

4 Vote Accounting and Budget Management

- 4.1 Dáil Éireann provides money for the services of government departments and offices by
- approving estimates of receipts and expenditure for those services in the course of each year
 - giving statutory effect to the estimates in an annual Appropriation Act.
- 4.2 Expenditure is provided for under 'votes', with one or more votes covering the functions of each department or office. The first part of the estimate for each vote (referred to as the ambit) provides an outline of the services to be financed. The ambit is incorporated in the annual Appropriation Act and so represents the purposes for which funds have been authorised by Dáil Éireann.
- 4.3 At the end of each financial year, each department and office is required to prepare an account, known as the appropriation account, for each voted service administered by it. The statutory requirement is for the appropriation account to report the outturn for the year compared with the amount provided by Dáil Éireann.

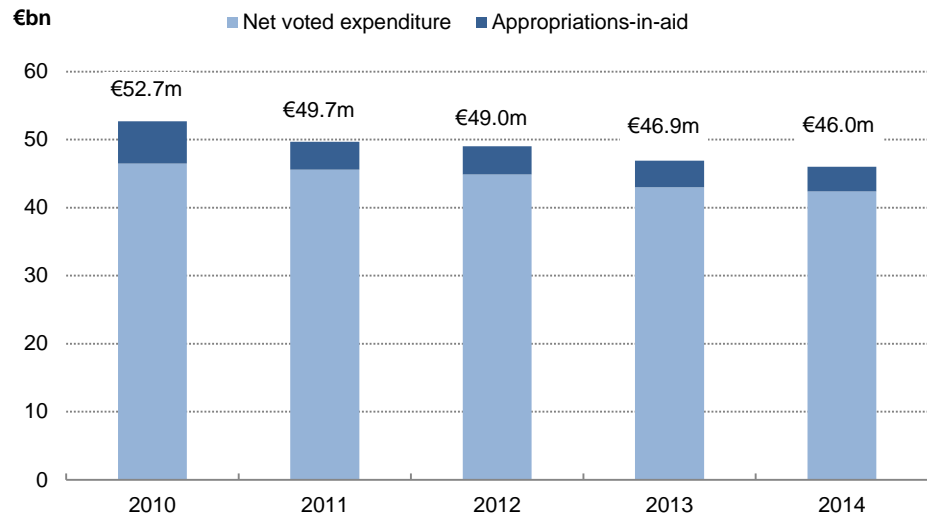
Results of 2014 Audits of Appropriation Accounts

- 4.4 Audits of the 2014 appropriation accounts for all votes have been completed. Each account, together with the related audit report, is being presented to Dáil Éireann with this report.
- 4.5 A summary of the amounts appropriated in 2014 for voted public services is included in Annex A (Figure A1). The outturn for the year is also shown, together with the surplus of appropriations over expenditure.
- 4.6 The final amount appropriated for public services in 2014 was €46.4 billion. This comprised supply grants of €42.7 billion, capital funding carried over from 2013 totalling €132 million and appropriations-in-aid of €3.6 billion.

Vote Outturn

- 4.7 Aggregate expenditure and appropriations-in-aid of all votes for the years 2010 to 2014 are summarised in Figure 4.1. The total amount spent by departments and offices in 2014 was €46 billion. After deduction of realised appropriations-in-aid totalling €3.6 billion, the net expenditure in the year was €42.4 billion.

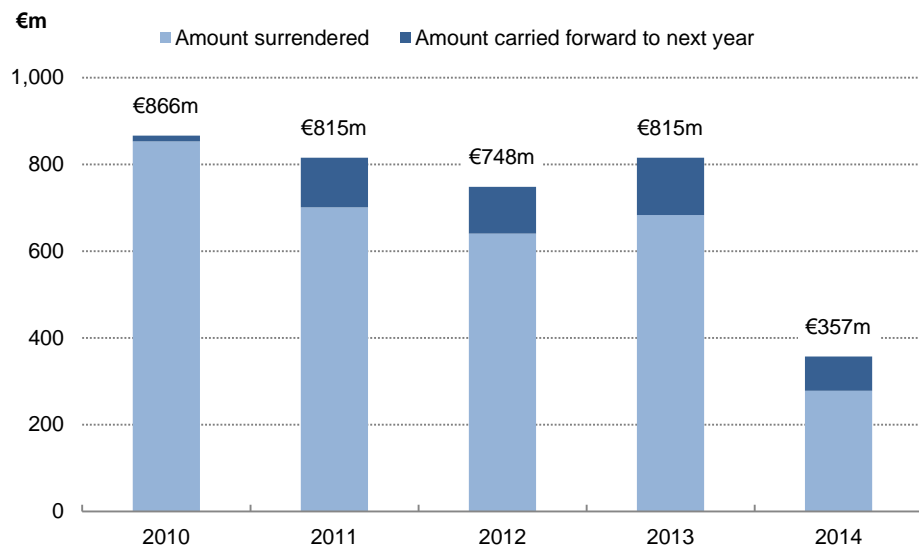
Figure 4.1 Vote outturn, 2010 to 2014



Source: Reports on the Accounts of the Public Services, 2010 to 2014, Annex A

- 4.8** Departments and offices are not permitted to spend more than the amount appropriated for each vote. When the expenditure in the year is less than the amount provided, the surplus is liable to be surrendered to the Exchequer.
- 4.9** All departments and offices managed within their overall voted allocations in 2014 and surpluses were recorded by all votes. Consequently, no excess vote occurred in 2014.
- 4.10** The 2014 surpluses amounted to €357 million (see Figure 4.2). Of that amount, a total of €79 million was approved for carry over to 2015. The balance of €278 million was due for surrender. The sums liable for surrender or carried over to 2015 for each vote are shown in Annex A (Figure A2).

Figure 4.2 Surplus appropriations, 2010 to 2014



Source: Reports on the Accounts of the Public Services, 2010 to 2014, Annex A

Exchequer Extra Receipts

- 4.11** Certain sums collected by departments and offices are directed by the Department of Public Expenditure and Reform to be credited to the Exchequer, and not treated as appropriations-in-aid. This includes court fine receipts, and Property Registration Authority fee receipts. Windfall receipts are also usually brought to account in this way, including proceeds of significant sales of property, receipts on foot of surplus income or profits of State companies, interest, dividends or capital repayments, compensation payments and voluntary surrender of salary. Where Exchequer extra receipts arose in 2014, the amounts are shown in notes to the relevant appropriation accounts. The total Exchequer extra receipts recorded by departments and offices in 2014 was €125 million (2013: €120m). The aggregate amount of those receipts reported in each account is set out in Annex A (Figure A3).

Grants-in-Aid

- 4.12** In addition to covering the ordinary services administered directly by a department or office, a vote may contain financial provision for a particular activity or service administered by an outside body. This financial provision can take the form of a grant or a grant-in-aid to the body. Grants are subject to all the usual requirements pertaining to any payment from a subhead, and any balance remaining unexpended by the grant recipient at the end of the year is liable to be surrendered. A grant-in-aid differs from other voted grants in that any unexpended end-year balance of the sums issued from the vote is not liable to surrender to the Exchequer. In 2014, total issues under grant-in-aid subheads amounted to €1.9 billion.
- 4.13** The Department of Public Expenditure and Reform's *Public Financial Procedures* states that the total amount paid by way of a grant-in-aid may not exceed the amount specified in the estimate, and savings on other subheads cannot be used to increase a grant-in-aid amount. Apart from one case (discussed below), the amounts paid by way of grant-in-aid were equal to or less than the amounts of the subhead provisions provided by Dáil Éireann, and so were compliant with *Public Financial Procedures*.
- 4.14** In the case of payments to regional assemblies from the Public Expenditure and Reform vote, the amount paid of €814,000 exceeded the estimate provision of grant-in-aid of €650,000. Notwithstanding the provisions of *Public Financial Procedures* in that regard, the Department sanctioned the reallocation of savings on another subhead to cover the excess expenditure on the grant-in-aid subhead.¹ The Department has stated that sanction was conveyed in this case on the basis of the merits of the application and the availability of savings to facilitate it.
- 4.15** From 2015, under revised procedures issued by the Department of Public Expenditure and Reform, all funding previously provided by way of grant-in-aid will be reclassified as grants.²

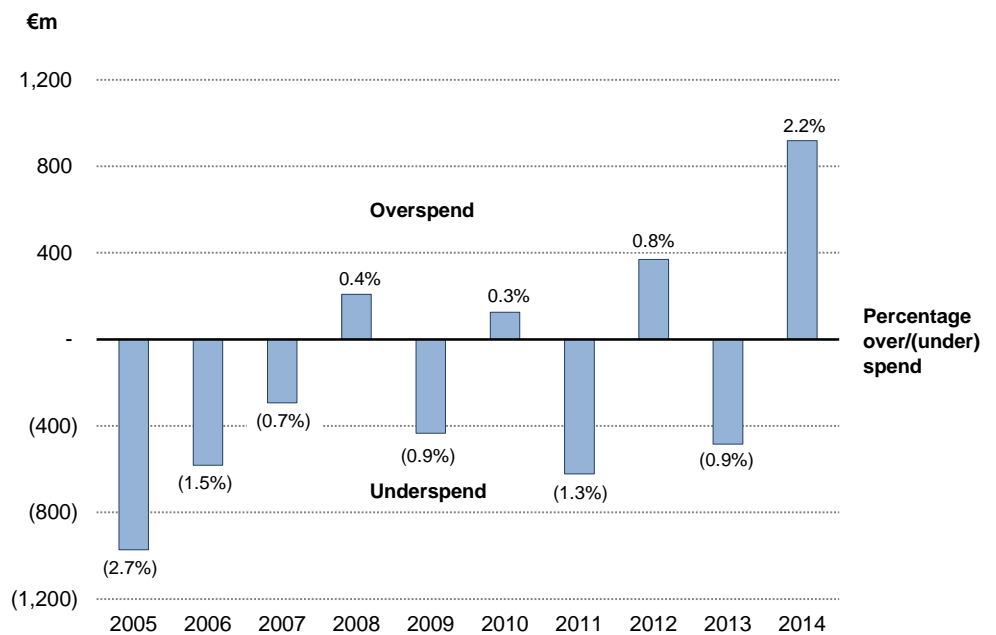
¹ This process of reallocation of savings on one subhead to spending on another subhead is referred to as 'virement'.

² Circular 13/2014. Chapter 5 (Management of Government Grants) provides further detail on the provisions of this circular.

Budget Variance

4.16 The original estimate amount approved represents the forecast of the amount required to meet the cost of the services to be provided from each vote. The budget variance is therefore the difference between the original estimate of net expenditure and the actual outturn in a year.¹ Figure 4.3 sets out the budget variance for all votes combined, for the years 2005 to 2014.

Figure 4.3 Net expenditure variance from original budget, all votes, 2005 to 2014



Source: Analysis by the Office of the Comptroller and Auditor General

4.17 Between 2005 and 2007, net voted expenditure was less than originally estimated each year. Since 2008, there has not been a consistent pattern of variances. In 2014, net expenditure was €914 million greater than the original forecast.

Budget Variance by Vote

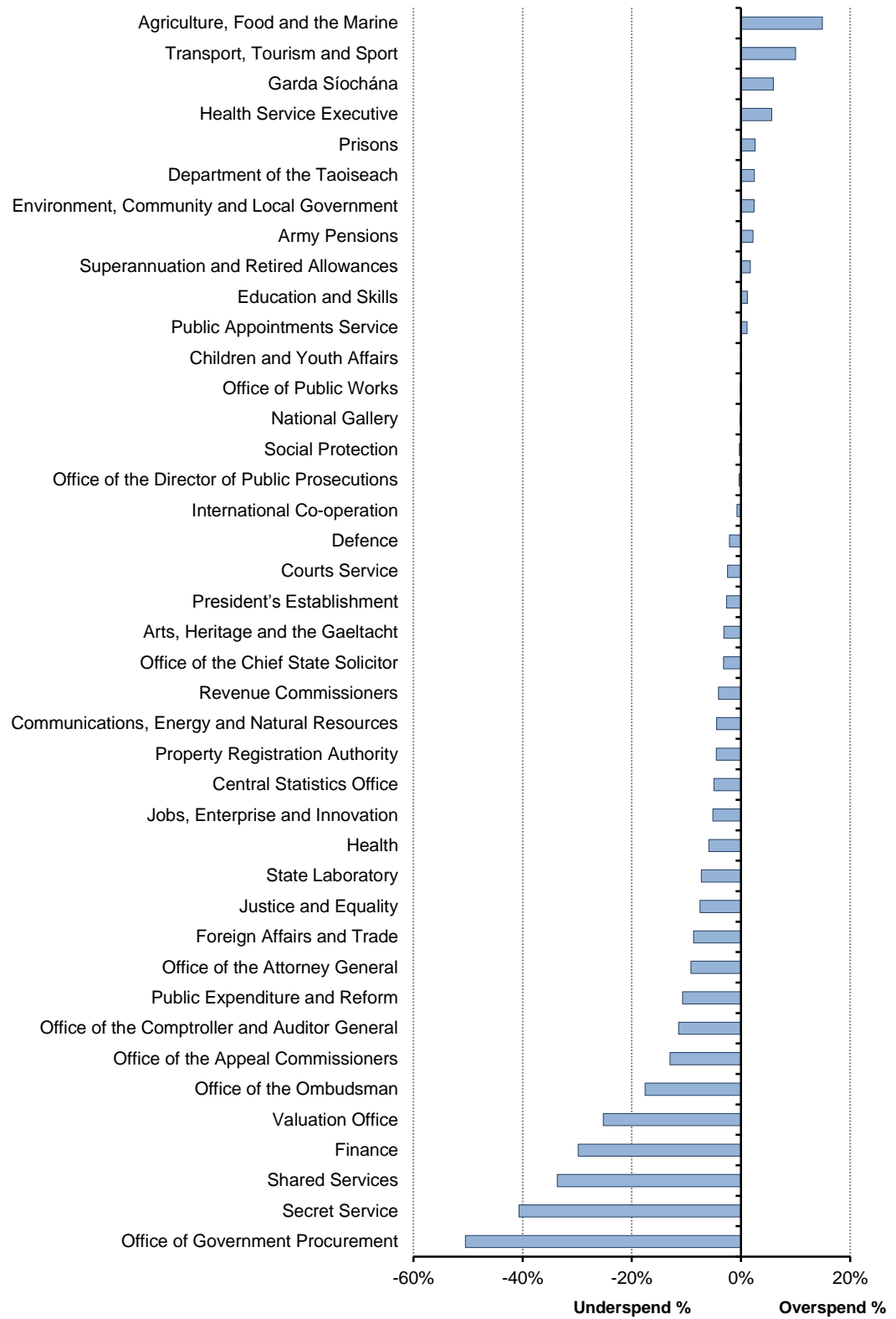
4.18 The three votes with the largest monetary net variance in 2014 were Health Service Executive (€653 million), Agriculture, Food and the Marine (€145 million) and Transport, Tourism and Sport (€128 million).

4.19 Figure 4.4 sets out, for each vote, the proportionate variance between actual expenditure and the original estimate in 2014.

- There were 11 votes where the net expenditure outturn was greater than the original estimate. Agriculture, Food and the Marine, at 15%, had the largest percentage overspend compared with its original estimate.
- The remaining 30 votes incurred net expenditure less than originally anticipated in the revised estimates.

¹ There is a statutory provision for unspent capital allocations to be carried over to the following year for use for the same purpose, with Department of Public Expenditure and Reform agreement. In this report, such carryover amounts are treated as part of the annual departmental appropriations.

Figure 4.4 Net expenditure variance by vote, as a proportion of the original budget, 2014



Source: Analysis by the Office of the Comptroller and Auditor General

Supplementary Estimates

- 4.20** When the Dáil approves a vote estimate, it does so at the aggregate level. Departments are allowed some scope to manage budgets by moving allocations between programmes and subheads, but only if the Department of Public Expenditure and Reform agrees. This reallocation process is referred to as virement.
- 4.21** If large adjustments to the budgets for programmes or subheads are required as the year progresses, formal approval must be sought from the Dáil. This is done through the 'supplementary estimate' process. This process may also be used, if required, to increase the cash limit for a vote for the year. Details of supplementary estimates requested are discussed at the relevant Dáil committees before approval is sought from the Dáil itself.
- 4.22** 11 votes required substantive supplementary estimates in 2014 to increase the overall amount available (see Figure 4.5). These included three votes which have required substantive supplementary estimates each year since 2010.

Figure 4.5 Votes with supplementary estimates, 2010 to 2014^a

	2010	2011	2012	2013	2014
Army Pensions	●	●	●	●	●
Health Service Executive	●	●	●	●	●
Garda Síochána	●	●	●	●	●
Transport, Tourism and Sport	○		●	●	●
Justice and Equality	○	○		○	
Shared Services				○	
Courts Service	○	●	●		○
Social Protection	●		●		
Jobs, Enterprise and Innovation	○	○	○		○
Environment, Community and Local Government	○	○	○		●
Arts, Heritage and the Gaeltacht	●				○
Superannuation and Retired Allowances			●		●
Education and Skills	○				●
Foreign Affairs and Trade	●				
Agriculture, Food and the Marine					●
Children and Youth Affairs					○
Public Expenditure and Reform		○			
Public Appointments Service					●
Prisons					●
Department of the Taoiseach					●
Defence					○

Source: Analysis by the Office of the Comptroller and Auditor General.

Notes: ● Indicates an increase in the net expenditure estimate i.e. a substantive supplementary estimate.
○ Indicates that the increase in net expenditure was a token €1,000 i.e. a technical supplementary estimate.

a Vote titles are as per the 2014 Revised Estimates for Public Services. For some votes, different titles may have applied in earlier years in which a supplementary estimate was approved.

Annex A Vote Financial Outturn

Dáil Éireann provides money for the ordinary services of government departments and offices by approving estimates of the amounts required for those services in the course of each year, and giving statutory effect to those estimates in the annual Appropriation Act. The expenditure is provided for under a series of 'votes'. By law, an appropriation account must be produced for each vote. The account must provide details of the outturn for the year against the amount provided by Dáil Éireann.

Figure A1 provides a summary of the outturn on expenditure and receipts relative to the amounts appropriated for public services in 2014.

Figure A2 shows how surplus appropriations in 2014 were applied – either through deferral of expenditure to 2015, or by surrender to the Exchequer.

Figure A3 shows estimated and realised Exchequer extra receipts.

Explanations of some of the terms used in the tables are given below.

Supply grant	The money granted (or voted) by Dáil Éireann for each of the public services.
Deferred from 2013	Amount of capital funding not spent in 2013 and carried over for expenditure on capital services in 2014. The carry over of these sums was approved by Dáil Éireann in the Appropriation Act 2013.
Appropriations-in-aid	Departmental receipts which, with the agreement of Dáil Éireann, may be retained to defray the expenses of the vote to which they relate.
Total appropriations	Sum of the supply grant, deferred 2013 capital moneys (if any) and appropriations-in-aid.
Surplus for the year	The excess of total appropriations by Dáil Éireann over the gross expenditure together with any surplus on appropriations-in-aid. The surplus for the year is liable for surrender back to the Exchequer.
Deferred surrender	Amount of capital funding not spent in 2014 which was carried over for expenditure in 2015. These carry overs were approved by Dáil Éireann in the Appropriation Act 2014.
Surplus to be surrendered	Amount of money appropriated in 2014 but not spent in the year or deferred to 2015, and so required to be surrendered to the Exchequer.
Exchequer extra receipts	Departmental receipts that are not appropriated-in-aid of the vote, but are paid directly into the Exchequer.

Figure A1 Summary of Appropriations for Public Services in 2014, by vote

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2013	Appropriations -in-aid	Total	Gross expenditure	Appropriations -in-aid	Net expenditure	Gross surplus	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
1	President's Establishment	3,267	—	120	3,387	3,275	94	3,181	112	(26)	86
2	Department of the Taoiseach	21,423	—	878	22,301	20,835	935	19,900	1,466	57	1,523
3	Office of the Attorney General	14,301	—	788	15,089	13,820	834	12,986	1,269	46	1,315
4	Central Statistics Office	39,577	—	1,943	41,520	39,472	1,866	37,606	2,048	(77)	1,971
5	Office of the Director of Public Prosecutions	36,838	—	975	37,813	37,675	973	36,702	138	(2)	136
6	Office of the Chief State Solicitor	26,309	—	1,860	28,169	26,983	1,514	25,469	1,186	(346)	840
7	Office of the Minister for Finance	31,200	—	1,500	32,700	24,143	2,248	21,895	8,557	748	9,305
8	Office of the Comptroller and Auditor General	5,922	—	5,875	11,797	11,045	5,801	5,244	752	(74)	678
9	Office of the Revenue Commissioners	320,463	—	72,966	393,429	385,294	78,061	307,233	8,135	5,095	13,230
10	Office of the Appeal Commissioners	477	—	32	509	445	30	415	64	(2)	62
11	Office of the Minister for Public Expenditure and Reform	35,898	—	4,000	39,898	36,802	4,748	32,054	3,096	748	3,844
12	Superannuation and Retired Allowances	384,800	—	93,000	477,800	473,868	105,129	368,739	3,932	12,129	16,061
13	Office of Public Works	354,146	—	27,026	381,172	381,008	27,227	353,781	164	201	365
14	State Laboratory	7,795	—	852	8,647	8,312	1,085	7,227	335	233	568
15	Secret Service	1,000	—	—	1,000	593	—	593	407	—	407
16	Valuation Office	8,904	—	1,291	10,195	8,295	1,639	6,656	1,900	348	2,248
17	Public Appointments Service	6,987	—	245	7,232	7,169	337	6,832	63	92	155
18	Shared Services	30,581	—	3,468	34,049	23,245	2,955	20,290	10,804	(513)	10,291
19	Office of the Ombudsman	7,743	—	397	8,140	6,718	335	6,383	1,422	(62)	1,360
20	Garda Síochána	1,314,728	—	126,800	1,441,528	1,439,854	126,892	1,312,962	1,674	92	1,766

	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
21 Prisons	317,795	2,400	16,393	336,588	335,341	16,351	318,990	1,247	(42)	1,205
22 Courts Service	58,031	—	48,722	106,753	105,399	48,797	56,602	1,354	75	1,429
23 Property Registration Authority	30,108	—	979	31,087	29,923	1,177	28,746	1,164	198	1,362
24 Justice and Equality	324,596	—	55,940	380,536	363,276	63,068	300,208	17,260	7,128	24,388
25 Environment, Community and Local Government	773,591	72,000	94,632	940,223	916,120	85,607	830,513	24,103	(9,025)	15,078
26 Education and Skills	7,951,544	—	554,333	8,505,877	8,500,082	558,928	7,941,154	5,795	4,595	10,390
27 International Co-operation	478,013	—	1,150	479,163	475,745	1,183	474,562	3,418	33	3,451
28 Foreign Affairs and Trade	167,236	570	45,048	212,854	201,321	48,120	153,201	11,533	3,072	14,605
29 Communications, Energy and Natural Resources	194,506	8,500	237,000	440,006	424,743	230,796	193,947	15,263	(6,204)	9,059
30 Agriculture, Food and the Marine	1,135,103	16,800	66,797	1,218,700	1,191,460	71,220	1,120,240	27,240	4,423	31,663
31 Transport, Tourism and Sport	1,437,669	4,800	394,431	1,836,900	1,798,874	390,277	1,408,597	38,026	(4,154)	33,873
32 Jobs, Enterprise and Innovation	732,075	23,000	48,948	804,023	765,560	49,248	716,312	38,463	300	38,763
33 Arts, Heritage and the Gaeltacht	259,458	—	4,439	263,897	257,166	5,904	251,262	6,731	1,465	8,196
34 National Gallery	7,274	—	3,256	10,530	10,495	3,231	7,264	35	(25)	10
35 Army Pensions	220,190	—	5,500	225,690	225,674	5,503	220,171	16	3	19
36 Defence	640,292	900	36,638	677,830	672,960	45,345	627,615	4,870	8,707	13,577
37 Social Protection	11,856,900	—	242,020	12,098,920	12,071,252	252,543	11,818,709	27,668	10,523	38,191
38 Health	201,969	—	3,916	205,885	194,762	4,702	190,060	11,123	786	11,909
39 Health Service Executive	12,232,496	—	1,355,313	13,587,809	13,542,917	1,337,185	12,205,732	44,892	(18,128)	26,764
40 Children and Youth Affairs	974,268	2,576	22,887	999,731	999,145	22,898	976,247	586	11	597
41 Office of Government Procurement	12,431	—	350	12,781	6,377	225	6,152	6,404	(125)	6,279
Total	42,657,904	131,546	3,582,708	46,372,158	46,037,443	3,605,011	42,432,432	334,715	22,303	357,019

Source: 2014 Appropriation Accounts

Note: a The net surplus is comprised of the excess of total appropriations by Dáil Éireann over the gross expenditure together with the excess/deficit on appropriations-in-aid. Any apparent differences in totals are due to rounding.

Figure A2 Application of Surplus 2014 Appropriations, by vote

Vote	Service	Surplus for the year	Deferred surrender (for 2014)	Surplus for surrender
		€000	€000	€000
1	President's Establishment	86	—	86
2	Department of the Taoiseach	1,523	—	1,523
3	Office of the Attorney General	1,315	—	1,315
4	Central Statistics Office	1,971	—	1,971
5	Office of the Director of Public Prosecutions	136	—	136
6	Office of the Chief State Solicitor	840	—	840
7	Office of the Minister for Finance	9,305	—	9,305
8	Office of the Comptroller and Auditor General	678	—	678
9	Office of the Revenue Commissioners	13,230	—	13,230
10	Office of the Appeal Commissioners	62	—	62
11	Office of the Minister for Public Expenditure and Reform	3,844	—	3,844
12	Superannuation and Retired Allowances	16,061	—	16,061
13	Office of Public Works	365	—	365
14	State Laboratory	568	—	568
15	Secret Service	407	—	407
16	Valuation Office	2,248	—	2,248
17	Public Appointments Service	155	—	155
18	Shared Services	10,291	998	9,293
19	Office of the Ombudsman	1,360	—	1,360
20	Garda Síochána	1,766	—	1,766

Figure A3 Exchequer Extra Receipts 2014, by vote

Vote	Service	Extra receipts realised
		€000
1	President's Establishment	—
2	Department of the Taoiseach	—
3	Office of the Attorney General	—
4	Central Statistics Office	—
5	Office of the Director of Public Prosecutions	14
6	Office of the Chief State Solicitor	16
7	Office of the Minister for Finance	11
8	Office of the Comptroller and Auditor General	—
9	Office of the Revenue Commissioners	1,580
10	Office of the Appeal Commissioners	—
11	Office of the Minister for Public Expenditure and Reform	78
12	Superannuation and Retired Allowances	—
13	Office of Public Works	1,682
14	State Laboratory	—
15	Secret Service	—
16	Valuation Office	—
17	Public Appointments Service	—
18	Shared Services	—
19	Office of the Ombudsman	158
20	Garda Síochána	3,673

21	Prisons	1,205	—	1,205	21	Prisons	—
22	Courts Service	1,429	—	1,429	22	Courts Service	11,281
23	Property Registration Authority	1,362	—	1,362	23	Property Registration Authority	47,064
24	Justice and Equality	24,388	—	24,388	24	Justice and Equality	—
25	Environment, Community and Local Government	15,078	—	15,078	25	Environment, Community and Local Government	39,677
26	Education and Skills	10,390	—	10,390	26	Education and Skills	813
27	International Co-operation	3,451	—	3,451	27	International Co-operation	—
28	Foreign Affairs and Trade	14,605	—	14,605	28	Foreign Affairs and Trade	758
29	Communications, Energy and Natural Resources	9,059	4,600	4,459	29	Communications, Energy and Natural Resources	135
30	Agriculture, Food and the Marine	31,663	18,000	13,663	30	Agriculture, Food and the Marine	1,137
31	Transport, Tourism and Sport	33,873	29,105	4,768	31	Transport, Tourism and Sport	1,271
32	Jobs, Enterprise and Innovation	38,763	20,000	18,763	32	Jobs, Enterprise and Innovation	9,154
33	Arts, Heritage and the Gaeltacht	8,196	6,216	1,980	33	Arts, Heritage and the Gaeltacht	12
34	National Gallery	10	—	10	34	National Gallery	—
35	Army Pensions	19	—	19	35	Army Pensions	—
36	Defence	13,577	—	13,577	36	Defence	1
37	Social Protection	38,191	—	38,191	37	Social Protection	11
38	Health	11,909	—	11,909	38	Health	—
39	Health Service Executive	26,764	—	26,764	39	Health Service Executive	6,023
40	Children and Youth Affairs	597	—	597	40	Children and Youth Affairs	—
41	Office of Government Procurement	6,279	125	6,154	41	Office of Government Procurement	19
Total		357,019	79,044	277,975	Total		124,568

Source: 2014 Appropriation Accounts

Source: 2014 Appropriation Accounts

