with the accounting policies set out in Section A. Changes and points of clarification are highlighted in the Circular.

(B) Format of the Appropriation Account

All Government Departments, Offices and Vote holders are required to prepare their appropriation accounts in a format consistent with their Estimate presentation and in accordance with the illustrative example attached to this Circular.

The Notes to the Appropriation Accounts are as follows:

- Note 1: Operating Cost Statement
- Note 2: Statement of Financial Position
- Note 3: Vote Expenditure
- Note 4: Receipts
- Note 5: Staffing and Remuneration
- Note 6: Miscellaneous

(C) Annex to Appropriation Account

Government Departments, Offices and Vote Holders are required to include an annex to the appropriation accounts providing a report on the presentation to the Oireachtas of the financial statements of bodies and funds under the aegis. The scope of this report is limited to where the Minister has a legislative requirement to lay the financial statements/accounts of the bodies and funds under the aegis of their Departments before the Houses of the Oireachtas.

A template for the annex to the appropriation account is attached to this Circular.

(D) Appropriation Account Audit Process

See Audit Process flowchart – page 22 of this circular

The following changes are highlighted:

- **SIFC - Procurement compliance.** The structure of the procurement section of the Statement of Internal Financial Control has been modified to distinguish compliance from non-compliance. Detailed requirements are set out in Section B, Statement of Internal Financial Control (SIFC)
- **Note 2.1 Capital assets –**
 - The threshold of €10,000 in respect of additions to capital assets applies to reporting of assets from 1 January 2021 (or 1 January 2020 if threshold applied earlier). Where a government Department or Office has chosen not to adjust gross value and accumulated depreciation in respect of assets acquired for less than €10,000 prior to 1 January, 2021 (or 1 January 2020 if threshold applied earlier), an explanatory note is included with the capital assets statement in Note 2. This is shown in the Illustrative Example attached.
- **Note 2.3 - Inventories –** Name changed from Stocks to Inventories. The accounting policy note has been clarified. High volume low value consumables are expensed at time of purchase. Consumables are generally expensed unless items have significant individual value or are subject to certain security considerations.
- **Note 2.4 - Prepayments -** Definition of prepayment clarified to allow for prepayments in respect of charges spanning more than one reporting period and to confirm that it is a requirement that the good/service has not been received prior to the end of the reporting period.
- **Note 2.6 - Accrued income -** This is income due to the Department at the end of the year of account which has yet to be received. Explanatory note to be included where this arises, with analysis if applicable.
- **Note 2.8 - Deferred income -** This represents income received by the Department during the year of account for goods/services which it has yet to provide. Explanatory note to be included where this arises, with analysis if applicable.
- **Note 5.4 – Department/Office employee pay bands -** An analysis of salary / pay bands is to be provided in note 5 to the Appropriation Account. Each Department/Office should publish details of the number of employees whose total employee benefits for the reporting period fell within certain pay bands. Detailed requirements are set out in the guidance manual, section 17, Staffing and remuneration.
- **Note 5.8 Disclosure of Remuneration and Benefits of Accounting Officer.** The requirement is for a disclosure note to the financial statement providing details of the total remuneration for the Accounting Officer including the total Gross Salary and taxable benefits (excluding employer's PRSI). Detailed requirements are set out in the guidance manual, section 17, Staffing and remuneration.

- **Note 6.2 – Compensation and Legal costs** - Structure of legal costs note amended. Section on Chief State Solicitors' costs no longer required.

The following points are highlighted:

- **SIFC** - Reference in the SIFC to responsibilities in relation to shared services will be extended in the case of Wave 1 participants to include financial shared services.
- **SIFC** - Due to the ongoing Covid 19 pandemic, Departments are reminded that they should review the effectiveness of their controls in their departments and disclose any impacts Covid 19 may have on these controls in the SIFC. Please refer to the C & AG's guidance [‘The impact of Covid 19 on your control environment’](#) which was published in September 2020.
- Where weaknesses in controls arising from the impact of the Covid 19 pandemic were identified in the Statement of Internal Financial Control in the Appropriation Account for the year ended 31 December 2021, an update should be provided in the SIFC on the reliability of controls in 2022.
- Where no weaknesses in control were identified in 2021 and there is no change in 2022, there is no requirement to make reference to Covid 19 control issues in the SIFC.
- **Note 2.13 Mature liabilities** - Additional guidance on the relevant payment date for referencing matured liabilities has been provided in Section B of this Circular and in the guidance manual
- **Note 6.3 Fraud and suspected fraud** - Additional clarification on the disclosure of fraud and suspected fraud has been provided in the guidance manual, emphasising that it is only fraud within the Department which is disclosed.
- **Annex to the Appropriation Account** - The requirements for the Annex to the Appropriation Account have been clarified. The table is to include only those bodies and funds under the aegis of the Department where the department has a legislative obligation, through the Minister, to present financial statements/accounts to the Houses of the Oireachtas.

2. These instructions supersede those contained in Department of Public Expenditure and Reform Circulars 01/2022 and 09/2022.

3. Further information will be provided in the DPER Guidance Manual for the Preparation of Appropriation Accounts 2022, to be published in January 2022.

4. Queries regarding the application of this Circular should be directed to Government Accounting Unit, Department of Public Expenditure & Reform email govacc@per.gov.ie. The Circular is available on the Government Accounting Website, click [here](#) and also at <https://www.gov.ie/en/circulars/>

Mise le Meas,

John Kinnane
Acting Assistant Secretary

Section A: Accounting Policies and Principles

Basis of Accounts

Appropriation accounts, showing the financial transactions of Government Departments¹, 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.

Government Departments, Offices and Vote holders should obtain prior approval from the Department of Public Expenditure and Reform for any departures, changes or additions to the standard accounting policies in relation to accrual information in the notes to the appropriation accounts. Information regarding the accounting divergence from the standard accounting policies should be included in the Accounting Officer's introduction to the appropriation account.

Departments are reminded that where land and buildings are included in fixed assets, the basis of valuation must be explained in the Accounting Officer's introduction to the appropriation account.

Reporting Period

The reporting period is the year ended 31 December 2022.

Receipts

As a general rule, all revenues of the State are payable into the Exchequer.

Subject to the express approval of the Department of Public Expenditure and Reform, certain Departmental receipts may be appropriated in aid of expenditure borne on a Vote. Without such sanction, receipts must be surrendered directly to the Central Fund as Exchequer Extra 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 and can include such items as:

- Charges for services;²
- Pension contributions;
- Rentals and proceeds from certain sales;

¹ In this statement, and throughout this Circular, the term 'Department' includes central Government Departments, Offices and other Vote holders responsible for Vote management and accounting, unless otherwise indicated.

² Some Offices, such as the Office of Public Works and the Office of the Attorney General, receive expenses in the course of carrying out their functions. These expenses should also be taken in as appropriations-in-aid.

- With the prior agreement of the Minister for Public Expenditure and Reform, the proceeds from the sale of assets for the funding of high-priority capital programmes or projects;
- Fines, forfeitures or costs recovered.

In general, receipts of Departments to be credited directly to the Exchequer as 'extra' receipts are those 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. They include items such as:

- Receipts on foot of surplus income or profits of State companies;
- Interest, dividends or capital repayments;
- Compensation.

Departments are required to provide a breakdown of the Exchequer Extra Receipts (EER's) and an explanation where the amounts are material in nature. In addition, Departments are required to disclose both the amounts lodged to the Exchequer (via the Sundry Monies Deposit Account) and the amounts payable (amounts not yet transferred over), where the amounts are not the same.

Departments are also required to present the breakdown of the Exchequer Extra Receipts on an opening balance/closing balance basis.

The amount reported by a Department for EER's transferred to the Exchequer should be reconcilable to the amount reported in the Department of Finance - Finance Accounts.

Departments are required to disclose both the amounts lodged to the Exchequer and the amounts payable (amounts not yet transferred over), where the amounts are not the same. The source of the receipts should also be explained.

Payments

Payments consist of those sums which have come in 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 instruction for the payment 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).

As a general principle, Government accounting is on a gross basis, i.e. receipts are not netted off against payments. Government Departments, Offices and Vote holders should obtain prior approval from the Department of Public Expenditure and Reform for netting off.

An exception to this general principle is where a Department is acting as an agent for another Government Department resulting in financial transactions between the principal and agent. The general rule is that the agent should put the transaction through suspense, the service being a final charge in the principal's appropriation account.

In situations where the agent requires the principal to provide advance funding to enable payment to be made, only amounts certified by the agent as having been disbursed by it in the year of account should be charged to the principal's appropriation account.

Net Allied Services

Allied Services are services provided centrally to Departments on the basis that, as specialists, the supplying Department (whose primary function is the provision of these central services) is able to perform the services more efficiently than the user Department.

The Net Allied Services note details the expenditure amount in relation to the Department which is borne elsewhere and where relevant, the costs of shared services provided to other Votes. There are various measurement bases for the calculation of the allied services expenditure figures.

Departments in receipt of allied services should only include in the appropriation account note, amounts for services provided directly to the Department. Allied services provided to bodies under their aegis should not be included in a departmental appropriation account.

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 statement of financial position showing the Department's assets and liabilities at year end (Note 2), and
- explanatory notes providing details regarding capital assets, the net exchequer funding due to the Exchequer and commitments.

The statement of financial position includes the position at year-end in relation to the following:

- **Accrued expenses** - these represent all liabilities at the year-end 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 inventory, 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 and subsistence liabilities are recognised when travel has been completed.
- **Prepayments** - these are payments made prior to the end of the year of account where the related goods or service will not be received until a future period.
- **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.

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 a note to the statement of financial position (Note 2).

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

- Assets that are not yet available for use
- Individual assets purchased since 1 January 2021 (or 1 January 2020 if threshold applied earlier) where the cost was less than €10,000 and/or
- heritage assets, the value of which cannot be adequately expressed in financial terms. (Heritage assets which can be valued are included in the statement).

Please note that individual assets with a purchase cost of less than €10,000 which were acquired prior to 1 January 2021³ may be included in the fixed asset register and historic cost balances carried forward. Where a government department or organisation has chosen to adjust historic cost balances carried forward to exclude items acquired below the threshold, this adjustment must be done in respect of all assets in the register which were acquired below the threshold of €10,000.

Should a Department choose to make an adjustment to Capital Assets for the Asset Threshold, an adjustment line has been added to Note 2.1 (Capital Assets) and Note 2.7 (State Funding Account).

Capital Assets under Development

Capital assets under development should be included within Capital Assets in the Statement of Financial Position, showing expenditure on assets being developed within the Department, e.g. software development or construction projects.

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 statement of financial position (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 the Office of Public Works.

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. Otherwise, they appear in the account for the relevant Department.

Government Departments/Offices that for technical reasons cannot provide valuations for State-owned lands and buildings controlled or managed by them should append to the appropriation account a schedule of these assets.

³ Some government Departments and Offices implemented the new threshold with effect from 1 January 2020. Any historic assets not adjusted for were purchased prior to 1 January 2021.

Equipment, Furniture and Fittings

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.

Depreciation Policy

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

The depreciation rate for buildings, if any, should reflect their maintenance level. If buildings are being maintained to their original condition, no depreciation should arise.

The depreciation policy is that depreciation is calculated and charged on a monthly basis from the month of acquisition/commissioning until the month of disposal.

Departments/Offices may continue to charge depreciation on an annual basis as an interim arrangement where appropriate systems are not in place to calculate depreciation on a monthly basis

All appropriation accounts must state the depreciation method used.

Advance Notice:

From 1 January 2024, all Departments/Offices should calculate and charge depreciation on a monthly basis from the month of acquisition/commissioning until the months of disposal.

Charging of Depreciation

Departmental assets fall into different categories for depreciation purposes. Depreciation is on a straight line basis. The principal categories which will apply are set out in Table 1 below.

Table 1.

Category A – Items depreciated on a straight line basis to a nil value over 10 years	
	Depreciation Rate
Furniture and Fittings	10%
Plant and Machinery	10%
Major IT Operational Software Systems	10%
Category B – Items depreciated on a straight line basis to a nil value over 5 years	
	Depreciation Rate
IT Equipment, Hardware and Software	20%
Office Equipment	20%
Other Specialist Equipment	20%
Motor Vehicles	20%
Category C – Other items. Where relevant, an explanation regarding depreciation of other classes of asset should be indicated in the Accounting Officers introduction to the appropriation account.	
	Depreciation Rate
Land	0%
Buildings	0% to 5%
Military Assets	3% to 20%

Departments should obtain prior approval from the Department of Public Expenditure and Reform for any departures, changes or additions to the standard accounting policies. Information regarding the accounting divergence from the standard accounting policies should be included in the Accounting Officer's introduction to the appropriation account.

Bank and Cash

'Bank and cash' should include all commercial bank account balances (payroll and other Vote related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or contain receipts due to be deposited back to the Exchequer as Appropriations-in- Aid. The note should separately identify Paymaster General (PMG) bank accounts from other commercial bank accounts.

Other Commercial Bank Accounts not funded by the Exchequer

Details of any other commercial bank accounts not funded by the Exchequer are disclosed by way of a note to the account. This includes non-vote balances that are not recorded/accounted for in another set of accounts that are audited.

Inventories

Inventories are held for distribution or for use in the provision of goods and services. Inventories are stated at the lower of cost or Departmental valuations. Consumables are generally expensed unless items have significant individual value or are subject to certain security considerations.

Net Exchequer Funding

The net Exchequer funding note shows the funding position of the Vote at the year end, taking account of the surplus 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.

Commitments

A commitment is a contractual obligation to pay, on delivery, for goods or services (including capital projects) 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.

Global contractual commitments (in excess of €10,000) likely to materialise in subsequent years, under the headings: procurement of goods and services, non-capital grant programmes, capital grant programmes, capital projects and Public Private Partnership projects, are disclosed by way of a note to the account.

Details of all major capital projects and Public Private Partnership projects, where the project value exceeds €10,000,000, are separately disclosed.

Where the reported commitment level or projected project cost has varied by more than €500,000 compared with the previous year, the reason for the movement should be explained.

Public Private Partnership Projects

A Public Private Partnership (PPP) is an arrangement between the public and the private sector (consistent with a broad range of possible partnership structures) with clear agreement on shared objectives for the delivery of public infrastructure and/or public services by the private sector that would otherwise have been provided through traditional public sector procurement.

Unitary payments for Public Private Partnership Projects should be shown separately in a table where projects involve total expenditure of €10,000,000 or more.

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 statement of financial position but are disclosed by way of a note unless the possibility of an outflow of resources is remote.

Examples of contingent liabilities include guarantees, litigation, insurance, contractual indemnities and warranties.

Liabilities may arise from ongoing legal cases which can give rise to a contingent liability. Except in cases involving potential litigation or where disclosure would prejudice the Exchequer position and/or future negotiations with third parties, contingent liabilities relating to court cases should be disclosed in the appropriation account.

Other arrangements with the potential to give rise to contingent liabilities should only be entered into where necessary and, then, only after the potential expenditure implications have been evaluated and assessed in the light of the possible scenarios that could arise on foot of the contingent liability. The potential benefits should always be compared with the most likely

cost and with the range of possible costs to ensure that the contingent liability is properly assessed.

Under no circumstances should a contingent liability be accepted where the risk being assumed has not been assessed and defined as clearly as possible. Where a Minister agrees to accept a contingent liability, it is essential that the decision-making process is properly documented, setting out: (i) the rationale for accepting the contingent liability and (ii) the potential benefit and (iii) the potential costs. The sanction of the Minister for Public Expenditure and Reform should be sought for the creation of any contingent liabilities that could give rise to significant Exchequer expenditure.

Judgement is required in determining whether and at what point in time, legally and/or non-legally binding obligations give rise to a liability. Information is material if its omission or misstatement could influence the discharge of accountability by the Department for that financial reporting period.

Materiality depends on both the nature and amount of the item judged in the particular circumstances relative to that Department and involves consideration of both qualitative and quantitative characteristics.

Assessments of materiality will be made in the context of the legislative, institutional and operating environment within which the Department operates and, in respect of prospective financial and non-financial information, the preparer's knowledge and expectations about the future.

Superannuation

Superannuation payments to retired civil servants are provided for in Vote 12 - Superannuation and Retired Allowances. The amount attributable to each Department is provided by the Department of Public Expenditure and Reform and shown under the heading allied services, of the relevant Votes.

Superannuation payments for Gardaí, teachers, army personnel and Health Service Executive and former Health Board personnel are met on a current basis from the relevant Votes.

Foreign Currency Transactions

Transactions arising in foreign currencies are converted to Euro values at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted at the year-end rates of exchange.

Other Notes to the Accounts

General Principles

In general, the other notes to appropriation account aim to draw the attention of Dáil Éireann 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 (a payment not legally due under a contract or otherwise – e.g. compensation paid on grounds of hardship) 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.

Where amounts lower than the threshold values are involved, notes are also provided where 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.

Variations from estimate provision

Note 3 provides explanations of variations on outturn versus original estimate provision.

A note is provided where the variation relative to the original estimate provision (including deferred capital funding) is:

- €100,000 or more; and
- represents 5% or more of the subhead (25% in the case of administration subheads);
- or**
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Notes in relation to variations in Appropriations-in-Aid are included on a similar basis.

Allowance and Overtime Payments

In the case of allowance and overtime payments, the details given in Note 5 include the total number of recipients of allowance and overtime payments in one or more categories, the number of individuals that received €10,000 or more and the maximum payment to an individual, if over €10,000.

The aggregate amount paid to an individual under the various headings is set out in the “highest individual payment”.

Severance and redundancy payments

Severance and redundancy payments (in excess of €10,000) are required to be disclosed by way of a note to the account.

Compensation and Legal Costs

The components of the legal costs and compensation awards made to those who have taken legal actions against the Department/Office should be disclosed. This does not include the cost of legal advice provided outside of legal proceedings e.g. in context of development of policy or legislation. If the Department is represented in legal proceedings, the costs incurred in relation to these cases are included in the tables A and B.

The note is broken-down into 2 distinct parts:

- a) Details of Legal Costs paid out by the Vote/Department directly or to reimburse the State Claims Agency
- b) Details of the cumulative total costs of Legal Cases finalised in the year of Account.

Details of legal costs paid by the Chief States Solicitors Office (CSSO) for cases where the CSSO is representing the Department are reported on in the Appropriation Account of the CSSO.

Late Payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations, 2012, information is supplied in Note 6 where:

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

Fraud or Suspected Fraud

In the case of Departmental losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where:

- the total of losses during the accounting period were €10,000 or more; or
- an individual loss was €10,000 or more; or
- for losses under €10,000, a serious issue of principle arises; or
- where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a disclosure should be made.

Commissions and Special Inquiries

Where relevant, Note 6 should include a statement of expenditure on each Commission or Special Inquiry financed from the Vote. A distinction is made between permanent commissions, and those established on a temporary basis for a fixed purpose.

For permanent commissions, expenditure in the year of account and prior year should be shown. In the case of temporary commissions or special inquiries, the date of establishment and cumulative expenditure from the date of establishment should be shown.

Grant Funds and Miscellaneous Accounts

Where relevant, accounts of grant funds (previously grant-in-aid funds) financed from the Vote and of other miscellaneous accounts may be presented in Note 6.

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.

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 Statement on Internal Financial Control (SIFC).

The introductory paragraph gives 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, sale or transfer of fixed assets, depreciation policy where relevant or any relevant post year-end events.

Surplus

As well as its appearance on the face of the appropriation account and in Notes to the Statement of Financial Position, the introductory paragraph will include reference to the “*surplus*”

Statement of Accounting Policies and Principles

Any exceptions to the standard accounting policies will be disclosed here.

Government Departments/Offices and Vote holders are required to obtain prior approval from the Department of Public Expenditure and Reform for any departures, changes or additions to the standard accounting policies in relation to accrual information in the notes to the appropriation accounts. Information regarding the accounting divergence from the standard accounting policies should be included in the Accounting Officer’s introduction to the appropriation account.

Statement on Internal Financial Control (SIFC)

Maintenance of the system of internal financial controls is a continuous process and the system and its effectiveness should be kept under on-going review. Accounting Officers should include for the current year all relevant control elements which are in use.

(i) Risk and Control Framework

The statement should outline the risk and control framework in place in the Department, including any weakness identified and actions taken or planned. The statement may also explain (where appropriate) any enhancements to internal financial controls.

“Examples of Disclosures in Relation to Weaknesses in Internal Controls in Reporting Period”

It is important to state that these are just examples of breaches that Departments should disclose in their SIFC. It is not meant to represent guidance on what should be disclosed under various headings. This will ultimately be a matter for the Department to decide.

Example 1: Weaknesses in Control over Grants to Outside Agencies/Bodies

A number of issues have been identified in relation to the Department's control over grants to outside agencies/bodies which include:

- delays in the signing of some Service Level Agreements/Performance Delivery Agreements, and
- specified monitoring procedures including submission of performance and financial information by the funded agency/body not being complied with.

In 2022, the Department has [insert plans to address issues arising].

Example 2: Weaknesses in Control over Fixed Assets

An internal audit report on [date] identified a number of weaknesses in control over fixed assets and made a number of recommendations. It recommended systematic and independent spot checks on fixed assets and the introduction of a formal system for quickly and easily tracking the location of assets.

In 2022, the Department conducted a physical inventory reconciliation of its assets. This identified that a number of assets cannot be physically located. Accordingly, as reported in [Note X] to the appropriation account, an adjustment of €x has been made to fixed assets to reflect the reduction in asset values.

All internal audit recommendations related to the physical security of assets have now been implemented."

(ii) Shared Services

Where Departments are in receipt of Shared Services, the following text or similar should be included in the Statement:

"I have fulfilled my responsibilities in relation to the requirements of the Service Level Agreement/Performance Delivery Agreement between this Department/Office and the National Shared Service Office for the provision of (e.g. HR) shared service.

I rely on a letter of assurance from the Accounting Officer of the National Shared Service Office that the appropriate controls are exercised in the provision of shared services to this Department/ Office".

(iii) Procurement Compliance

A general heading "Procurement" has been introduced. Here, Departments and Offices are required to provide a statement

- a) confirming appropriate focus on good practice and compliance with procedures and
- b) the number of non-competitive contracts (some of which may be compliant) included in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Where Departments or Offices have instances of non-compliance, these will be set out under the heading “*non-compliance with procurement rules*”.

Departments are required to provide details of any exceptions to compliance. In particular, Departments should detail

- (i) the number and value of contracts/amounts paid in the year which are **not compliant**,
- (ii) which guidelines they are not compliant with and
- (iii) what measures are in place to bring procurement into compliance.

Details should be provided as to why the contracts were not in compliance and the steps being taken to remedy the situation.

The following text should be included in the Statement:

“Procurement

I confirm that the Department/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 Department/Office has provided details of xx non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of XX contracts (in excess of €25,000), totalling €XXX (ex. VAT) in 20XX as set out below:

- X contracts with a value of €XX were (insert reason)
- X contracts with a value of €XX were (insert reason)

(Include text here explaining why the contracts were not in compliance and the steps being taken to remedy the situation)

The above contracts have been included in the 40/2002 annual return referenced under procurement above.”

There is a Separate Reporting Requirement under Circular 40/02 “Public Procurement Guidelines Returns” which is not required to be disclosed in the account.

The signature of the Accounting Officer will follow the introduction.

1. Audit Certificate

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

2. Appropriation Account

- a) The appropriation account itself will be presented without the ambit text in the heading (included 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 right hand column of the account. Comparative data for the prior year will also be included in the notes where appropriate.
- c) All supplementary estimate and deferred surrender figures should be included.
- d) The Accounting Officer should sign and date the appropriation account.

3. Order of the Notes to the Appropriation Account

There will be 6 comprehensive Notes to the account and the sequence of these Notes 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 comprehensive notes to the account 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 Appropriations-in-Aid (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.

A sub-note to Note 1, **Net Allied Services**, details the expenditure amount in relation to the Department which is borne elsewhere and where relevant, the costs of shared services apportioned to other Votes.

Departments are **required to include actual figures** rather than estimated expenditure, where possible. In recognition of the fact that some services would require a complex costing system and the effort/cost involved would far outweigh the benefit of doing this it will not be an absolute requirement to include actual costs.

Both the providers and receivers of allied services are reminded to ensure that the allied services are still relevant and that the breakdown across Departments is provided using an up to date and reasonable method of calculation/apportionment.

Please note that the Vote which incurs the expense has an obligation to explain the basis of calculation of any amount charged to another Vote.

It is the responsibility of each Vote in receipt of services provided by another Vote to review the basis on which the charge has been calculated and be satisfied with the calculation of the Net Allied Services figures charged to their Vote.

- b) **Note 2** will be the **Statement of Financial Position** 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, inventories and stores, commitments, outstanding matured liabilities, etc. Where accrued income or deferred income is recorded by a Department or Office, a sub-note should be prepared explaining the source of this balance.

The sub-notes should be ordered sequentially on the face of the Statement of Financial Position

A sub-note to Note 2, **State Funding Account**, reconciles the movement in the State Funding Account from the prior year to the current year and details where the funding has come from.

Bank and Cash

'Bank and cash' should include all commercial bank account balances (payroll and other Vote related accounts) held at the year-end which are funded by the Exchequer through voted expenditure or which contain receipts due to be deposited back to the Exchequer as Appropriations-in-Aid. It also includes any petty cash account balances. PMG bank accounts should continue to be shown separately to other commercial bank accounts in Note 2.2.

Should a vote have only one category of bank accounts i.e. commercial bank account, there is no requirement to produce Note 2.2 listing the balances. If a vote has more than one category of bank account i.e. commercial bank account and PMG bank accounts, votes are required to list the balances held at year end into the different categories.

Other Commercial Bank Accounts not Funded by the Exchequer

Separate to the expenditure reflected in the appropriation account, other financial operations can arise within a Government Department or Office in order to carry out its functions and commercial bank accounts which are not funded by the Exchequer, may be required.

This includes non-vote balances that are not recorded/accounted for in another set of accounts that are audited. Government Departments, Offices and Vote holders are required to disclose details of such accounts in their appropriation accounts as follows:

The Department holds X number of commercial bank accounts. Moneys in these accounts are managed and administered by the Department on behalf of X for X reasons. No moneys due to or paid from the vote are transmitted through these bank accounts. The amount held at the end of 2022 is €X and is not included in the account

Inventories

A sub note on inventories is provided in Note 2.3, showing the category of inventory held by the Department at the year end. If a Department has more than one category of inventory, a list of the balances held in the different categories at year end will be provided.

Generally, inventories held by Government Departments or Offices will be used or distributed in the rendering of service. Typically, they will fall into one of the following classifications/categories:

- Goods purchased and held for resale, distribution or provision of service e.g. clothing; travel documents
- Equipment and spares
- Consumables.

In general, high-volume low-value consumables are expensed when purchased, even if they are safeguarded in controlled stores.

In some cases, it will be appropriate to include consumables in inventory, for example in case of consumables with high individual value or subject to security considerations.

Prepayments

Note 2.4 should provide a breakdown of the Prepayments that Votes have provided for at the year-end where either of the following criteria are met:

- A: Value of prepayments greater than or equal to €1,000,000; or
- B: Value of prepayments greater than or equal to 33% of Current Assets less Bank and Cash

The note should provide details of the type and amounts of prepayments provided for at year-end.

Where a note is required:

- prepayments should be listed from largest to smallest.
- Comparatives should be disclosed
- If only the prior year value for prepayments satisfies the criteria, prior year and current year values should be disclosed where practicable.

Further guidance is available in the guidance manual.

Accrued income

This is income due to the Department at the end of the year of account which has yet to be received. Note 2.6 should provide a brief explanation of accrued income recorded. Where there is more than one source of accrued income, an analysis of the significant components should be provided.

Accrued expenses

Note 2.7 should provide a breakdown of the amount of Accruals that a vote has provided for at the year-end where either of the following criteria are met.

- A: Value of accruals greater than or equal to €1,000,000; or
- B: Value of accruals greater than or equal to 20% of Current Liabilities

The note should provide details of the type and amounts of accruals provided for at year-end.

Where a note is required:

- accruals should be listed from largest to smallest.
- Comparatives should be disclosed
- If only the prior year value for prepayments satisfies the criteria, prior year and current year values should be disclosed where practicable.

Further guidance is available in the guidance manual.

Deferred income

This represents income received by the Department during the year of account for goods/services which it has yet to provide. Note 2.8 should provide a brief explanation of deferred income provided for. Where there is more than one source of deferred income, an analysis of the significant components should be provided.

Matured liabilities

Note 2.13 sets out the estimate of matured liabilities not discharged at the end of the year.

The reference date for determining if a liability has matured is the earlier of

- a) the legal date for payment of the liability, being the date on which payment is due under the contract or
 - b) 30 days after the supplier has fulfilled their obligations in respect of the service or goods purchased and the invoice has been received.
- c) **Note 3** will be **Vote Expenditure** showing **explanations of variations** on outturn of expenditure versus original estimate provision for each programme subhead.

Variations from estimate provision

Note 3 provides explanations of variations on outturn versus original estimate provision.

Departments/Offices and Other Vote holders are required to explain the difference between the original estimate provision and the outturn in the first instance. In addition, information regarding supplementary estimates should also be provided.

A note is provided where the variation relative to the original estimate provision (including deferred capital funding) is:

- €100,000 or more; and
- represents 5% or more of the subhead (25% in the case of administration subheads); **or**
- represents a significant variation from the original estimate provision that does not meet the above criteria but which warrants explanation.

Departments are reminded that the explanations should be meaningful and should supplement rather than reiterate the information contained in the appropriation account. Departments are also required to provide an explanation where small variations at subhead level lead to a large variation at programme level.

The explanation should distinguish between the reason for the variation in the amount spent, and the funding implications e.g. under/over spend requires a supplementary estimate, or virement. Explanations should focus on price and volume factors that contributed to the under or overspend.

- d) **Note 4** will be **Receipts** in sub-notes as follows:
- 4.1 - Appropriations-in-Aid
 - 4.2 - Exchequer Extra Receipts

Appropriations in Aid

An explanation of variations in *Appropriations-in-Aid* should also be included.

Exchequer Extra Receipts

A breakdown/explanation is to be provided where the *Exchequer Extra Receipts (EERs)* are material in nature. Departments are required to disclose both the amounts lodged to the Exchequer and the amounts payable (amounts not yet transferred over), where the amounts are not the same. The source of the receipts should also be explained.

The amount reported by a Department for EERs transferred to the Exchequer should be reconcilable to the amount reported in the Department of Finance - Finance Accounts.

- e) **Note 5** will be **Staffing and Remuneration**. The first part of the note will give an overall view, providing figures in respect of a) total number of staff broken down into Department and agencies (with reference to the figure disclosed in the Revised Estimate) at year end, and b) total pay broken down into Department and agencies arising from the employment of staff disclosed under part a), as well as total allowances, overtime and employer PRSI.

This will be followed by sub-notes giving the details of allowances and overtime payments for Department and Agency staff. Payroll overpayments, performance and merit pay, severance and redundancy pay, special payments and other remuneration arrangements should be disclosed for Department staff only.

In cases where the Exchequer pay figure, as disclosed in the Revised Estimates, does not represent the totality of pay for the staff numbers disclosed under Note 5, a footnote to this effect should be provided.

A similar footnote is included in the Estimates, and the following indicative wording is proposed: *“These figures include a number of Non-Commercial State Agencies that are not in direct receipt of Exchequer funding but whose staff are included under Note 5”*.

Allowance and Overtime Payments

In the case of allowance and overtime payments, the details given in Note 5 include the total number of recipients of allowance and overtime payments in one or more categories, the number of individuals that received €10,000 or more and the maximum payment to an individual, if over €10,000. The figure required is the total payment to an individual who received allowance and overtime payments in more than one category i.e. the total of their combined extra remuneration, not the maximum figure in a single category. The aggregate amount paid to an individual under the various headings is set out in the “highest individual payment”.

Below are examples for each category:

- Higher allowances - costs relating to an acting up position;
- Special allowances - allowances relating to specific duties associated with the role;
- Additional duties - allowances relating to specific duties which may not be associated with the role e.g. key holder;
- Other allowances - anything else incidental to the function e.g. rent, uniform or boot allowances;

Salary / Pay Band Analysis

An analysis of salary / pay bands is to be provided in note 5 to the Appropriation Account. Each Department/Office should publish details of the number of employees whose total employee benefits for the reporting period fell:

- 1) Between €20,000 to €59,999 and
- 2) within each pay band of €10,000 from €60,000 upwards

The information to be provided in the bands will include:

- All employees of the Department whose total benefits exceed €20,000 during the course of the financial period.
- The number of the Departments staff whose total employee benefits will fall within the appropriate band between €20,000 to €59,999 and exceeding €60,000. For the avoidance of doubt, Board members, committee members and returning officers for example who are **not** employees of the Department/Office but whose benefits are processed through the Departments payroll, should not be included in the information provided.

Total employee benefits includes basic pay, allowances, overtime, excluding employer PRSI and employer pension costs.

Payroll Overpayments

Payroll overpayments should be included in Note 5 of the appropriation account. Only amounts of significant material value should be included. As a general guide, if total payroll overpayments for the year exceed €10,000 they should be disclosed in the note. The total overpayments at year-end and the number of overpayment cases this figure relates to should be disclosed. Comparative figures for the previous year 2019 should be provided to show any increase or decrease. The number of cases with recovery plans in place should also be disclosed.

Where a recovery plan is in place and a staff member transfers to another Government Department or civil service organisation the amount of the overpayment to be repaid to the Exchequer will transfer with the staff member and he or she will be required to repay the overpayment as provided for in the overpayment recovery plan to the new Department or civil service organisation. The number and value of the recovery plans transferred should be disclosed by the relevant Department in the year of transfer *e.g. X number of overpayment recovery plans in respect of X number of individuals to the value of €X were transferred to Department X in the year.*

Advance notice:

The appropriation account for 2023 will require disclosure of the movement in overpayments recoverable from beginning to end of the year to 31 December 2023 together with comparatives where these are available.

Severance Payments

Government Departments, Offices and Vote holders are required to meet the requirements of DPER Circular 09/2018 “*Consolidation of arrangements for the offer of severance terms in the civil and public service*” and to make the appropriate disclosure of severance payments in excess of €10,000 in their appropriation account by way of a note.

In addition to any severance payments made, the disclosure should include details, if any, of early payment of pension, the addition of added years of notional service, or any other enhancement to the accrued pension terms that has been granted.

Departments, Offices and other Vote holders are reminded of the need for appropriate disclosure of material severance payments in their appropriation account.

Remuneration and Benefits of Accounting Officer

A disclosure of the Accounting Officers total remuneration is to be provided in note 5 to the Appropriation Account.

The requirement is for a disclosure note to the financial statement including details of the total remuneration for the Accounting Officer including the total Gross Salary and taxable benefits (excluding employer's PRSI).

Total remuneration includes gross salary paid, allowances, performance-related pay and benefits in kind. It does not include employer pension contributions and the cash-equivalent transfer value of pensions.

The note to the financial statements should include the details of the Accounting Officers total employee benefits for the financial period. This note should include all taxable benefits, including termination benefits if relevant.

- f) **Note 6** will be "Miscellaneous"

Compensation and legal costs

This note sets out the costs incurred by a Vote in 202X in respect of legal costs and compensation awards made to those who have taken legal action(s) against the Department/office concerned. The note distinguishes between different types of claims (where applicable), and provides a breakdown of the various types of cost incurred as well as compensation paid. Corresponding costs for 202(X-1) are also provided.

The note is broken-down into 2 distinct parts

- a) Details of Legal Costs paid out by the Vote/Department directly or to reimburse the State Claims Agency.
- b) Details of the cumulative total costs of Legal Cases finalised in the year of Account.

Details of legal costs paid by the Chief States Solicitors Office (CSSO) for cases paid out on behalf of Departments are reported on in the Appropriation Account of the CSSO.

A) Details of Legal Costs paid out by the Vote/Department directly or to reimburse the State Claims Agency

The components of the legal costs in respect of cases in which the Department is or was involved should be disclosed. This does not include the cost of legal advice provided outside of legal proceedings e.g. in context of development of policy or legislation. If the Department is represented in legal proceedings (other than the Chief State Solicitor's Office), the costs incurred in relation to these cases are included in the table.

In cases where cumulative legal costs incurred in the year of account exceed €50,000 (i.e. in situations where legal costs, in total, have exceeded €50,000, or where a single case exceeds €50,000), the note, to be provided, outlines the breakdown of the total costs into:

- Departments own Legal Costs (Legal Costs paid by Department)
- Compensation awarded / paid by the Department
- Legal costs paid by the Department to other parties involved (Legal costs awarded against the Department);
- Other Costs paid by the Department to other parties (i.e. agency fees, investigator fees and medical fees etc.)

B) Details of the cumulative total costs of Legal Cases finalised in the year of Account.

In cases where cumulative total legal costs incurred over the term of the case exceed €50,000 (i.e. in situations where legal costs, in total, have exceeded €50,000, or where a single case exceeds €50,000), the note, to be provided, outlines the breakdown of the total costs into:

- The total number of cases completed
- Departments own Legal Costs (Legal Costs paid by Department)
- Compensation awarded / paid by the Department
- Legal costs paid by the Department to other parties involved (Legal costs awarded against the Department);
- Other Costs paid by the Department to other parties (i.e. agency fees, investigator fees and medical fees etc.)

Arbitration and Conciliation Costs

A note is required for costs arising from arbitration and conciliation proceedings. The total expenditure relating to arbitration and conciliation should be shown for the year of account and the prior year. The total number of cases for both years should be included in the note.

Late Payments

In the case of interest and compensation payments under the Late Payment in Commercial Transactions Regulations, 2012, information is supplied in Note 6 where:

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

Fraud or Suspected Fraud

In the case of Departmental losses due to fraud, suspected fraud or suspected irregularities, information is supplied in Note 6 where:

- the total of losses during the accounting period were €10,000 or more; or
- an individual loss was €10,000 or more; or
- for losses under €10,000, a serious issue of principle arises; or
- where the Comptroller and Auditor General or the Department of Public Expenditure and Reform considers that a disclosure should be made.

National Lottery

The National Lottery note should give the total amount(s) of payments made to promoters of National Lottery funded eligible charities. The note should indicate that these payments may have been part funded by the National Lottery and that a list(s) of grants provided are available on the relevant Department website.

EU Funding

The outturn shown in Subheads X.1 and X.2 includes payments in respect of activities which are co-financed by the ERDF and Y1 which is co-financed by the EU.

Commissions and Special Inquiries

Where appropriate, Note 6 should include a statement of expenditure on each Commission or Special Inquiry financed from the Vote. A distinction is made between permanent commissions, and those established on a temporary basis for a fixed purpose.

For permanent commissions, expenditure in the year of account and prior year should be shown. In the case of temporary commissions or special inquiries, the date of establishment and cumulative expenditure from the date of establishment should be shown.

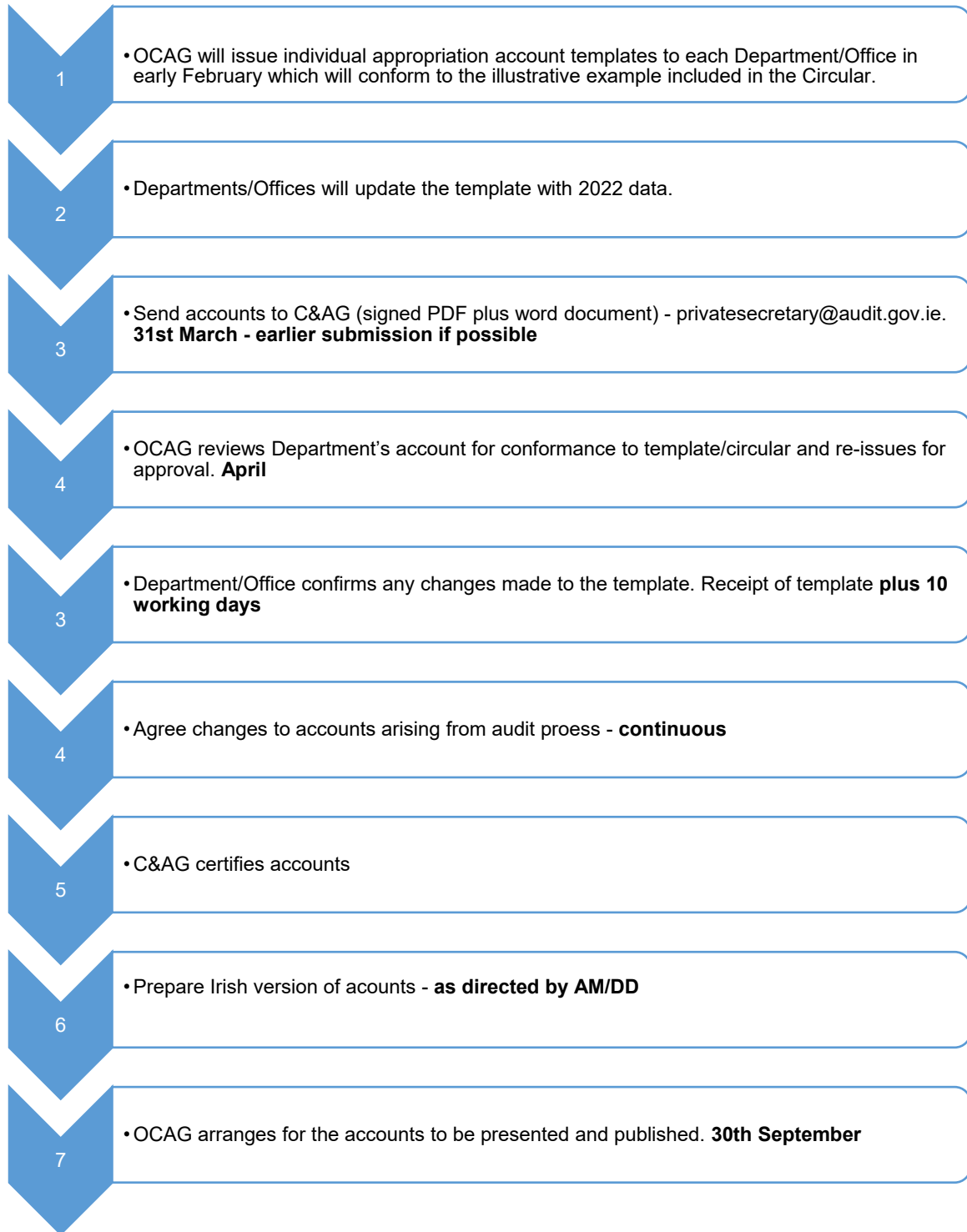
Grant Funds and Miscellaneous Accounts

Where relevant, accounts of grant funds (previously grant-in-aid funds) financed from the Vote and of other miscellaneous accounts may be presented in Note 6.

Deferred Surrender

Where relevant, deferred surrender that is to be carried over into the subsequent financial year should be listed in Note 6, outlining the savings in the individual subheads.

Appropriation Account Audit Process



Appropriation Account 2022

Vote X

Illustrative example

Introduction

As Accounting Officer for Vote X, 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 2022 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.

The expenditure outturn is compared with the sums:

- (a) granted by Dáil Eireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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

The Statement of Accounting Policies and Principles and notes x to x 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 2022, have been applied in the preparation of the account.¹

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 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.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department/Office and the National Shared Service Office for the provision of (e.g. HR) shared service.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department/Office.

¹ Any departures from the standard Statement of Accounting Policies and Principles should be highlighted here.

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.
- 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 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.

Internal Audit and Audit Committee

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.

Procurement

I confirm that the Department/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 Department/Office has provided details of xx non-competitive contracts in the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of XX contracts (in excess of €25,000), totalling €XXX (ex. VAT) in 20XX as set out below:

- X contracts with a value of €XX were (insert reason)
- X contracts with a value of €XX were (insert reason)

The above contracts have been included in the 40/2002 annual return referenced above.

(Include text here explaining why the contracts were not in compliance and the steps being taken to remedy the situation)

Risk and Control Framework

The department 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 department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Advisory Committee (MAC)/ Risk Committee [delete as appropriate] on a [insert timeframe e.g. quarterly] 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 MAC/RC, 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 department has procedures to monitor the effectiveness of its risk management and control procedures. The department'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 department 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 2022 that require disclosure in the appropriation account.

Or

Where weaknesses in internal financial control were identified, provide details a description of the action taken, or intended to be taken, to correct the weaknesses, or an explanation of why no action is considered necessary.

Covid-19 Control Issues

Assessments of the impact of Covid-19 were carried out and the results are as follows.....

Name

Accounting Officer
Department/Office

Date

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote X Department/Office

Vote X Department/Office Appropriation Account 2022

	Estimate provision		2022	2021
			Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A XXXX				
B XXXX				
C XXXX				
	<i>Current year provision</i>			
	<i>Deferred surrender</i>			
	Gross expenditure			
	<i>Current year provision</i>			
	<i>Deferred surrender</i>			
	<i>Deduct</i>			
D Appropriations-in-aid				
	Net expenditure			
	<i>Current year provision</i>			
	<i>Deferred surrender</i>			

Surplus

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

Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €XX of unspent allocations in respect of the capital elements of Subhead X was carried forward to 2023.

	2022	2021
	€	€
Surplus		
Deferred surrender		
Surplus to be surrendered		

Name

Accounting Officer

Department/Office

Date

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

	2022	2021
	€000	€000
Programme cost		
Pay		
Non pay		
Gross expenditure	_____	_____
<i>Deduct</i>		
Appropriations-in-aid	_____	_____
Net expenditure		
Changes in capital assets		
Purchases cash		
Depreciation		
Disposals cash		
Profit on disposal	_____	
Changes in net current assets		
Decrease in closing accruals		
Increase in stock	_____	
Direct expenditure	_____	_____
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)		
Notional rents	_____	_____
Net programme cost		

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote X borne elsewhere, net of costs of shared services provided to other Votes.

	2022	2021
	€000	€000
Vote 9 Office of the Revenue Commissioners		
Vote 12 Superannuation and Retired Allowances		
Vote 13 Office of Public Works		
Vote 18 National Shared Services Office		
Central Fund – Ministerial pensions	_____	_____
Costs of shared services provided to other Votes	_____	_____
	_____	_____

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1		
Current assets			
Bank and cash	2.2		
Inventories	2.3		
Prepayments	2.4		
Other debit balances	2.5		
Accrued income	2.6		
Total current assets			
Less current liabilities			
Accrued expenses	2.7		
Deferred income	2.8		
Other credit balances	2.9		
Net Exchequer funding	2.10		
Total current liabilities			
Net current assets			
Net assets			
Represented by:			
State funding account	2.11		

2.1 Capital assets^a

	Equipment	Furniture and fittings	Office equipment	Assets under development	Total
	€000	€000	€000	€000	€000
Gross assets^b					
Cost or valuation at 1 January 2022					
Additions					
Disposals					
Adjustments					
Cost or valuation at 31 December 2022					
Accumulated depreciation					
Opening balance at 1 January 2022					
Depreciation for the year					
Depreciation on disposals					
Adjustments					
Cumulative depreciation at 31 December 2022					
Net assets at 31 December 2022					
Net assets at 31 December 2021					

General information note(s)

^a State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.

^b Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances and cash		
Commercial bank account balance		

Other Commercial Bank Accounts

The Department holds X number of commercial bank accounts. Moneys in these accounts are managed and administered by the Department on behalf of X for X reasons. No moneys due to or paid from the vote are transmitted through these bank accounts. The amount held at the end of 2022 is €X and is not included in the account (2021: €X).

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Goods purchased and held for resale/ distribution/provision of service		
Equipment and spares		
Consumables		

2.4 Prepayments

at 31 December	2022	2021
	€000	€000
Software support		
Estate management		
Administration		
Other Prepayments		

2.5 Other debit balances

at 31 December	2022	2021
	€000	€000
Recoupable salaries		
Recoupable travel expenditure		
Travel imprests		
Recoupable travel pass scheme expenditure		
Other debit suspense items		

2.6 Accrued income

at 31 December	2022	2021
	€000	€000
EAFRD funding due from the EU		
Foreshore licences		
Administration expenses		
Due for services		

2.7 Accrued expenses

at 31 December	2022	2021
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11 Appropriation Account 2022

	€000	€000
IT services and support		
Specific programme accruals		
Administration expenses		
Other Accruals		

2.8 Deferred income

at 31 December	2022	2021
	€000	€000
Foreshore licences		
Deposits on services to be provided in 2023		
Employment permit fees		
Rental income		
Fee income received in advance		

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Income Tax		
Pay Related Social Insurance		
Professional Services Withholding Tax		
Value Added Tax		
Pension contributions		
Local Property Tax		
Universal Social Charge		
Payroll deductions held in suspense		
Recoupable salaries		
Other credit suspense items		

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered		
Deferred surrender		
Exchequer grant undrawn		
Net Exchequer funding		
Represented by:		
Debtors		
Bank and cash		
Debit balances: suspense		
Creditors		
Due to State		
Credit balances: suspense		

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January			
Disbursements from the Vote			
Estimate provision	Account		
Deferred surrender	Account		
Surplus to be surrendered	Account		
Net vote			
Expenditure (cash) borne elsewhere	1.1		
Non cash items – capital assets adjustment			
Non cash items – depreciation			
Non cash expenditure – notional rent	1		
Net programme cost	1		
Balance at 31 December			

2.12 Commitments

at 31 December	2022	2021
a) Global commitments	€000	€000
Procurement of goods and services		
Non-capital grant programmes		
Capital grant programmes		
Capital projects		
Public Private Partnership projects		

at 31 December	2022	2021
b) Non-capital grant programmes	€000	€000
Opening balance		
Grants paid in year		
New grant commitments		
Grants cancelled		
Closing balance		

at 31 December	2022	2021
c) Capital grant programme	€000	€000
Opening balance		
Grants paid in year		
New grant commitments		
Grants cancelled		
Closing balance		

d) Major capital projects

	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
Capital project (title)					
Capital project (title)					

Increase/Decrease in expected total spend
Explanation for variance

2.12 Commitments (continued)

e) Unitary payments of Public Private Partnership projects

Name of PPP project	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Legally enforceable commitments to be met in subsequent years	Project total 2022	Project total 2021
	€000	€000	€000	€000	€000
PPP project (title)					
PPP project (title)					

Increase/Decrease in expected total spend

Explanation for variance

2.13 Matured liabilities

at 31 December	2022	2021
	€000	€000
Estimate of matured liabilities not discharged at year end		

2.14 Contingent liabilities

The Department/Office has contingent liabilities estimated at €X (2021: €X) relating to X.

Note 3 Vote Expenditure

Analysis of administration expenditure

	2022		2021
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i	Salaries, wages and allowances		
ii	Travel and subsistence		
iii	Training and development and incidental expenses		
iv	Postal and telecommunications services		
v	Office equipment and external IT services		
vi	Office premises expenses		
vii	Consultancy and other services		

Significant variations

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

i. Salaries, wages and allowances

Estimate provision: €Xm, outturn: €Ym

The increase /decrease of €Zm on expenditure on salaries, wages and allowances was due to...

ii. Travel and subsistence

Estimate provision: €Xm, outturn: €Ym

The increase /decrease of €Zm on expenditure on travel and subsistence was due to...

iii. Training and development and incidental expenses

Estimate provision: €Xm, outturn: e.g. €Ym

The increase/decrease of €Zm on expenditure on training and development and incidental expenses was due to...

Programme A XXXX

		2022	2021
		Estimate provision	Outturn
		€000	€000
A.1	Administration – pay		
A.2	Administration – non pay		
A.3	XXXX		
A.4	XXXX		
A.5	XXXX		

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €XX million higher/lower than (originally) provided. €Xm of this related to administration expenditure and has already been explained and the balance of the variance of €Xm was mainly due to the following:

A.3 XXXX

Estimate provision: €Xm, outturn: €Ym

The increase in expenditure of €Zm relative to the estimate provision was due to ...

OR

A.4 XXXX

Estimate provision: €Xm, outturn: €Ym

The shortfall in expenditure of €Zm relative to the estimate provision was due to ...

Programme B XXXX

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
B.2	Administration – non pay			
B.3	XXXX			
B.4	XXXX			

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €XX million higher/lower than (originally) provided. €Xm of this related to administration expenditure and has already been explained and the balance of the variance of €Xm was mainly due to the following:

(Present as per Programme A)

Programme C XXXX

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
C.2	Administration – non pay			
C.3	XXXX			

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €XX million higher/lower than (originally) provided. €Xm of this related to administration expenditure and has already been explained and the balance of the variance of €Xm was mainly due to the following:

(Present as per Programme A)

4 Receipts

4.1 Appropriations-in-aid

	2022		2021
	Estimated €000	Realised €000	Realised €000
1. Recoupment of certain expenses			
2. Receipts from pension-related deductions on public service remuneration			
3. Miscellaneous			
Total			

Significant variations

The following outlines the reasons for significant variations in appropriations-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €Xm higher/lower than originally forecast.

Explanations for variances are set out below:

1. *Recoupment of certain expenses*
Estimate provision: €Xm, realised: €Ym
The increase /shortfall of €Zm was due to...

3. Miscellaneous
Estimate provision: €Xm, realised: €Ym
The increase /shortfall of €Zm was due to...

4.2 Extra receipts payable to the Exchequer

	2022 €000	2021 €000
Balance at 1 January		
Collected		
Transferred to the Exchequer		
Balance at 31 December		

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Department		
Agencies		
Total		

5.2 Pay

Remuneration of Department staff	2022 €000	2021 €000
Pay		
Higher, special or additional duties allowances		
Other allowances		
Overtime and extra attendances		
Employer's PRSI		
Total pay ^a		

Note ^a The total pay figure is distributed across subheads A.1, B.1 and C.1.

Remuneration of Agency staff	2022 €000	2021 €000
Pay		
Higher, special or additional duties allowances		
Other allowances		
Overtime and extra attendances		
Employer's PRSI		
Total pay ^a		

Note ^a The total pay figure is distributed across subheads A.1, B.1 and C.1.

5.3 Allowances and overtime payments – Department^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances				
Overtime and extra attendance				
Shift and roster allowances				
Miscellaneous				
Extra remuneration in more than one category				
Note		^a	the pay, allowances and other remuneration details above relate to the Department's staff paid directly from the Vote under programmes A to X	

5.3 Allowances and overtime payments – Agencies

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022	2021
			€	€
Higher, special or additional duties allowances				
Overtime and extra attendance				
Shift and roster allowances				
Miscellaneous				
Extra remuneration in more than one category				

5.4 Department employee pay bands

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

Pay band		Number of employees	
From	To	2022	2021
€ 20,000	€ 59,999		
€ 60,000	€ 69,999		
€ 70,000	€ 79,999		
€ 80,000	€ 89,999		
€ 90,000	€ 99,999		
€ 100,000	€ 109,999		
€ 110,000	€ 119,999		
€ 120,000	€ 129,999		
€ 130,000	€ 139,999		
€ 140,000	€ 149,999		
€ 150,000	€ 159,999		
€ 160,000	€ 169,999		
€ 170,000	€ 179,999		
€ 180,000	€ 189,999		
€ 190,000	€ 199,999		
€ 200,000	€ 209,999		
€ 210,000	€ 219,999		
€ 220,000	€ 229,999		
€ 230,000	€ 239,999		
€ 240,000	€ 249,999		
€ 250,000	€ 259,999		
€ 260,000	€ 269,999		
€ 270,000	€ 279,999		
€ 280,000	€ 289,999		
€ 290,000	€ 299,999		
€ 300,000	€ 309,999		
€ 310,000	€ 319,999		

5.5 Other remuneration arrangements

Y retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €X. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €X in respect of Z officers who were serving outside the Department for all or part of 2022 and whose salaries were paid by the Department.

This account does not include expenditure in respect of Z officers who were serving outside the Department for all or part of 2022 in other Government Departments/Offices and whose salaries were not recouped by the Department.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022	2021
		€	€
Overpayments ^a			
Recovery plans in place			

xx overpayment recovery plans in respect of xx individuals to the value of €xx were transferred to xx government departments/offices in 2022.

Note ^a

5.7 Severance/Redundancy

During 2022, one staff member whose employment was terminated, was paid a redundancy payment of €X and severance payments totalling €X.

In addition to any severance payments made, the disclosure should include details, if any, of early payment of pension, the addition of added years of notional service, or any other enhancement to the accrued pension terms that has been granted.

E.g. X number of X grade retiring received severance payments and enhancement to their pension arrangements as follows:

Grade	Severance payment	Added Years of notional service	Early payment of pension with no actuarial reduction (years)
	€		
Grade 1			
Grade 2			
Total			

5.8 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows:

	2022	2021
	€'000	€'000
Basic pay		
Benefit in Kind (BIK)		
Allowances		

The BIK amount relates to the provision of [a car/other – specify]. It is not a paid allowance and does not increase the overall gross pay. The calculated value of for the purpose of deducting tax, specified above, is in accordance with Revenue requirements.

The Accounting Officer is a member of XX pension scheme and his/her entitlements in that regard do not extend beyond the terms of the model public service pension scheme. The value of retirement benefits earned in the period is not included above.

Note 6 Miscellaneous

6.1 Committees, Commissions and Special Inquiries

	2022	2021
	€000	€000
Permanent commission [Name of commission/tribunal]	_____	_____
	=====	=====

	Year of appointment	Cumulative expenditure to the end of 2022 €000	2022 €000	2021 €000
Fixed purpose commission [name of commission/tribunal] ^a			_____	_____
			=====	=====

Note a There will be further payments associated with the x etc...

6.2 Compensation and legal costs –**Payments/costs paid by the Department in the year**

	Claims by			Total 2022	Total 2021
	employees	members of the public			
	Personal injuries ^a	Personal Injuries ^c	Loss or damage	€000	€000
Number of cases	€000	€000	€000	€000	€000
Department's own legal costs					
Payments by/on behalf of Department					
Compensation					
Legal costs					
Other costs					
2022 Total					
2021 Total					
Notes	a	b	c	d	e

Cumulative costs of cases completed in 2022

	Claims by			Total
	employees	members of the public		
	Personal injuries ^a	Personal Injuries ^c	Loss or damage	€000
Number of cases	€000	€000	€000	€000
Department's own legal costs				
Payments by/on behalf of Department				
Compensation				
Legal costs				
Other costs				
Total				

6.3 Fraud and suspected fraud

	Number of cases	2022	2021
		€000	€000
Fraud			
Suspected fraud			

In the period between the signature of the appropriation account and the final appropriation account, the Department/Office was made aware of X number of new cases of suspected fraud/irregularities. Of these, X cases have a combined value of €X. X remain under investigation and no value has yet been identified.

6.4 National lottery funding

	2022	2022	2021
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead			
X.1 Payments to promoters of certain National Lottery funding			
X.2 Eligible charities part funded by the National Lottery.			

6.5 EU Funding

The outturn shown in Subheads X.1 and X.2 includes payments in respect of activities which are co-financed by the ERDF and Y1 which is co-financed by the EU. Estimates of expenditure and actual outturns were as follows:

	2022	2022	2021
	Estimate	Outturn	Outturn
	€000	€000	€000
Subhead Description			
X.1 Structural Funds Technical Assistance and other costs			
X.2 Technical Assistance costs of Regional Assemblies (grant-in-aid)			
Y.1 Peace Programme/Northern Ireland INTERREG			

6.6 Deferred Surrender

Deferred surrender comprises savings in 2022 of €xxm in capital expenditures in the following subheads that were carried over to 2023.

	€000
A.x Description of Subhead	
B.x	
C.x	
D.x	
	<hr/>
	<hr/>

Appendix A

State-owned lands and buildings controlled or managed by the Department which do not have valuations

- 1 Property A
 - 2 Park B
 - 3 Property C
 - 4 Park D
-

Appendix B Accounts of bodies and funds under the aegis of the Department/Office of X

The following table lists the bodies under the aegis of the Department/ where the Minister has a legislative obligation to arrange for a copy of the financial statements/accounts to be laid before each House of the Oireachtas . It indicates, [as at the account signing date], the period to which the last audited financial statements relate and the period in which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
E.g. Higher Education Authority	31 December 2022	28 Jun 2023	1 Jul 2023	3 Aug 2023