

**Appropriation Account 2019**

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**Vote 19**

**Office of the Ombudsman**

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## Introduction

As Accounting Officer for Vote 19, I am required each year to prepare the appropriation account for the Vote and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2019 for the salaries and expenses of the Office of the Ombudsman, the Office of the Commission for Public Service Appointments, the Standards in Public Office Commission, the Office of the Information Commissioner and the Office of the Commissioner for Environmental Information.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2019 including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €1.716 million is liable for surrender to the Exchequer.

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

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

### *Depreciation*

Software licences are depreciated on a straight line basis at a rate of 33% per annum.

## Statement on Internal Financial Control

### *Responsibility for system of internal financial control*

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

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

### *Shared services*

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Service Office (NSSO) for the provision of shared services.

I rely on a letter of assurance from the Accounting Officer for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Office. The NSSO does not regard itself as a data controller in respect of the information it is processing.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting, internal audit and risk management 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.
- The Office uses the Performance Management and Development System (PMDS), inter alia, for identifying staff training needs, including financial management and accounting skills. The required training is then organised or sourced as appropriate.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

***Administrative controls and management reporting***

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

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office. Risk management is increasingly integral to the Office's strategic and business processes. This is brought about through risk registers, strategic and business plans and individual PMDS targets
- there are systems aimed at ensuring the security of the ICT systems. The Office has in place modern computer desktop hardware and software, which is available to all staff. Servers, networks and systems, back-up and firewall facilities are also in place. I am satisfied that our ICT system is fit for purpose and is functioning effectively.
- there are appropriate capital investment control guidelines and formal project management disciplines.

***Procurement compliance***

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Office complied with the relevant guidelines with the exception of one contract to the value of €33,341 which was listed in my annual return in respect of Circular 40/2002. However, this concerns a case in which a contract for cleaning services had previously been in place, following a competitive tendering process, but this was continued after expiry as the Office had to relocate premises in December 2019.

***Internal audit and Audit Committee***

I confirm that the Office has an internal audit function, which is externally outsourced, with appropriately trained personnel. The internal audit unit operates under a charter which was approved in 2016. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

***Risk and control framework***

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

A risk register is in place which identifies the key risks facing the Office and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Team on a 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 assigns responsibility for operation of controls to specific staff.

***Ongoing monitoring and review***

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

***Review of effectiveness***

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

***Internal financial control issues***

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

**Elaine Cassidy**  
Accounting Officer  
Office of the Ombudsman

31 March 2020

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 19 Office of the Ombudsman**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 19 Office of the Ombudsman for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 19 Office of the Ombudsman for the year ended 31 December 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### ***Basis of opinion***

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

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

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

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

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General

27 May 2020

## Vote 19 Office of the Ombudsman

### Appropriation Account 2019

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A Ombudsman function/Office of the Commission for Public Service Appointments	6,648	5,975	5,496
B Standards in Public Office Commission	2,234	1,722	1,610
C Office of the Information Commissioner/ Office of the Commissioner for Environmental Information	3,292	2,721	2,623
<b>Gross expenditure</b>	<b>12,174</b>	<b>10,418</b>	<b>9,729</b>
<i>Deduct</i>			
D Appropriations-in-aid	456	416	426
<b>Net expenditure</b>	<b>11,718</b>	<b>10,002</b>	<b>9,303</b>

#### Surplus

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

	2019	2018
	€	€
<b>Surplus to be surrendered</b>	<b>1,716,274</b>	<b>1,874,057</b>

**Elaine Cassidy**  
Accounting Officer  
Office of the Ombudsman

31 March 2020

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Pay	7,903	7,327
Non pay	2,515	2,402
<b>Gross expenditure</b>	<b>10,418</b>	<b>9,729</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>416</b>	<b>426</b>
<b>Net expenditure</b>	<b>10,002</b>	<b>9,303</b>
<b>Changes in capital assets</b>		
Purchases cash	(434)	
Depreciation	498	
Profit on disposals	14	78
	78	43
<b>Changes in net current assets</b>		
Decrease in closing accruals	(207)	
Increase in stock	5	(202)
	(202)	(63)
<b>Direct expenditure</b>	<b>9,878</b>	<b>9,283</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	2,633	2,475
<b>Net programme cost</b>	<b>12,511</b>	<b>11,758</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 19 borne elsewhere.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	30	23
Vote 12 Superannuation and Retired Allowances	1,262	1,287
Vote 13 Office of Public Works	1,328	1,153
Vote 18 National Shared Services Office	13	12
	<b>2,633</b>	<b>2,475</b>

## Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
<b>Capital assets</b>	2.1	942	1,021
<b>Current assets</b>			
Stocks		7	12
Other debit balances		49	40
Prepayments		328	133
Net Exchequer funding	2.4	233	37
<b>Total current assets</b>		617	222
<b>Less current liabilities</b>			
Bank and cash	2.2	9	(294)
Accrued expenses		35	48
Other credit balances	2.3	273	371
<b>Total current liabilities</b>		317	125
<b>Net current assets</b>		300	97
<b>Net assets</b>		<b>1,242</b>	<b>1,118</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.5	<b>1,242</b>	<b>1,118</b>

**2.1 Capital assets**

	IT equipment	Furniture and fittings	Office equipment	Capital assets under development	Total
	€000	€000	€000	€000	€000
<b>Gross assets</b>					
Cost or valuation at 1 January 2019	2,515	436	113	21	3,085
Additions	405	—	2	27	434
Disposals	(179)	(436)	(57)	—	(672)
Brought into use	29	—	—	(29)	—
Cost or valuation at 31 December 2019	2,770	—	58	19	2,847
<b>Accumulated depreciation</b>					
Opening balance at 1 January 2019	1,544	423	97	—	2,064
Depreciation for the year	491	—	7	—	498
Depreciation on disposals	(177)	(423)	(57)	—	(657)
Cumulative depreciation at 31 December 2019	1,858	—	47	—	1,905
<b>Net assets at 31 December 2019</b>	<b>912</b>	<b>—</b>	<b>11</b>	<b>19</b>	<b>942</b>
Net assets at 31 December 2018	971	13	16	21	1,021

**2.2 Bank and cash**

at 31 December	2019 €000	2018 €000
PMG balances and cash	(9)	287
Other bank account balance	—	7
	<b>(9)</b>	<b>294</b>

**2.3 Other credit balances**

at 31 December	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Income tax	126	117
Pay related social insurance	65	58
Professional services withholding tax	19	15
Pension contributions	26	22
	236	212
Payroll deductions held in suspense	30	29
Other credit suspense items	7	130
	<b>273</b>	<b>371</b>

**2.4 Net Exchequer funding**

at 31 December	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	1,716	1,874
Exchequer grant undrawn	(1,949)	(1,911)
Net Exchequer funding	<b>(233)</b>	<b>(37)</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Debit balances: suspense	49	40
	49	40
<b>Creditors</b>		
Bank and cash	(9)	294
Due to State	(236)	(212)
Credit balances: suspense	(37)	(159)
	(282)	(77)
	<b>(233)</b>	<b>(37)</b>

## 2.5 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		1,118	1,098
Disbursements from the Vote			
Estimate provision	Account	11,718	
Surplus to be surrendered	Account	(1,716)	
Net vote		10,002	9,303
Expenditure (cash) borne elsewhere	1.1	2,633	2,475
Net programme cost	1	(12,511)	(11,758)
<b>Balance at 31 December</b>		<b>1,242</b>	<b>1,118</b>

## 2.6 Commitments

at 31 December	2019	2018
	€000	€000
Procurement of goods and services	<b>267</b>	<b>322</b>

## 2.7 Contingent liability

The Standards in Public Office Commission is liable to pay an applicant's reasonable legal costs, subject to taxing, arising from the settlement of a judicial review case taken against the Commission.

In a further case, a High Court appeal was taken against a decision of the Office of the Commissioner for Environmental Information. An order of the High Court dated November 2019 gives effect to the agreement reached between the parties through which the case has been remitted back to the Office for fresh consideration together with an order that the Office is liable for the appellant's legal costs.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,029	7,903	7,327
ii	Travel and subsistence	61	72	57
iii	Training and development and incidental expenses	398	334	393
iv	Postal and telecommunications services	42	42	40
v	Office equipment and external IT services	1,044	938	816
vi	Office premises expenses	406	152	107
vii	Consultancy services and value for money and policy reviews	434	488	314
viii	Legal fees	750	489	675
ix	Referendum Commission	10	—	—
		<b>12,174</b>	<b>10,418</b>	<b>9,729</b>

### Significant variations

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

#### vi Office premises expenses

*Estimate provision: €406,000, outturn: €152,000*

The underspend of €254,000 is in respect of a contingency put in place in the event that furniture related costs arising from the Office relocation of premises in December 2019 had to be met from the Ombudsman Vote. The OPW agreed to meet most of this cost from its vote and therefore this amount was not required.

#### viii Legal fees

*Estimate provision: €750,000, outturn: €489,000*

The underspend of €261,000 is due to it being very difficult to accurately estimate legal fees. There is a right to appeal decisions under freedom of information and environmental information legislation to the High Court on a point of law. Legal fees can be difficult to predict as they are dependent on the number and timing of court cases and further appeals to higher courts.

### Programme A Ombudsman function/ Office of the Commission for Public Service Appointments

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	5,388	4,953	4,579
A.2	Administration – non pay	1,260	1,023	917
		<b>6,648</b>	<b>5,976</b>	<b>5,496</b>

### Programme B Standards in Public Office Commission

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	1,450	1,062	988
B.2	Administration – non pay	784	660	622
		<b>2,234</b>	<b>1,722</b>	<b>1,610</b>

### Programme C Office of the Information Commissioner/ Office of the Commissioner for Environmental Information

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	2,191	1,888	1,760
C.2	Administration – non pay	1,101	832	863
		<b>3,292</b>	<b>2,720</b>	<b>2,623</b>

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	2019		2018
	Estimated €000	Realised €000	Realised €000
1 Fixed payment fines under section 21 of the Regulation of Lobbying Act 2015	72	49	87
2 Receipts from additional superannuation contributions on public service remuneration <sup>a</sup>	364	298	322
3 Miscellaneous	20	69	17
<b>Total</b>	<b>456</b>	<b>416</b>	<b>426</b>

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

### 4.2 Extra receipts payable to the Exchequer

	2019 €000	2018 €000
Balance at 1 January	—	—
Collected	12	3
Transferred to the Exchequer	(4)	(3)
<b>Balance as at 31 December</b>	<b>8</b>	<b>—</b>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end	132	125

### 5.2 Pay

	2019	2018
	€000	€000
Pay	7,312	6,815
Higher, special or additional duties allowance	24	20
Overtime and extra attendance	22	13
Employer's PRSI	545	479
<b>Total pay</b>	<b>7,903</b>	<b>7,327</b>

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Higher, special or additional duties	4	1	10,913	10,913
Overtime and extra attendance	28	—	3,633	4,576
Extra remuneration in more than one category	3	—	8,327	9,269

### 5.4 Other remuneration arrangements

This account does not include expenditure in respect of three officers who were serving outside the Office for part of 2019 in other Government Departments/Offices and whose salaries were not recouped by the Office.

## Note 6 Miscellaneous

### 6.1 Recoupment of legal costs

There were two separate cases in which costs were awarded in favour of the Standards in Public Office Commission with regard to successful defences of judicial review cases taken by a councillor and a former county councillor against the Commission concerning investigations it was undertaking. Efforts by the Commission to recover these costs are ongoing.

### 6.2 Compensation and legal costs

					2019	2018 <sup>a</sup>
	Number of cases	Legal costs paid by Office €000	Compensation awarded €000	Legal costs awarded €000	Total €000	Total €000
<b>Claims by Members of the public</b>						
Office of the Ombudsman	1	23	—	—	23	—
Commission for Public Service Appointments	—	—	—	—	—	67
Office of the Information Commissioner	21	236	—	—	236	277
Office of the Commissioner for Environmental Information	12	86	—	20	106	156
Standards in Public Office Commission	3	66	—	—	66	52
	<b>37</b>	<b>411</b>	<b>—</b>	<b>20</b>	<b>431</b>	<b>552</b>

Note <sup>a</sup> Figures have been restated to account for court cases for which expenditure was incurred in 2018.