

**Agenda Item 4: Vote 18 – Shared Services Appropriation Account
2014**

Vote 18 – Shared Services

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Briefing on the 2014 Appropriation Accounts (including updates for 2015 and 2016)

Recent financial history for the Vote - €'000

Estimate Summary	2014 Outturn €'000	2015 Estimate €'000	2016 Estimate * €'000
A. National Shared Service Office (NSSO) (Administration)	681	2,110	2,605
B. PeoplePoint	13,247	14,526	13,900
C. Payroll Shared Services Centre	7,642	16,831	17,150
D. Other Shared Services Projects - Financial Management Shared Services	1,675	10,426	4,085
Gross Total:	23,245	43,893	37,740
E. Appropriations in Aid	2,955	4,860	4,780
Net Total:	20,290	39,033	32,960
<i>Surplus to Surrender</i>	10,291		
<i>Deferred Surrender</i>	998		
Surplus surrendered	9,293		

**The projects move towards fully operational transactional shared services programmes in 2016 and therefore have been merged to a single programme – Programme A – Provision of Shared Services. For comparison purposes, in the above table, the 2016 Estimate is split as per prior years.*

Alternative presentation - on a subhead by subhead basis 2014-2016 (€'000)

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Administration:			
(i) Salaries, Wages and Allowances	11,977	21,633	22,950
(ii) Travel and Subsistence	22	54	95
(iii) Training & Development, and Incidental Expenses	272	627	1,005
(iv) Postal and Telecommunications Services	322	797	1,070
(v) Office Equipment and External IT Services	1,131	4,248	4,610
(vi) Office Premises Expenses	145	484	635
Programme:			
PeoplePoint	3,634	2,077	600
Other Shared Services Projects:			
- Payroll Shared Service Centre	4,069	3,547	2,690
- Financial Management Shared Services	1,675	10,426	4,085
Gross Total	23,245	43,893	37,740
Appropriations-In-Aid	2,955	4,860	4,780
Net Total	20,290	39,033	32,960
Capital Carryover	0	998	1,278

2014 Headline

The 2014 Estimate of €30.581m represents a net increase of €9.561m compared to 2013 Estimate. This increase is largely driven by the migration of existing payroll functions from originating Departments to the centre, as this project moved to “go-live” stage. Offsetting reductions will be delivered in the budgets of originating Departments when the actual numbers transferring are finalised.

The Net Outturn for 2014 was €20.290m giving a surplus to surrender of some €10m. This underspend arose because of:

- later than anticipated transitioning of staff to Peoplepoint and Payroll Shared Services; and
- a delay in returning to Government for decision in relation to Financial Management transactional services. This was necessitated by the requirement to spend additional time scoping the new service and assessing the optimum solution.

2015 Headline

The 2015 Estimate of €39.033m represented a further increase (€8.452m) **compared to 2014 Estimate**. This increase reflected:

- The further transitioning of payroll functions from originating Departments; and
- Provision for costs associated with the delivery of a Financial Management Shared Service solution – the specification and business requirements for the proposed solution were taken to market in an open procurement exercise which will be presented to Government for consideration and Government Decision.

These increases were partially offset by a reduction in the allocation required for Peoplepoint project, as this project reaches a natural conclusion and becomes fully operational.

2016 Headline

The 2016 Estimate of €32.960m is a decrease of some €6m **compared to the 2015 Estimate**. This is driven by two key factors:

- A reduction in the allocation required for both the Peoplepoint and Payroll Projects, as they reach a natural conclusion and becomes fully operational; and
- A reduced provision for the Financial Management Shared Service project pending consideration of the tenders and a return to Government for decision. The financing of the project will be dealt with as part of the submission to Government.

Subhead A.1 – Salaries, Wages and Allowances

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Salaries, Wages and Allowances	11,977	21,633	22,950

The 2014 outturn was €11.977m compared to budget of €16.097m. Spend was significantly behind profile due to delays in project implementation, which had a knock on effect on recruitment.

The Estimate for administrative budget paybill increases in 2015 and 2016 reflecting the migration of further personnel and payroll services to the centre.

These costs will be offset, to a large extent, by corresponding reductions in the wider Civil Service, on the Votes who originally provided these services. By end 2016 all HR, payroll and pensions transactional services will have migrated to the centre (53 Government Departments and Public Service Bodies are transitioning in a series of 7 waves between December 2013 and December 2016).

	2014	2015	2016
Staffing Numbers	535	649	678

Subhead A.2 - Travel and Subsistence

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Travel and Subsistence	22	54	95

This subhead provides for travel and subsistence expenditure incurred by Civil Servants while on Departmental business.

The outturn for 2014 was €22k compared to a budget of €35k. Spend was lower than anticipated reflecting the delays in on-boarding of staff. The 2015 and 2016 Estimates have been increased, as previously, reflecting the further migration of staff on Peoplepoint and PSSC.

Subhead A.3 - Incidental Expenses

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Incidental Expenses	272	627	1,005

The outturn of €272k for 2014 compares to a budget of €262k. This subhead covers a variety of miscellaneous costs including training, audit fees, security, publications, hospitality/office refreshments, etc.

The additional allocation in 2015/16 is driven by increasing staff numbers/locations which naturally increases the associated costs. A significant provision has also been made for training, to ensure consistency in delivery standards and to reflect the fact that the National Shared Service Office is rolling out a large scale training programme over the 2 years. This training is essential because:

- The NSSO is a stabilising organisation with large scale recruitment of new staff;
- Shared Services is still a new concept in the Civil Service and therefore there is a need to foster the new skillset required to work efficiently, effectively with a focus on quality and the customer: and
- It is necessary that NSSO is able to provide assurances to Client Departments and Accounting Officers in reducing the risk of error particularly in relation to Pay related activity.

The training programme will be delivered through a blended approach of in-house training, eLearning, procured training and further Education, in the most cost effective manner possible.

Subhead – A4 Postal and Telecommunications Services

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Postal and Telecommunications Services	322	797	1,070

This subhead provides for the postal and telecommunications costs of the Shared Services Vote, including fixed and mobile voice telephony and data networks. We continue to achieve savings through re-tendering various telecoms contracts. The 2014 outturn of €322k compares to a budget of €525k, the underspend arising because of the delay in on-boarding staff.

The 2015 Estimate is consistent with the increase in staff numbers and multiple locations. The 2016 increase is driven mainly by the provision for costs related to Garda/Defence Forces Payrolls – this budget transfers with the function, from the Department of Justice/Defence. The Vote is exploring ways to target a reduction in costs in this area – including a migration to electronic payslips.

Subhead A.5 - Office Machinery and Other Office Supplies

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Office Machinery and Other Office Supplies	1,131	4,248	4,610

This subhead provides for a variety of costs including annual desktop licenses, all printing and stationery requirements, contractor support costs, systems licensing costs and refreshment of equipment. The 2014 outturn was €1.131m compared to a budget of €1.766m, the under-spend again driven by the later than anticipated migration of staff to the Vote.

The additional allocations in 2015/16 reflect the costs of delivering a number of large operational centres – PeoplePoint (315 staff) and PSSC (280 staff) - across multiple locations. As previously, these costs will be offset, in part, by reduced budgets on the Votes of originating departments.

The 2016 Estimate, at €4.6m, reflects a small increase as the two live Shared Service Projects become fully operational.

Subhead A.6 - Office Premises Expenses

Subhead Description	2014 Spend €000	2015 Spend €000	2016 Estimate €000
Office Premises Expenses	145	148	635

This subhead provides for the maintenance, furniture & fittings, heating & lighting, and cleaning costs of the Shared Service buildings, including its multiple locations. The outturn in 2014 was €145k compared to a budget of €304k. The underspend reflects the slower than anticipated migration of staff to the centre.

The 2016 increase reflects the additional costs anticipated as projects move to fully operational stage and the number of locations increases to 7.

Other Services – Programme Expenditure

Programme B: PeoplePoint (Programme A.3 2016)

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Human Resources Shared Services Project Set-up	3,634	2,077	600

The 2014 spend, at €3.634m, is lower than originally estimated (€4.025m). This arose primarily because of the earlier than anticipated off-boarding of staff from the project team, together with delays in fitting-out premises. The 2015 allocation which is provided to cover project staff costs, fit-out and capital, is further reduced as the project moves towards completion. The 2016 allocation (€600m) again reflects the natural conclusion of the project and a substantially reduced project team.

Programme C: Payroll Project (Programme A.4 2016)

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Payroll Shared Services Project Set-up	4,069	3,547	2,690

2014 Spend at €4.069m was some €2m below the Estimate of €6.050m, reflecting the slower transitioning of payroll waves to the Vote combined with the later than anticipated delivery of a Case Management system. 2015 Spend at €2,292m is again below Estimate (€3,547m), reflecting the later than anticipated transitioning of payroll waves to the Vote.

The 2015 and 2016 reduced allocations reflect the fact that much of the initial project capital investment is completed in the early stages of the project.

Financial Management: Programme D 2014 (Programme A.5 2016)

Subhead Description	2014 Spend €000	2015 Estimate €000	2016 Estimate €000
Financial Management & Banking Project Set-up	1,675	10,426	4,085

2014 spend, at €1.675m, is substantially below Estimate. The allocation on this subhead is provided to cover project team costs, licensing and capital costs associated with the initial implementation.

The 2016 allocation provides for the initial phases of this work in the early stages of 2016. This project has run at a slower pace than originally anticipated, necessitated by the requirement for additional time to scope the project, assess optimum solutions, request tenders and return to Government for decision. The submission to Government, following review of the tender replies, will reference any additional funding requirements necessary.

Programme E – Appropriations-in-aid

Subhead Description	2014 Outturn €000	2015 Estimate €000	2016 Estimate €000
Appropriations-In-Aid	2,955	4,860	4,780

This subhead records certain receipts arising in the normal course of the Shared Service business which are, or may be, retained to meet expenditure instead of being paid directly to the Exchequer. These receipts are known as Appropriations-in-Aid.

The 2014 outturn on this subhead, at €2.955m, was some €0.513m below Estimate. The shortfall arose, in the main, because of the later than anticipated delivery of service to some Votes which was in turn reflected in the levies charged for the service. Some under-recovery of Pension Levy deductions also arose because of the later than anticipated take-on of staff which resulted in reduced payroll costs and a knock-on impact to the related deduction.

The 2016 Estimate for Appropriations in Aid decreases to €4.780m, additional receipts attaching to increased staff numbers have been offset by income band changes.

Additional information in relation to Staff costs 2014

1) **Detail of amounts paid to retired Civil Servants:** € Nil

2) **Allowances and Overtime Payments:**

	Total Amount Paid	Total number of Recipients	Recipients of €10,000 or more	Max. Individual payment of €10,000 or more
Higher, special or additional duties	€50,869	24	0	N/A
Other allowances	€4,867	3	0	N/A
Overtime and extra attendance	€51,506	93	0	N/A
Total Extra Remuneration	€107,242			

The information above has been extracted from the CorePay system. Some officers receive more than one allowance. The names of the staff in receipt of each allowance have been identified and are available if required).

3) **Performance and Merit Pay:**

Under the terms of the AHCPS 1% PCW restructuring agreement, 1 officer received a total amount of €2,057.81 in respect of Seniority Allowances in 2014.

4) **Other Remuneration Arrangements:**

Salary related costs for officers serving outside of the Department amount to € Nil

5) **Redundancy Payments:** € Nil



Appropriation Account 2014

Vote 18

Shared Services

Introduction

As Secretary General of the Department of Public Expenditure and Reform, I am the Accounting Officer for Vote 18. I am required 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 2014 for the salaries and expenses of Shared Services.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2014, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €9,292,827.95 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.

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.

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

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 Statement of Internal Financial Control for the Department of Finance is also relevant given that the Department of Finance provides certain services on a shared basis to Vote 18.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that there is an appropriate budgeting system with an annual budget which is kept under review by senior management
there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
a risk management system operates within the Department
there are systems aimed at ensuring the security of the ICT systems
there are appropriate capital investment control guidelines and formal project management disciplines

the Department 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 complied with the guidelines with the exception of 2 contracts to the value of €89,665 which were listed in my annual return in respect of Circular 40/2002 [in each of these cases the exceptions have a sound basis].

Stock Policy

The Department of Finance (Vote 7), Department of Public Expenditure and Reform (Vote 11), the Office of Government Procurement (Vote 41) and Shared Services (Vote 18) share IT consumable stocks. They are allocated on the basis of staff numbers in the respective Votes.

Matter for attention - Overpayments

During 2014 a number of salary overpayments were made. Salary overpayments can occur for a number of reasons in any organisation, be it private or public sector. These include, but are not limited to, delays in applying, approving or processing pay-impactful absences, including sick leave absences or other leave arrangements, and errors in calculating allowances, payroll or expenses. Once an organisation becomes a customer of PeoplePoint, the responsibility for recouping any monies owed transfers to PeoplePoint, regardless of the cause or date of overpayment.

At the end of 2014, overpayments had been made to just over 1,000 individuals, with some cases pre-dating the creation of PeoplePoint in 2013. The median value of these overpayments was €600.

A cross-departmental working group was established to examine the end-to-end overpayment steps and processes, review current practice and volumes, identify failure points, immediate and short-term actions and identify process changes to minimise new risks. The initial focus was on Absence Management, where the group has progressed a number of remediation measures, primarily in the technology and process space.

The group is now assessing and documenting the impact of these recommendations on the length of time it is taking for the end-to-end absence process, the value of overpayments and the trend in pay-related cases.

In addition a single recoupment policy has been developed and approved that will apply to all Civil Servants with effect from March 2nd, 2015. This policy sets out the standard procedure for recouping money from any staff member when an overpayment occurs. The policy will be communicated to staff via Personnel Officers and will be available on the PeoplePoint portal and my Department's website once approved. The policy deals with a number of issues including the principles underpinning the recoupment of overpayments; the recoupment process; non-standard arrangements and repayment options.

Internal Audit and Audit Committee

I confirm that the Department 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 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.

Robert Watt

Accounting Officer
Shared Services

2015

**Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas**

Vote 18 Shared Services

Vote 18 Shared Services Appropriation Account 2014

		2014	2013
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A	National shared service office	1,300	681
B	PeoplePoint	15,750	13,247
C	Payroll shared services centre	12,016	7,642
D	Other shared service projects	4,983	1,675
	Gross expenditure	34,049	23,245
	<i>Deduct</i>		
C	Appropriations-in-aid	3,468	2,955
	Net expenditure	30,581	20,290

Surplus for surrender

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 spending in the following year.

	2014	2013
	€	€
Surplus to be surrendered	10,290,828	5,637,926
Deferred surrendered	<u>998,000</u>	<u> </u>
Surplus to be surrendered	<u>9,292,828</u>	<u>5,637,926</u>

Analysis of administration expenditure

		2014	2013
		Estimate provision	Outturn
		€000	€000
i	Salaries, wages and allowances	16,097	11,977
ii	Travel and subsistence	35	22
iii	Training and development and incidental expenses	262	272
iv	Postal and telecommunications services	525	322
v	Office equipment and external IT services	1,766	1,131
vi	Office premises expenses	304	145
vii	Consultancy and other services	2	—
		18,991	13,868
			5,265

Notes to the Appropriation Account

1 Operating Cost Statement 2014

	2014		2013
	€000	€000	€000
Programme cost		9,378	10,399
Pay		11,977	5,050
Non pay		1,890	215
Gross expenditure		23,245	15,664
<i>Deduct</i>			
Appropriations-in-aid		2,955	282
Net expenditure		20,290	15,382
Changes in capital assets			
Purchases cash	(1,732)		(1,929)
Depreciation	538		508
		(1,194)	1,421
Changes in capital assets under development			
Cash payments		(4,898)	
Changes in net current assets			
Movement in closing accruals	(405)		(239)
Increase in stock	(10)		2
		(415)	237
Direct expenditure		13,783	14,762
Expenditure borne elsewhere			
Notional Rent		132	-
Net allied services expenditure (note 1.1)		1,216	675
Net programme cost		15,131	15,437

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 18 borne elsewhere.

	<u>2014</u>	<u>2013</u>
	<u>€000</u>	<u>€000</u>
Vote 7 Finance	e 200	129
Vote 13 Office of Public Works	<u>1,016</u>	<u>546</u>
	<u><u>1,216</u></u>	<u><u>675</u></u>

'e' indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Capital assets	2.2	2,615	1,421
Capital assets under development	2.2	17,021	
		19,636	
Current assets			
Bank and cash	2.3	2,153	260
Stocks	2.4	12	2
Prepayments		318	139
Accrued Income		21	
Other debit balances	2.5	167	31
Total current assets		2,671	432
Less current liabilities			
Accrued expenses		115	320
Other credit balances	2.6	506	273
Client Funding/Advance Balances	2.8	736	—
Net liability to the Exchequer	2.7	1,078	18
Total current liabilities		2,435	611
Net current assets		236	(179)
Net assets		19,872	1,242
Represented by:			
State funding account	2.1	19,872	1,242

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		1,242	—
Disbursements from the Vote			
Estimate provision	Account	30,581	
Deferred surrendered	Account	(998)	
Surplus to be surrendered	Account	(9,293)	
Net vote		20,290	15,382
Expenditure (cash) borne elsewhere	1	1,216	675
Non cash items – Capital assets under development prior years adjustment		12,123	622
Non Cash Expenditure – Notional Rent	1	132	-
Net programme cost	1	(15,131)	(15,437)
Balance at 31 December		19,872	1,242

2.2 Capital Assets

	IT equipment €000	Furniture and fittings €000	Office equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2014	1,557	337	35	1,929
Additions	1,612	119	1	1,732
Assets transferred	-	-	-	-
Cost or valuation at 31 December 2014	3,169	456	36	3,661
Accumulated Depreciation				
Opening balance at 1 January 2014	467	34	7	508
Depreciation for the year	486	45	7	538
Cumulative depreciation at 31 December 2014	953	79	14	1,046
Net Assets at 31 December 2014	2,216	377	22	2,615

Capital Assets under Development (In-house computer applications) at 31 December 2014	€000
Amounts brought forward at 1 January	-
Cash Payments in year	4,898
Adjustments [#]	12,123
Transferred to asset register	-
Amounts carried forward 31 December 2014	17,021

Adjustment for prior year expenditure. A review of Assets Under Development determined that prior years expenditure should be reclassified as Assets Under Development. Assets Under Development will transfer to the assets register at the conclusion of each Project.

2.3 Bank and Cash	2014	2013
at 31 December	€000	€000
PMG balances and cash	1295	260
Commercial Bank Account	858	-
	2,153	260

2.4 Stocks	2014	2013
at 31 December	€000	€000
Stationery	4	1
IT consumables	8	1
	12	2

2.5 Other Debit Balances	2014	2013
at 31 December	€000	€000
Recoupable salaries	-	28
Other debit suspense items	167	3
	167	31

2.6 Other Credit Balances	2014	2013
At 31 December	€000	€000
Amounts due to the State		
AT	15	0
Income Tax	95	54
Pay Related Social Insurance	118	56
Professional Services Withholding Tax	146	95
Pension Contribution	34	16
Local Property Tax	2	1
Universal Social Charge	46	25
	<hr/>	<hr/>
	456	247
Payroll deductions held in suspense	50	24
Other credit suspense items	-	2
	<hr/>	<hr/>
	506	273
	<hr/> <hr/>	<hr/> <hr/>

2.7 Net Exchequer Funding	2014	2013
at 31 December	€000	€000
Surplus to be surrendered	9,293	5,638
Deferred surrendered	998	
Exchequer grant undrawn	(9,213)	(5,620)
Net liability to the Exchequer	<u>1,078</u>	<u>18</u>

Represented by:

Debtors

Bank and cash	2,153	260
Debit balances: suspense	<u>167</u>	<u>31</u>
	2,320	291

Creditors

Due to State	(456)	(247)
Commercial Bank Account	(736)	-
Credit balances suspense	<u>(50)</u>	<u>(26)</u>
	(1,242)	(273)
	<u>1,078</u>	<u>18</u>

2.8 Client Funded Payroll Bank Account

Shared Service provides a payroll shared service function to a number of Government Departments/Offices and Agencies. The balance on this account of €858k at 31.12.2014 represents money lodged to the account by these client offices to cover the funding for salaries over the New Year period.

2.9 Commitments	2014	2013
at 31 December	€000	€000
Total of legally enforceable commitments	3,157	1,395

2.10 Matured Liabilities

The total amount of matured liabilities undischarged at 31 December 2014 amounted to €3,501.18.

3 Programme Expenditure by Subhead

	2014	2014	2013
	Estimate provision	Outturn	Outturn
	€000	€000	€000
A	National Shared Services Office		
A.1	Administration - pay	985	501
A.2	Administration - non pay	315	180
		1,300	681

Significant variations

Overall, the expenditure in relation to Programme A was €618,575 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
A.1	484	The variation arose due to slower than anticipated recruitment
A.2	135	The variation is a consequence of the delays in transitioning of staff.

		2014	2013
		Estimate provision	Outturn
		€000	€000
B	PeoplePoint		
B.1	Administration - pay	10,650	5,050
B.2	Administration - non pay	1,075	215
B.3	Human Resources Shared Services Project Set-Up	4,025	6,577
		15,750	13,247
			11,842

Significant variations

Overall, the expenditure in relation to Programme B was €2,503,486 lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
B.1	2,045	The variation arose because (a) temporary clerical staff were employed at a lower salary level than anticipated cost, and (b) recruitment had not reached the anticipated level by year end.
B.3	402	Savings arose due to the reduction in size of the project team.

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Payroll			
C.1	Administration - pay	4,462	2,871	—
C.2	Administration - non pay	1,504	703	—
C.3	Payroll Shared services Project Set-Up	6,050	4,069	3,559
		12,016	7,642	3,559

Significant variations

Overall, the expenditure in relation to Programme C was €4,373,801 lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
C.1	1,592	The variation is due to the delayed on-boarding of staff with the deferral of Wave II.
C.2	783	The variation is a consequence of the delays in transitioning of staff, which also impacted on non-pay costs.
C.3	2,000	In the main this is due to timing issues in on boarding client organisations which resulted in reduced software, licensing and support costs.

	Estimate provision		2014	2013
	€000		Outturn	Outturn
	€000	€000	€000	€000
D Other Shared Service Projects				
D.1 Administration - pay		—	—	—
D.2 Administration - non pay		—	—	—
D.3 Financial Management Project Set-Up		4,983	1,675	263
		<u>4,983</u>	<u>1,675</u>	<u>263</u>

Signification Variations

Overall, the expenditure in relation to Programme D was €3,308,276 lower than provided. The significant variations were as follows:

Description	Less/ (more) than provided €000	Explanation
D.3	3,308	The variation on the FMSS Project arose because of project delays which impacted on all cost areas but particularly on Licencing Costs.

4 Receipts

4.1 Appropriations-in-aid	2014	2014	2013
	Estimated	Realised	Realised
	€000	€000	€000
1. Receipts from pension-related deduction on public service remuneration	757	442	260
2. PeoplePoint Levy	2,673	2,449	—
3. Miscellaneous	38	64	22
Total	3,468	2,955	282

Explanation of significant variations

An explanation required in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%. While all subheads did not meet this criteria some variance analysis is provided on all.

Description	Less/ (more) than provided €000	Explanation
1	315	The shortfall arose as a consequence of the delays in transitioning of staff which resulted in reduced paybill costs but also impacted on the associated pension levy deduction.
2	224	The variable arose due to reductions considered in light of specific stabilisation requirements.
3	26	Miscellaneous Receipts are unpredictable by nature, relating primarily to Sick Leave and Maternity Leave.

5 Employee Numbers and Pay

	2014	2013
Number of staff at year end (full time equivalents)	442	203
	2014	2013
	€000	€000
Pay ¹	12,350	5,781
Higher, special or additional duties allowance	51	4
Other allowances	5	2
Overtime	52	1
Employer's PRSI	979	431
Total Pay	13,437	6,219

- 1 The total pay figure is inclusive of pay in subheads A.1, B.1, B.3, C.1, C.3 and D.3 and includes salary overpayments of €28,206.33, arising from administrative delays. Recoupment has commenced.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2014 €	Maximum individual payment 2013 €
Higher, special or additional duties	24	—	3,654	3,808
Other allowances	3	—	2,393	1,137
Overtime	93	—	4,298	227

5.2 Other Remuneration Arrangements

No retired civil servant in receipt of a civil service pension was re-engaged on a fee basis.

Under the terms of the AHCPs 1% PCW restructuring agreement, 1 officer received a total of €2,057.81 in respect of seniority allowances.

6 Miscellaneous

6.1 Carryover to 2015

Under the provisions of Section 91 of the Finance Act 2004, €998,000 of unspent allocation in respect of the capital elements of Subhead B.3, C.3, and D.3 was carried forward to 2015.

7 Accrued Pay and Pension Liabilities

The provision for Accruals at the end of December 2014 includes an amount of €247,715 for Exchequer pay and Employer's PRSI accrued in respect of the 13 days (fortnightly) and 4 days (weekly) payrolls that fall due on 1st and 2nd January 2015 respectively. This is net of the associated pension related deductions on these payrolls, which amounts to €13,665.

The corresponding figures for 31 December 2013, and 31 December 2015, together with the net annual impact on 2014 and 2015 on an accruals basis, are shown in the below table.

	31 December 2013		31 December 2014		31 December 2015	
	Exchequer Pay Bill	Net	Exchequer Pay Bill	Net	Exchequer Pay Bill	Net
	Gross €000	€000	Gross €000	€000	Gross €000	€000
End Year Accruals	153	145	261	248	241	234
Net Impact on an Accruals Basis				108		(14)

8 Public Service Bodies in Shared Services

HR Shared Services – PeoplePoint (21)

Agriculture, Food & Marine
Attorney General
Central Statistics Office
Chief State Solicitors Office
Children & Youth Affairs
Communications, Energy & Natural Resources
Education & Skills
Finance
Garda Ombudsman
Health
Justice & Equality
National Council for Special Education
Office of Public Works
Ombudsman
Property Registration Authority (Merging with Valuation Office and Ordnance Survey Ireland)
Public Expenditure & Reform
Revenue Commissioners
Road Safety Authority
Social Protection
State Exams Commission
Transport, Tourism & Sport

Payroll Shared Services – PSSC (18)

Department of Justice & Equality (Garda/Prisons)
Legal Aid Board
Department of Finance
Department of Communications, Energy and Natural Resources
Department of Public Expenditure and Reform
Department of Transport, Tourism and Sport
Chief State Solicitor's Office
Director of Public Prosecutions
Office of the Attorney General
Courts Service (Office Holders)
Law Reform Commission
Public Appointments Service
President & President's Establishment
State Laboratory
Office of the Ombudsman (incl. CPSA)
National Council for Special Education
HIQA
REBO

**Copy of the 2015 and 2016 Estimates
(for reference purposes)**

[18]

Shared Services

[18]

18

SHARED SERVICES

I. Estimate of the amount required in the year ending 31 December 2015 for the salaries and expenses of Shared Services.

(a) by way of current year provision

**Thirty-nine million and thirty-three thousand euro
(€39,033,000)**

(b) by way of the application for capital supply services of unspent appropriations, the surrender of which may be deferred under Section 91 of the Finance Act 2004.

**Nine hundred and ninety-eight thousand euro
(€998,000)**

II. Programmes under which the Subheads for this Vote will be accounted for by the Office of the Minister for Public Expenditure and Reform.

	2014 Estimate			2015 Estimate			Change 2015 over 2014
	Current	Capital	Total	Current	Capital	Total	
PROGRAMME EXPENDITURE	€000	€000	€000	€000	€000	€000	%
A - NATIONAL SHARED SERVICE OFFICE	1,269	31	1,300	2,080	30	2,110	62%
B - PEOPLEPOINT	12,430	3,320	15,750	12,526	2,000	14,526	-8%
C - PAYROLL SHARED SERVICES CENTRE	8,422	3,594	12,016	14,244	2,587	16,831	40%
D - OTHER SHARED SERVICES PROJECTS	1,945	3,038	4,983	2,565	7,861	10,426	109%
Gross Total :-	24,066	9,983	34,049	31,415	12,478	43,893	29%
Deduct :-							
E - APPROPRIATIONS-IN-AID	3,468	-	3,468	4,860	-	4,860	40%
Net Total :-	20,598	9,983	30,581	26,555	12,478	39,033	28%
							Net Increase (€000)
							8,452
<i>Exchequer pay included in above net total</i>			18,810			23,170	23%
<i>Associated Public Service employees</i>			596			649	9%

	2014 Estimate			2015 Estimate			Change 2015 over 2014
	Current	Capital	Total	Current	Capital	Total	
ADMINISTRATION	€000	€000	€000	€000	€000	€000	%
(i) SALARIES, WAGES AND ALLOWANCES ^(a)	16,097	-	16,097	21,633	-	21,633	34%
(ii) TRAVEL AND SUBSISTENCE	35	-	35	54	-	54	54%
(iii) TRAINING AND DEVELOPMENT AND INCIDENTAL EXPENSES	262	-	262	627	-	627	139%
(iv) POSTAL AND TELECOMMUNICATIONS SERVICES	525	-	525	797	-	797	52%
(v) OFFICE EQUIPMENT AND EXTERNAL IT SERVICES	1,735	31	1,766	4,142	106	4,248	141%
(vi) OFFICE PREMISES EXPENSES	304	-	304	392	92	484	59%
(vii) CONSULTANCY AND OTHER SERVICES	2	-	2	-	-	-	-
Gross Total :-	18,960	31	18,991	27,645	198	27,843	47%

Subheads under which it is intended to apply the amount of €0.998 million in unspent 2014 appropriations to capital supply services.

	2014 Estimate		2015 Estimate		Change 2015 over 2014
	€000	€000	€000	€000	
					Application of Deferred Surrender
B.3 - PEOPLEPOINT	-	-	-	698	-
C.3 - PAYROLL	-	-	-	300	-
	-	-	-	998	-

(a) The administrative budget reflects the centralisation of Civil Service payroll processing functions. The pension processing function will transfer mid-2015. Budget reductions are being reflected on the Votes of originating Departments including Central Statistics Office (Vote 4), Finance (Vote 7), Comptroller & Auditor General (Vote 8), Justice & Equality (Vote 24), Education & Skills (Vote 26), and Defence (Vote 36).

[18]

National Shared Services Office

[18]

18

NATIONAL SHARED SERVICES OFFICE

- I. Estimate of the amount required in the year ending 31 December 2016 for the salaries and expenses of National Shared Services Office.

Thirty-two million, nine hundred and sixty thousand euro

(€32,960,000)

- II. Programmes under which the Subheads for this Vote will be accounted for by the Office of the Minister for Public Expenditure and Reform.

	2015 Estimate			2016 Estimate			Change 2016 over 2015 %
	Current	Capital	Total	Current	Capital	Total	
PROGRAMME EXPENDITURE (a)	€000	€000	€000	€000	€000	€000	
A - PROVISION OF SHARED SERVICES INCLUDING PERSONNEL, PAYROLL AND PENSION ADMINISTRATION SERVICES	31,415	12,478	43,893	33,340	4,400	37,740	-14%
Gross Total :-	31,415	12,478	43,893	33,340	4,400	37,740	-14%
Deduct :-							
B - APPROPRIATIONS-IN-AID	4,860	-	4,860	4,780	-	4,780	-2%
Net Total :-	26,555	12,478	39,033	28,560	4,400	32,960	-16%

Net Decrease (€000) (6,073)

Exchequer pay included in above net total
Associated Public Service employees

23,170	24,875	7%
649	678	4%

ADMINISTRATION (b)
Functional split of Administrative Budgets, which are included in the above Programme allocations

	2015 Estimate			2016 Estimate			Change 2016 over 2015 %
	Current	Capital	Total	Current	Capital	Total	
	€000	€000	€000	€000	€000	€000	
(i) SALARIES, WAGES AND ALLOWANCES	21,633	-	21,633	22,950	-	22,950	6%
(ii) TRAVEL AND SUBSISTENCE ...	54	-	54	95	-	95	76%
(iii) TRAINING AND DEVELOPMENT AND INCIDENTAL EXPENSES	627	-	627	1,005	-	1,005	60%
(iv) POSTAL AND TELECOMMUNICATIONS SERVICES ...	797	-	797	1,070	-	1,070	34%
(v) OFFICE EQUIPMENT AND EXTERNAL IT SERVICES ...	4,142	106	4,248	4,275	335	4,610	9%
(vi) OFFICE PREMISES EXPENSES ...	392	92	484	350	285	635	31%
(vii) CONSULTANCY AND OTHER SERVICES	-	-	-	-	-	-	-
Gross Total :-	27,645	198	27,843	29,745	620	30,365	9%

(a) The projects move towards fully operational transactional shared services programmes in 2016 and therefore have been merged to a single programme.

(b) The administrative budget reflects the centralisation of Civil Service payroll processing functions. Budget reductions are being reflected on the Votes of originating Departments including Central Statistics Office (Vote 4), Finance (Vote 7), Comptroller & Auditor General (Vote 8), Justice & Equality (Vote 24), Education & Skills (Vote 26), Foreign Affairs & Trade (Vote 28), Agriculture, Food & the Marine (Vote 30), Environment, Community & Local Government (Vote 34), Defence (Vote 36) and Health (Vote 38).