

## **Appropriation Account 2018**

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### **Vote 13**

### **Office of Public Works**

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## Introduction

As Accounting Officer for Vote 13, 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 2018 for the salaries and expenses of the Office of Public Works, for services administered by that Office, for payment of certain grants and for the recoupment of certain expenditure.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €571,328 is liable for surrender to the Exchequer.

The OPW acts as an agent, and incurs expenditure on behalf of other Government Departments and agencies. The expenditure incurred on their behalf is set out in Note 2.8. In addition, the OPW provides client services on behalf of the State. This expenditure is set out in Note 1.

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, as set out by the Department of Public Expenditure and Reform in Circular 24 of 2018, have been applied in the preparation of the account. Departures from the standard accounting policies and principles are highlighted below.

### ***Valuation of capital assets***

The Office of Public Works recognises the value of land and buildings as follows

- Assessments of market value have been applied to properties where market comparisons are available.
- Prestige properties have been individually valued using the replacement cost method of valuation. This rebuilding cost is based on the application of market rates.
- Where market comparisons are not available, properties acquired or purchased before 1 January 1995 or constructed before 1 January 1997 are valued based on building cost norms and notional site values that are updated regularly. Properties purchased since 1 January 1995 or constructed since 1 January 1997 are valued at cost.

The valuations are subject to a number of significant qualifications and should not be regarded as a current estimate of realisable value.

Capital expenditure in a number of areas is not recognised in Note 2.2 Capital assets as follows

- Expenditure on improvements of certain buildings is not included. The change in value will be reflected at the next valuation date.
- National monuments and certain national historic properties are not valued.
- Flood relief works are considered infrastructure assets and are not capitalised.
- Expenditure on improvements to leased buildings is not capitalised.
- Artwork acquired after 1 January 2008 is included in the statement of capital assets under the heading Fixtures and Fittings at historical cost and is not revalued.  
Artwork acquired prior to 1 January 2008 has not been capitalised.

### ***Depreciation***

Plant and machinery assets are depreciated on a straight line basis over their estimated useful life of between five and 20 years, less a residual value.

Artworks and heritage assets are not depreciated.

Buildings are not depreciated on the basis that ongoing annual maintenance expenditure is sufficient to maintain their condition.

### ***Capital assets under development***

Expenditure on existing properties owned by the OPW carried out under Subhead B6 (new works alterations and additions) is capitalised under its relevant asset category in the year the expenditure is incurred save for the exceptions outlined above where capital expenditure is not recognised as a capital asset. Capital expenditure on new developments spanning multiple accounting periods is accounted for as a capital asset under development and is transferred to the relevant asset category on completion.

### ***Property lease payments***

The OPW recognises payment for goods and services when the goods or services have been provided satisfactorily, the supplier has submitted their account and the instruction for payment has been executed. In the case of property lease agreements, once the service is provided, and the rent is due and payable, then the OPW are satisfied the liability has matured. However, where there are legal or compliance difficulties in making such payments to the suppliers, the OPW may charge the payment to the Vote and transfer the funds to suspense.

## 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.

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

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of human resources and payroll and travel shared services for civil service grades.

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

### ***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 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
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- a corporate governance framework for the Office is in place.

***Non-compliance with procurement rules***

The Office ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with the relevant guidelines. In 2018, the Office complied with procurement guidelines with the exception of payments totalling €1.62 million.

- nine contracts with a total value of €514,000 related to urgent specialised work of a security nature
- eight contracts to the value of €781,000 related to instances where services were procured from a single suitable supplier or a contractor with specialised expertise or due to urgency.
- payments to the value of €327,000 were made to five suppliers where no contract was in place.

***Internal audit and audit committee***

I confirm that the 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 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 recommendations arising from reports of the internal audit function are implemented.

***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 Board on an annual 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 Board, 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***

The following internal financial control issues were identified in 2018.

***Lease of offices***

Arising out of a report published by the Comptroller and Auditor General in 2018, the OPW has further enhanced its approach to managing projects.

***Expenditure on measured term maintenance contract***

A contract entered into in 2014 with an anticipated value estimated at €12 million incurred total expenditure over the four years ending 2018 of €39.4 million.

***Expenditure on papal visit***

Given the urgency and tight timeframe for organising the papal visit, the OPW utilised existing frameworks for the provision of some services. In five instances, framework contracts were utilised to provide services of €6 million in excess of the original contracts value.

**Maurice Buckley**

Accounting Officer  
Office of Public Works

24 September 2019

## **Comptroller and Auditor General**

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

#### **Vote 13 Office of Public Works**

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

I have audited the appropriation account for Vote 13 Office of Public Works for the year ended 31 December 2018 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 13 Office of Public Works for the year ended 31 December 2018
- 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 Public Works 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*.

##### ***Non-compliance with procurement rules***

My audit noted a number of instances of non-compliance with national procurement rules that occurred in respect of contracts that operated in 2018. The Accounting Officer has disclosed these in the statement on internal financial control.

##### ***Expenditure under a maintenance contract***

Chapter 6 of my report on the accounts of the public services for 2018 examines expenditure by the OPW under a maintenance contract in the period 2015–2018 which was significantly in excess of the OPW's estimate of the value of the contract.

**Seamus McCarthy**  
Comptroller and Auditor General

26 September 2019

## Vote 13 Office of Public Works

## Appropriation Account 2018

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Flood risk management		101,135	99,244
B	Estate management			
	Original	326,828		
	Supplementary	22,000		
			348,828	350,639
				319,180
<b>Gross expenditure</b>				
	Original	427,963		
	Supplementary	22,000		
			449,963	449,883
				394,279
<i>Deduct</i>				
C	<b>Appropriations-in-aid</b>			
	Original	23,749		
	Supplementary	2,000		
			25,749	26,240
	<b>Net expenditure</b>			33,847
	Original	404,214		
	Supplementary	20,000		
			424,214	423,643
				360,432

**Surplus**

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

	2018	2017
	€	€
<b>Surplus to be surrendered</b>	<b>571,328</b>	<b>4,634,977</b>

**Maurice Buckley**  
Accounting Officer  
Office of Public Works

24 September 2019



## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	399,018	350,262
Administration pay	39,895	35,976
Administration non pay	10,970	8,041
<b>Gross expenditure</b>	<b>449,883</b>	<b>394,279</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>26,240</b>	<b>33,847</b>
<b>Net expenditure</b>	<b>423,643</b>	<b>360,432</b>
<b>Changes in capital assets</b>		
Purchases cash	(11,199)	
Depreciation	4,079	
Disposals cash	376	
Gain on disposal	(36)	
	(6,780)	191
<b>Changes in net current assets</b>		
Increase in closing accruals	2,419	
Increase in stock	(3)	
	2,416	505
<b>Direct expenditure</b>	<b>419,279</b>	<b>361,128</b>
Expenditure on services provided free to other departments (allied services)	(178,700)	(163,606)
Expenditure on services where OPW acts as client	(127,015)	(87,288)
<b>Direct expenditure</b> (excluding allied services and services where OPW acts as client)	<b>113,564</b>	<b>110,234</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	21,905	23,047
<b>Net programme cost<sup>a</sup></b>	<b>135,469</b>	<b>133,281</b>

Note <sup>a</sup> The net programme cost does not include an amount for notional income or payments.

- Notional rents receivable by the OPW on State owned properties are estimated at some €87.9 million. Notional rents payable by OPW are estimated at €3.5 million.
- Amounts have not been included in the statement in respect of notional income from client departments in respect of services currently provided free of charge by the OPW.

### 1.1 Net allied services expenditure

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The net allied services expenditure amount is made up of the following amounts in relation to Vote 13 borne elsewhere, net of costs of shared services apportioned to other votes.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Vote 9 Office of the Revenue Commissioners	8	—
Vote 12 Superannuation and Retired Allowances	21,828	23,047
Vote 18 National Shared Services Office	69	—
	<b>21,905</b>	<b>23,047</b>

**Note 2 Statement of Financial Position as at 31 December 2018**

	<b>Note</b>	<b>2018</b> <b>€000</b>	<b>2017</b> <b>€000</b>
<b>Capital assets</b>	2.2	3,338,779	3,326,934
<b>Current assets</b>			
Bank and cash	2.3	20,375	32,628
Stocks	2.4	1,847	1,844
Prepayments	2.5	19,172	20,060
Accrued income		1,076	1,510
Other debit balances	2.6	4,511	278
<b>Total current assets</b>		46,981	56,320
<b>Less current liabilities</b>			
Accrued expenses		9,364	7,973
Deferred income		52	346
Other credit balances	2.7	24,450	31,086
Net Exchequer funding due	2.9	436	1,820
<b>Total current liabilities</b>		34,302	41,225
<b>Net current assets</b>		12,679	15,095
<b>Net assets</b>		<b>3,351,458</b>	<b>3,342,029</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>3,351,458</b>	<b>3,342,029</b>

**2.1 State funding account**

	<b>Note</b>	<b>2018</b> <b>€000</b>	<b>2017</b> <b>€000</b>
Balance at 1 January		3,342,029	3,343,641
Disbursements from the Vote			
Estimate provision	Account	424,214	
Surplus to be surrendered	Account	(571)	
Net vote		423,643	360,432
Expenditure (cash) borne elsewhere	1	21,905	23,047
Allied services	1	(178,700)	(163,606)
Client services	1	(127,015)	(87,288)
Net programme cost	1	(135,469)	(133,281)
Asset adjustments		5,065	(916)
<b>Balance at 31 December</b>		<b>3,351,458</b>	<b>3,342,029</b>

**2.2 Capital assets**

	Land and buildings <sup>a</sup>	Plant and machinery	Office equipment	Furniture and fittings	Assets under development <sup>b</sup>	Total
<b>Gross assets</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Cost or valuation at 1 January 2018	3,308,721	41,783	27,188	22,665	177	3,400,534
Reclassification <sup>c</sup>	—	135	560	(695)	—	—
Additions	8,450	4,022	1,780	944	953	16,149
Disposals	(270)	(1,922)	(3,263)	(547)	—	(6,002)
Revaluation on disposal	130	—	—	—	—	130
Cost or valuation at 31 December 2018	3,317,031	44,018	26,265	22,367	1,130	3,410,811
<b>Accumulated depreciation</b>						
Opening balance at 1 January 2018	—	33,847	23,860	15,893	—	73,600
Reclassification	—	160	507	(667)	—	—
Depreciation for the year	—	1,921	1,664	494	—	4,079
Depreciation on disposals	—	(1,908)	(3,205)	(534)	—	(5,647)
Cumulative depreciation at 31 December 2018	—	34,020	22,826	15,186	—	72,032
<b>Net assets at 31 December 2018</b>	<b>3,317,031</b>	<b>9,998</b>	<b>3,439</b>	<b>7,181</b>	<b>1,130</b>	<b>3,338,779</b>
Net assets at 31 December 2017	3,308,721	7,936	3,328	6,772	177	3,326,934

Notes <sup>a</sup> An analysis of the valuations of land and buildings is given below.

<sup>b</sup> Capital assets under development do not include construction projects carried out under subhead B6 new works, alterations and additions. Expenditure on leased buildings is not capitalised.

<sup>c</sup> Following a review of capital assets in 2018, some assets were reclassified.

**Valuation of land and buildings**

As set out in the statement of accounting policies and principles, assets are valued using a number of valuation bases. The number of buildings and the valuation basis used is set out below.

<b>Valuation basis</b>	<b>2018</b>		<b>2017</b>	
	<b>Number of buildings</b>	<b>€000</b>	<b>Number of buildings</b>	<b>€000</b>
Market value	287	831,124	289	831,264
Building cost norms	544	718,711	544	718,711
Cost	135	839,290	131	830,840
Prestige properties (replacement cost)	11	927,906	11	927,906
Heritage properties (nil value)	727	—	727	—
	<b>1,704</b>	<b>3,317,031</b>	<b>1,702</b>	<b>3,308,721</b>

**2.3 Bank and cash**

at 31 December	2018	2017
	€000	€000
PMG balances	20,388	32,721
Petty cash	8	12
Orders outstanding	(21)	(105)
	<b>20,375</b>	<b>32,628</b>

**2.4 Stocks**

at 31 December	2018	2017
	€000	€000
Engineering stocks	910	807
Heritage depot stocks	846	918
Building materials	51	48
Stationery	20	20
Miscellaneous stocks	20	51
	<b>1,847</b>	<b>1,844</b>

**2.5 Prepayments**

at 31 December	2018	2017
	€000	€000
Administration	658	474
Flood risk management	5	15
Estate management	18,509	19,571
	<b>19,172</b>	<b>20,060</b>

**2.6 Other debit balances**

at 31 December	2018	2017
	€000	€000
Agency balances (note 2.8)	4,353	278
Other debit balances	158	—
	<b>4,511</b>	<b>278</b>

**2.7 Other credit balances**

at 31 December	2018	2017
	€000	€000
<b>Amounts due to the State</b>		
Income Tax	963	1,081
Universal Social Charge	220	266
Pay Related Social Insurance	858	896
Professional Services Withholding Tax	616	590
Value Added Tax	4,189	3,698
Pension contributions	275	231
Local Property Tax	10	11
	<u>7,131</u>	<u>6,773</u>
Agency balances (note 2.8)	7,716	14,540
Sundry works account	—	1,224
Property management	7,543	4,989
Receipts from sale of State property	—	84
Percent for Art scheme	850	1,175
Miscellaneous heritage	726	1,024
Payroll deductions held in suspense	104	175
Other credit balances	380	1,102
	<u><b>24,450</b></u>	<u><b>31,086</b></u>

**2.8 Provision of agency services**

In addition to expenditure on Vote 13, the OPW also acts as an agent, and incurs expenditure on behalf of other Government departments and agencies. Funding for this expenditure is provided to the OPW by the sponsoring department/agency and appears as a charge on the account of the client organisation. The total expenditure in 2018 was €89 million of which the main areas of expenditure were major capital works (€65.4 million); schools programme (€1.9 million); maintenance works (€3.3 million) and leasing of accommodation (€18.4 million).

**Agency services account**

at 31 December	2018	2017
	€000	€000
Opening balance at 1 January	(14,262)	(10,559)
Payments	89,005	84,011
Receipts	(78,106)	(87,714)
<b>Closing balance<sup>a</sup></b>	<u><b>(3,363)</b></u>	<u><b>(14,262)</b></u>

Note <sup>a</sup> The closing credit balance of €3.363 million is made up of debit agency balances (note 2.6) €4.353 million and credit agency balances (note 2.7) €7.716 million.

**2.9 Net Exchequer funding due**

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	571	4,635
Exchequer grant undrawn	(135)	(2,815)
<b>Net Exchequer funding due</b>	<b>436</b>	<b>1,820</b>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	20,375	32,628
Debit balances: suspense	4,511	278
	24,886	32,906
<b>Creditors</b>		
Due to State	(7,131)	(6,773)
Credit balances: suspense	(17,319)	(24,313)
	(24,450)	(31,086)
	<b>436</b>	<b>1,820</b>

**2.10 Commitments**

Global commitments	2018	2017
	€000	€000
Procurement of goods and services	10,328	2,883
Non-capital grant programmes	1,500	—
Capital grant programmes	12,720	12,970
Capital projects	53,055	92,250
Public Private Partnership projects	417,748	443,827

There were future commitments at the end of 2018 in respect of rental of leased properties and associated service charges – longer term leases would normally have a specific provision or minimum notice period for early termination. Figures have not been included for such commitments in this account but they are estimated to be €107.6 million in 2019 (2018: €100.2 million).

Non-capital grant programmes	2018	2017
	€000	€000
Opening balance	—	—
New grant commitments	1,750	—
Grants paid in the year	(250)	—
Closing balance	<b>1,500</b>	<b>—</b>

Capital grant programmes	2018	2017
	€000	€000
Opening balance	12,970	13,220
Grants paid in year	(250)	(250)
Closing balance	<b>12,720</b>	<b>12,970</b>

**Major capital projects**

Major projects during 2018 where the total estimated cost of the individual project is expected to exceed €10 million. Particulars are as follows:

Project	Cumulative expenditure to 31 December 2017 €000	Expenditure in 2018 €000	Project commitments in subsequent years <sup>a</sup> €000	Expected total spend lifetime of project 2018 €000	Expected total spend lifetime of project 2017 €000
<b>Flood risk management</b>					
River Dodder (fluvial scheme)	12,116	1,939	3,100	17,155	14,500
Ennis Lower	17,492	563	945	19,000	18,647
Bray	40,685	1,491	400	42,576	41,185
Waterford	15,072	519	409	16,000	16,000
Bandon	11,804	10,628	6,000	28,432	20,900
Skibbereen	9,681	15,216	9,603	34,500	30,001
Clonakilty	1,262	6,343	16,495	24,100	—
<b>Total</b>	<b>108,112</b>	<b>36,699</b>	<b>36,952</b>	<b>181,763</b>	<b>141,233</b>
<b>Estate management</b>					
Miesian Plaza	8,734	10,766	3,941	23,441	23,441
Leinster House	1,135	6,568	7,164	14,867	14,185
<b>Total</b>	<b>9,869</b>	<b>17,334</b>	<b>11,105</b>	<b>38,308</b>	<b>37,626</b>

Note <sup>a</sup> Project commitments in subsequent years refers to the OPW's current estimate of capital costs to completion of project.



**Significant variations**

An explanation is provided below where multi-annual commitments changed by more than €500,000 from 2017 to 2018.

<b>Description</b>	<b>Less/(more) than provided</b>	<b>Explanation</b>
<b>Flood risk management</b>	<b>€000</b>	
River Dodder (fluvial scheme)	(2,655)	The increased estimated total project cost is due to the identification of additional works which require some modification to the scheme.
Bray	(1,391)	The revised estimate includes previously unforeseen necessary works.
Bandon	(7,532)	Additional costs have been incurred on the overall project due to changes and issues arising during the course of the project which necessitated additional and altered works.
Skibbereen	(4,499)	Additional costs have been incurred on the overall project due to changes and issues arising during the course of the project which necessitated additional and altered works.
<b>Estate management</b>		
Leinster House	(682)	The revised estimate has arisen because of additional necessary works identified during the course of implementing the project that could not have been foreseen when the scale of works involved was initially scoped.

**Unitary payments of public private partnership projects**

	<b>Cumulative Expenditure to 31 December 2017</b>	<b>Expenditure in 2018</b>	<b>Legally enforceable commitments to be met in subsequent years</b>	<b>Expected total spend lifetime of project 2018</b>	<b>Expected total spend lifetime of project 2017</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Convention Centre Dublin	326,372	24,328	417,748	768,448	770,199

**2.11 Contingent liabilities**

The Office is involved in a number of pending legal proceedings and contractual conciliation, which may generate liabilities, depending on the outcome of the litigation. Any actual amount or timing of potential liabilities is uncertain.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	39,706	39,895	35,976
ii	Travel and subsistence	1,511	2,049	1,540
iii	Training and development and incidental expenses	1,187	1,087	1,039
iv	Postal and telecommunications services	1,532	1,445	1,433
v	Office equipment and external IT services	5,100	5,195	2,785
vi	Office premises expenses	1,079	953	944
vii	Consultancy services and value for money and policy reviews	416	118	165
viii	Government Publication Services	170	123	135
		<b>50,701</b>	<b>50,865</b>	<b>44,017</b>

#### Significant variations

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

#### ii Travel and subsistence

Estimate provision: €1.511 million, outturn: €2.049 million

The increase is due to greater staff numbers and additional site visits and third party engagements.

#### vii Consultancy services and value for money and policy reviews

Estimate provision: €416,000, outturn: €118,000

The requirement for consultancy services and value for money and policy reviews was less than anticipated.

**Programme A Flood risk management**

		<b>2018</b>		<b>2017</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
A.1	Administration – pay	10,577	10,134	8,718
A.2	Administration - non pay	2,140	2,749	2,079
A.3	Purchase of plant and machinery	3,150	4,385	2,167
A.4	Hydrometric and hydrological investigation and monitoring	1,246	1,024	1,109
A.5	Flood risk management	68,069	64,644	45,369
A.6	Drainage maintenance	15,953	16,308	15,657
		<b>101,135</b>	<b>99,244</b>	<b>75,099</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €1.891 million lower than originally provided. €166,000 of this related to administration expenditure and has already been explained and the balance of the variance of €2.057 million was mainly due to the following:

**A.3 Purchase of plant and machinery**

Estimate provision: €3.15 million, outturn: €4.385 million

The increase arose due to the purchase of additional plant and machinery including hydrometric equipment and vehicles for capital construction in flood relief schemes.

**A.4 Hydrometric and hydrological investigation and monitoring**

Estimate provision: €1.246 million, outturn: €1.024 million

The saving of €222,000 arose mainly due to a timing delay at year end to planned vehicle fit-outs and procurement of monitoring station structural elements.

**A.5 Flood risk management**

Estimate provision: €68.069 million, outturn: €64.644 million

The saving of €3.425 million was due to delays in planning approval for the commencement of some flood relief projects and a delay in the Home Relocation Scheme.

**Programme B Estate management**

		<b>2018</b>		<b>2017</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
B.1	Administration – pay	29,129	29,761	27,258
B.2	Administration – non pay	8,855	8,221	5,962
B.3	President's household staff	899	803	801
B.4	Grants to certain refurbishment works and services	500	500	250
B.5	Purchase of sites and buildings	3,480	3,780	1,031
B.6	New works, alterations and additions			
	<i>Original</i>	56,030		
	<i>Supplementary</i>	22,000		
		78,030	77,690	52,847
B.7	Property maintenance and supplies	60,236	60,720	60,233
B.8	Rents	92,020	90,772	96,374
B.9	Service charges and utilities	10,543	10,724	9,549
B.10	Unitary payments	25,000	24,328	24,281
B.11	Heritage services	40,136	43,340	40,594
		<b>348,828</b>	<b>350,639</b>	<b>319,180</b>

**Significant variations**

Overall, the expenditure in relation to Programme B was €23.811 million higher than the sum provided, before the granting of a supplementary estimate of €22 million. The variance was mainly due to the following.

**B.5 Purchase of sites and buildings**

Estimate provision: €3.48 million, outturn: €3.78 million

The increase of €300,000 arose from the OPW availing of the opportunity to purchase two previously leased assets to reduce future rental costs.

**B.6 New works, alterations and additions**

Estimate provision: €56.03 million, outturn: €77.69 million

A supplementary estimate of €22 million was required, in the main to cover the costs incurred by the OPW for the Papal visit in August 2018. €2.7 million of the supplementary estimate was expended on Leinster House and the Department of Justice rationalisation project.

**B.11 Heritage services**

Estimate provision: €40.136 million, outturn: €43.34 million

The increase in expenditure of €3.204 million is as a result of a number of factors including necessary works required at some heritage sites and the further development of the online booking system.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

			2018	2017
			Estimated	Realised
			€000	€000
				Realised
				€000
1	Rents, licence fees, etc.			
	<i>Original</i>	3,040		
	<i>Supplementary</i>	1,000		
			4,040	4,541
				4,637
2	Events and facilities management			
	<i>Original</i>	3,000		
	<i>Supplementary</i>	1,000		
			4,000	4,412
				3,903
3	Receipts for Government publication services		630	737
				631
4	Recoveries for services carried out on repayment or agency basis		—	—
				8,744
5	Sales at national monuments and historic properties		2,300	2,475
				1,371
6	Admission charges at national monuments and historic properties		10,000	10,057
				10,214
7	Miscellaneous, including fees, interest and disposals etc.		1,360	1,054
				1,643
8	Receipts from pension-related deduction on public service remuneration		3,419	2,964
				2,704
	Total		<b>25,749</b>	<b>26,240</b>
				<b>33,847</b>

#### Significant variations

Overall, appropriations-in-aid were €2.491 million more than the estimate.

Explanations for variances are set out below.

#### 1 Rents, licence fees, etc.

Estimate provision: €3.04 million, outturn: €4.541 million

The increase of €1.501 million was mainly due to prior year income on mast sites and the timing of some 2017 receipts which were received in early 2018.

#### 2 Events and facilities management

Estimate provision: €3 million, outturn: €4.412 million

The increase of €1.412 million was mainly due to an increase in visitor numbers at OPW managed sites including Dublin and Kilkenny Castles and an increase in business activity at conference centres.

#### 3 Receipts for Government publication services

Estimate provision: €630,000, outturn: €737,000

The increase of €107,000 was due mainly to an increase in the flow of receipts from publications.

#### 5 Sales at national monuments and historic properties

Estimate provision: €2.3 million, outturn: €2.475 million

The increase of €175,000 was mainly due to an increase in demand for the sites which resulted in additional revenue from the facility fees.

*7 Miscellaneous, including fees, interest and disposals etc.*

Estimate provision: €1.360 million, outturn: €1.054 million

The difference of €306,000 was mainly due to a timing issue which resulted in moneys due in 2018 being received in early 2019.

*8 Receipts from pension-related deduction on public service remuneration*

Estimate provision: €3.419 million, outturn: €2.964 million

The difference of €455,000 was due to a higher than required estimate. The receipts from the pension-related deduction were in line with the increase for 2018 included in the estimate.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers (full time equivalents)

	2018	2017
<b>Number of staff at year end</b>		
Civil service grades	724	674
OPW specific grades	1,049	1,037
	<b>1,773</b>	<b>1,711</b>

### 5.2 Pay

	2018 €000	2017 €000
<b>Pay</b>		
Civil service grades	37,057	33,725
OPW specific grades	45,887	43,448
<b>Higher, special or additional duties allowance</b>		
Civil service grades	210	87
OPW specific grades	2,022	1,932
<b>Overtime</b>		
Civil service grades	81	27
OPW specific grades	3,169	3,108
<b>Extra attendance, shift and roster</b>		
OPW specific grades	2,414	2,495
<b>Employer's PRSI</b>		
Civil service grades	2,548	2,137
OPW specific grades	5,561	5,236
<b>Total pay</b>	<b>98,949</b>	<b>92,195</b>

The total pay figure includes pay for 551 temporary and seasonal staff in 2018 (2017: 245 staff).

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
<b>Higher, special or additional duties</b>				
Civil service grades	42	3	20,596	10,595
OPW specific grades	1,121	1	10,292	8,574
<b>Overtime</b>				
Civil service grades	26	1	11,644	8,380
OPW specific grades	1,017	76	54,401	37,831
<b>Extra attendance, shift and roster</b>				
OPW specific grades	815	12	13,233	25,985
<b>Extra remuneration in more than one category</b>				
Civil service grades	6	—	9,409	10,075
OPW specific grades	1,122	196	55,076	39,991

### 5.4 Other remuneration arrangements

Seven retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €54,193.

### 5.5 Payroll overpayments

Overpayments at the year-end were €31,371 in respect of 28 individuals (2017: €28,490, 20 individuals). Recovery plans are in place in respect of the OPW specific grades. Recovery plans for civil service grades are in place or in the process of being put in place.

Two overpayment recovery plans to the value of €809, in respect of two individuals, were transferred to the Office in the year.



## Note 6 Miscellaneous

### 6.1 Compensation and legal costs

					2018	2017
	Number of cases	Legal costs paid by the OPW €000	Legal costs awarded €000	Compensation awarded €000	Total €000	Total €000
<b>Claims by employees</b>						
Personal injury claims						
- settled in 2018	7	81	192	291	564	225
- settled in a previous year or ongoing	6	13	16	—	29	16
<b>Claims by members of the public</b>						
Personal injury claims						
- settled in 2018	6	7	20	190	217	327
- settled in a previous year or ongoing	11	17	—	—	17	135
Loss or damage claims settled in 2018	7	19	16	2	37	14
		<b>137</b>	<b>244</b>	<b>483</b>	<b>864</b>	<b>717</b>

### 6.2 Arbitration and conciliation costs

Expenditure in 2018 includes payments of €6.188 million (2017: €4.880 million) made to contractors and others to cover costs as a result of conciliation and arbitration proceedings. There were seven cases in 2018 (2017: four). Figures include VAT, legal and professional fees.

### 6.2 Interest and compensation

Penalty interest and compensation payments amounting to €58,893 were made by the OPW in 2018 under the Prompt Payment of Accounts Act 1997, in respect of late payments (2017: €25,132). The total value of payments made by the OPW in 2018 amounted to €414 million and the total number of reckonable payments were €86,713.

