

## ENTERPRISE, TRADE AND EMPLOYMENT

Account of the sum expended, in the year ended 31 December 2004, compared with the sum granted and of the sum which may be applied as appropriations-in-aid in addition thereto, for the salaries and expenses of the Office of the Minister for Enterprise, Trade and Employment, including certain services administered by that Office, for payment of certain subsidies, grants and grants-in-aid and for the payment of certain grants under cash-limited schemes.

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
<b>ADMINISTRATION</b>			
A.1. SALARIES, WAGES AND ALLOWANCES	30,414	30,460	-
A.2. TRAVEL AND SUBSISTENCE	1,453	1,543	146
A.3. INCIDENTAL EXPENSES	1,370	1,663	35
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES	932	1,043	23
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES	4,603	4,889	(149)
A.6. OFFICE PREMISES EXPENSES	1,807	2,441	76
A.7. CONSULTANCY SERVICES	520	363	-
A.8. ADVERTISING AND INFORMATION RESOURCES	390	269	(7)
A.9. OFFICE OF THE DIRECTOR OF CORPORATE ENFORCEMENT	4,250	3,067	32
A.10. LABOUR COURT	2,489	2,289	-
A.11. EU PRESIDENCY	3,170	2,552	-
A.12. INFORMATION SOCIETY - eGOVERNMENT BASIS PROJECT	778	477	7
<b>ENTERPRISE, AGENCIES, SCIENCE, AND TECHNOLOGY</b>			
B.1. FORFÁS - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	22,825	22,395	-
B.2. INTERTRADE IRELAND	8,705	7,127	-
C.1. IDA IRELAND - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	34,164	34,164	-
C.2. IDA IRELAND - GRANTS TO INDUSTRY	81,835	45,950	-
C.3. IDA IRELAND - GRANT FOR BUILDING OPERATIONS	3,102	3,102	-
D.1. ENTERPRISE IRELAND - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	91,386	88,386	-
D.2. ENTERPRISE IRELAND - GRANT TO INDUSTRY	53,788	47,588	-
D.3. ENTERPRISE IRELAND - GRANT FOR CAPITAL EXPENDITURE	3,216	3,216	-
E.1. SHANNON FREE AIRPORT DEVELOPMENT COMPANY LIMITED - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	100	0	-
E.2. SHANNON FREE AIRPORT DEVELOPMENT COMPANY LIMITED - GRANTS TO INDUSTRY	2,500	1,045	-
F. SCIENCE AND TECHNOLOGY DEVELOPMENT PROGRAMME/ SCIENCE FOUNDATION IRELAND	201,334	194,809	-
G. COUNTY ENTERPRISE DEVELOPMENT	28,587	28,133	6
H. MONITORING AND EVALUATION OF EU PROGRAMMES	173	134	-
I.1. NATIONAL STANDARDS AUTHORITY OF IRELAND - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	5,406	5,406	-
I.2. NITRIGIN ÉIREANN TEORANTA	150	150	-
J.1. LOAN SUBSIDY FOR SMALL BUSINESS EXPANSION SCHEME - PAYMENTS TO ICC BANK plc.	526	116	-
J.2. INFORMATION SOCIETY - eCOMMERCE INITIATIVE	1,500	202	-

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
<b>LABOUR FORCE DEVELOPMENT</b>			
K.1. FÁS ADMINISTRATION AND GENERAL EXPENSES	128,007	128,007	-
K.2. FÁS TRAINING AND INTEGRATION SUPPORTS	53,987	53,987	-
K.3. FÁS EMPLOYMENT PROGRAMMES	352,020	347,164	-
K.4. FÁS CAPITAL	22,741	21,741	-
L. GRANT TO IRISH NATIONAL ORGANISATION FOR THE UNEMPLOYED	48	48	-
M.1. TECHNICAL SUPPORT FOR COMMUNITY INITIATIVES	851	817	4
M.2. MATCHING FUNDING FOR COMMUNITY INITIATIVES	202	179	8
M.3. OPERATIONAL PROGRAMME FOR HUMAN RESOURCES DEVELOPMENT - TECHNICAL DEVELOPMENT	616	282	(1)
M.4. LEONARDO PROGRAMME	119	115	-
M.5. EQUAL COMMUNITY INITIATIVE DEVELOPMENT PARTNERSHIPS	6,575	5,426	-
<b>EMPLOYMENT RIGHTS AND INDUSTRIAL RELATIONS</b>			
N. LABOUR RELATIONS COMMISSION - GRANT FOR ADMINISTRATION AND GENERAL EXPENSES	4,342	4,303	-
O. GRANTS FOR TRADE UNION EDUCATION AND ADVISORY SERVICES	1,080	1,080	-
P. TRADE UNION AMALGAMATIONS	137	0	-
<b>COMMERCE, CONSUMERS AND COMPETITION</b>			
Q. GRANT TO THE COMPETITION AUTHORITY	3,969	4,130	-
R.1. OFFICE OF THE DIRECTOR OF CONSUMER AFFAIRS - GRANT FOR ADMINISTRATION AND GENERAL AFFAIRS	3,933	3,409	10
R.2. CONSUMERS ASSOCIATION OF IRELAND	63	63	-
R.3. GRANT TO THE NATIONAL CLEARING HOUSE FOR EEJ-NET COMPANIES REGISTRATION OFFICE - GRANT FOR ADMINISTRATION AND GENERAL AFFAIRS	34	34	-
S.1. IRISH AUDITING AND ACCOUNTING SUPERVISORY AUTHORITY (GRANT-IN-AID)	8,355	8,165	102
S.2. PERSONAL INJURIES ASSESSMENT BOARD	641	320	5
S.3. NATIONAL AUTHORITY FOR OCCUPATIONAL SAFETY AND HEALTH - GRANT FOR ADMINISTRATION AND AFFAIRS	5,000	4,683	-
<b>HEALTH AND SAFETY</b>			
T. NATIONAL AUTHORITY FOR OCCUPATIONAL SAFETY AND HEALTH - GRANT FOR ADMINISTRATION AND AFFAIRS	14,334	14,993	-

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
<b>OTHER SERVICES</b>			
U. RESEARCH INCLUDING MANPOWER SURVEYS	342	36	4
V. NATIONAL FRAMEWORK COMMITTEE FOR WORK/LIFE BALANCE POLICIES	259	259	(123)
W. SUBSCRIPTIONS TO INTERNATIONAL ORGANISATONS, ETC.	12,489	12,463	-
X.1. COMMISSIONS, COMMITTEES AND SPECIAL INQUIRIES	613	605	-
X.2. MISCELLANEOUS PAYMENTS	687	453	-
X.3. SUPERANNUATION AND PENSIONS FOR MEMBERS OF THE LABOUR COURT, THE RESTRICTIVE PRACTICES COMMISSION	770	542	-
X.4. EXPORT CREDIT INSURANCE - REFUND TO THE EXCHEQUER	<u>1</u>	0	<u>-</u>
<b>Gross Total</b>	1,213,688	1,146,283	178
<i>Deduct :-</i>			
Y. APPROPRIATIONS-IN-AID	<u>89,217</u>	<u>111,078</u>	<u>(4,632)</u>
<b>Net Total</b>	<u>1,124,471</u>	<u>1,035,205</u>	<u>4,810</u>
<b>SURPLUS FOR THE YEAR</b>	<b>€ 89,266,445</b>		
<b>DEFERRED SURRENDER</b>	<b>€ 34,237,000</b>		
<b>SURPLUS TO BE SURRENDERED</b>	<b>€ 55,029,445</b>		

The Statement of Accounting Policies and Principles and Notes 1 to 18 form part of this Account.

## NOTES

## 1 OPERATING COST STATEMENT FOR 2004

	€000	€000	€000
<b>Net Outturn</b>			1,035,205
<b>Changes in Capital Assets</b>			
Purchases Cash	(920)		
Depreciation	3,730		
Loss on Disposals	<u>248</u>	3,058	
<b>Assets under Development</b>			
Cash Payments		(2,451)	
<b>Changes in Net Current Assets</b>			
Decrease in Closing Accruals	(1,601)		
Decrease in Stock	<u>30</u>	<u>(1,571)</u>	<u>(964)</u>
<b>Direct Expenditure</b>			1,034,241
<b>Expenditure Borne Elsewhere</b>			
Net Allied Services Expenditure	21,738		
Notional Rents	<u>2,469</u>		<u>24,207</u>
<b>Operating Cost</b>			<u>1,058,448</u>

## 2 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2004

	€000	€000	€000
<b>Capital Assets (Note 3)</b>			14,139
<b>Assets under Development (Note 4)</b>			<u>638</u> 14,777
<b>Current Assets</b>			
Stocks (Note 17)		182	
Prepayments		406	
Accrued Income		162	
Other Debit Balances:			
Imprests Advanced	18		
Department of Justice, Equality and Law Reform	35		
Department of Arts, Sport and Tourism	7		
European Union Funds	-		
Miscellaneous Debit Balances	65		
Recoupable Expenditure	<u>1,128</u>	1,253	
PMG Balance and Cash	49,043		
Orders Outstanding	<u>(7,001)</u>	<u>42,042</u>	
<b>Total Current Assets</b>		<u>44,045</u>	
<b>Less Current Liabilities</b>			
Accrued Expenses		584	
Deferred Income		4,794	
Other Credit Balances:			
Due to State (Note 17)	2,587		
European Union Funds	1,601		
Miscellaneous Credit Balances	<u>2,002</u>	6,190	
Net Liability to the Exchequer (Note 5)		37,105	
<b>Total Current Liabilities</b>		<u>48,673</u>	
<b>Net Current Liabilities</b>			<u>(4,628)</u>
<b>Net Assets</b>			<u>10,149</u>

## 3 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2004

	Motor Vehicles €000	Office and IT Equipment €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2004	10	22,855	8,383	31,248
Additions	-	3,572	268	3,840
Disposals	-	(769)	(193)	(962)
Gross Assets at 31 December 2004	<u>10</u>	<u>25,658</u>	<u>8,458</u>	<u>34,126</u>
<b>Accumulated Depreciation:</b>				
Opening Balance at 1 January 2004	2	12,968	4,001	16,971
Depreciation for the year	2	2,869	859	3,730
Depreciation on Disposals	-	(682)	(32)	(714)
Cumulative Depreciation at 31 December 2004	<u>4</u>	<u>15,155</u>	<u>4,828</u>	<u>19,987</u>
<b>Net Assets at 31 December 2004</b>	<u>6</u>	<u>10,503</u>	<u>3,630</u>	<u>14,139</u>

## 4 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2004

	In House Computer Applications €000
Amounts brought forward at 1 January 2004	1,113
Cash paid in 2002/2003 but not included in opening balance	27
Cash Payments for the Year	2,451
Transferred to Asset Register	(2,953)
Amounts carried forward at 31 December 2004	<u>638</u>

## 5 NET LIABILITY TO THE EXCHEQUER

## Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2004

	€000	€000
Surplus to be surrendered	55,029	
Deferred Surrender 2004	<u>34,237</u>	89,266
Exchequer Grant Undrawn		<u>(52,161)</u>
Net Liability to the Exchequer		<u>37,105</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Net PMG position and cash	42,042	
Debit Balances: Suspense	<u>1,253</u>	43,295
<b>Creditors</b>		
Due to State	(2,587)	
Credit Balances: Suspense	<u>(3,603)</u>	<u>(6,190)</u>
		<u>37,105</u>

**6 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER**

	Estimated €	Realised €
Export Credit - Recoveries from Iraq	-	2,201,500
IDA Ireland Interconnectivity Project Receipts	-	226,137
IDA Ireland Grant Refunds	-	7,639,309
IDA Ireland Administration Refunds	-	1,630,000
Enterprise Ireland - Grant Refunds & Sale of Investments	-	2,822,411
Enterprise Ireland - Own Resource Income	-	437,940
Enterprise Ireland - Sale of Assets	-	67,854
FAS Sale of Assets	<u>20,000</u>	<u>20,289</u>
	<u>20,000</u>	<u>15,045,440</u>

**7 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND ESTIMATE PROVISION**

Sub-head	Less/(More) Than Provided €000	Explanation
A.6	(634)	In 2004, refurbishment projects were carried out in several of the Department's buildings. A large proportion of this work was identified at the beginning of the year and the projected costs were put in place to cope within the budget provided. However, during the year, additional staffing put further pressure on cramped office spaces which required refurbishment and modular refurnishing for health and safety reasons. Urgent spending was also required to respond to several crisis situations. Core expenditure rose dramatically during the year and the cost of the heating, lighting and maintenance increased above expectation. An OPW service charge also increased the expenditure on maintenance.
A.7	157	The underspend is due to savings made on a number of consultancy projects which were completed at a lower cost than the original estimate, the non start-up of one project, which will now commence in 2005 and the late start-up of some approved projects which will now conclude in 2005.
A.8	121	Departmental requirements for general advertising were less than in previous years and the impact of the official Languages Act, 2003 on the advertising budget did not materialise as early as anticipated.
A.9	1,183	The saving arose principally on the non-pay side of the ODCE budget. Due to delays in progressing a number of cases, the requirement for external legal and professional support did not materialise to the level anticipated resulting in a significant saving. There is now a large number of investigation and enforcement cases on hand and a substantial increase in expenditure by ODCE is anticipated in 2005.
A.11	618	The total budget of €3.17m (including a carryover of €1.1m from 2003) provided for all Department administrative expenditure arising from the Irish Presidency. The estimate was based on the anticipated costs of all Presidency events together with other appropriate costs related to salaries, travel and subsistence and ancillary expenditure. The saving stemmed from the difficulty in estimating accurately the final costs of many of these expenditure items so far in advance of the Presidency.
A.12	301	The BASIS project is a cross-departmental eGovernment project designed to make it easier for business to deal with Government through the greater use of ICTs. Part of the work of the BASIS project is to implement an online system of Work Permit applications in this Department which would also facilitate the exchange and re-use of data held in a number of Government agencies. Due to a requirement to review the business process, delays have been experienced in the initial stages of the project. The design phase will now conclude in April 2005. As a result, the implementation phase was pushed back into 2005 and consequently the funds set aside from the BASIS 2004 allocation for the implementation of the Work Permits system could not be spent.

Sub-head	Less/(More) Than Provided €000	Explanation
B.2	1,578	Following the suspension of the Northern Assembly and Executive in October 2002, the Irish and British Governments agreed that no new functions could be conferred on the Implementation Bodies resulting in the curtailment of InterTradeIreland's capacity to roll-out new initiatives. In addition, as the Agency is funded jointly by this Department and the Department of Enterprise Trade and Investment in Northern Ireland, it is obliged to satisfy differing compliance requirements in both jurisdictions. Since the North/South Implementation Bodies are relatively new, governance procedures have dictated that greater than anticipated time be devoted to ensuring that the Body meets its compliance requirements. This has delayed the roll-out of programmes in 2004. As the Agency's operating currency is Sterling, the Euro/Sterling exchange rate fluctuations also impacted on the drawdown of funds from this Department.
C.2	35,885	It is very difficult to predict the exact outturn of this subhead from year to year as expenditure is driven by company demand and economic activity. Provision of €81,835,000 provided for at the beginning of the year, turned out to be significantly in excess of actual demand. The savings, which amount to 44% of the allocation, were due to a significant reduction in claims for payments of grants already approved being received in the final quarter of 2004 compared to previous years. It is likely that grants will be drawn down at a later date.
D.2	6,200	The following underspends totalling €12.3m arose in 2004: <ul style="list-style-type: none"> <li>·€5m for Webworks primarily due to delays in the Planning process;</li> <li>·€1m for Incubators primarily due to delays in construction;</li> <li>·€3.3m for Grants &amp; Equity to Industry due to less than expected demand from clients;</li> <li>·€1m for Third Party Agencies due to less than expected demand from Shannon Development clients;</li> <li>·€2m for Events and Marketing Support primarily due to cancelled projects necessitated from EI's organisational restructuring. A temporary overspend of €6.1m arose with regard to Venture Capital funding due to bridging finance being required to make a payment to a Venture Capital fund in advance of a refund being paid to EI from a different Venture Capital fund. Accordingly, the net saving under Subhead D.2. was €6.2m.</li> </ul>
E.1	100	An allocation of €100,000 was made available for the administration costs of Shannon Development in 2004. Similar to recent years the Company did not require drawdown of these moneys as all administration expenditure was funded from the company's own income.
E.2	1,455	Similar to Subhead C.2., the demand led nature of the grants drawdown process makes it difficult to predict exactly the level of outturn for the year. In addition, Shannon Development received grant refunds of €422,303 in 2004 which were recycled as new grant payments in place of funds allocated by the Exchequer.
H	39	This subhead caters for spend on both the current Productive Sector Operational Programme (PSOP) and closure of the old Industry Operational Programme. The closure of the old OP, the precise cost of which was difficult to predict, was completed in June. Under the current PSOP costs were lower than anticipated as there were no major publication or evaluation costs.
J.1	410	The estimate of the level of subsidy required under the scheme was provided by ICC Bank (now Bank of Scotland) which administers the Small Business Expansion Loan Scheme. Due to favourable economic conditions, many of the original loans have been paid back ahead of schedule and the anticipated degree of subsidy was not required. Early repayment of loans gives rise to a lesser interest subsidy payable on the part of the Exchequer.
J.2	1,298	The primary focus for expenditure under this subhead over the last 4 years was on specific initiatives to encourage SMEs, including micro enterprises, to engage more effectively with ICTs. Many of these initiatives were stand alone projects and did not integrate with one another. A decision was taken at the end of 2003 to concentrate available resources in 2004 on assessing the actual level of engagement with ICTs by Irish enterprises and developing a new eBusiness strategy. This strategy was launched in December 2004. Due to concentration on this new strategy, the Department was not in a position to canvas proposals for new projects resulting in lower expenditure than estimated.
M.2	23	A number of projects were unable to drawdown match funding amounts due to non compliance with outstanding requirements.

Sub-head	Less/(More) Than Provided €000	Explanation
M.3	334	Savings are attributable to vacancies in the ESF Financial Control Unit throughout 2004, the delay in the redevelopment of the ESF website which had been planned for 2004 and efficiencies in the administration of the ESF Unit.
M.5	1,149	The drawdown of funds from this subhead is dependent on expenditure levels and expenditure returns of the 21 projects funded under EQUAL. The level of expenditure was less than anticipated due primarily to delays in receipt of projects returns.
P	137	As it is difficult to predict the expenditure under this subhead, the practice is to provide for an approximate and, if necessary, to seek a virement from savings elsewhere in the Vote. During 2004, there were no applications for payments under this subhead and accordingly, there was no expenditure during the year.
Q	(161)	The excess in the Competition Authority's expenditure arose from the cost to the Authority of legal fees emanating from a high volume of court proceedings brought by the Authority to enforce competition law. The Authority's budget includes an annual allocation of €125,000 towards legal costs for enforcement activities. It is not possible to anticipate what level of costs will be incurred in any one year or whether the Authority will be awarded costs by the Courts. Due to the high level of court actions taken by the Authority in 2004, the initial allocation was inadequate and the Department of Finance agreed to the virement of an additional €350,000 to the Authority to cover its expenses.
R.1	524	The savings in the Pay element (€173,484) arose due to the movement of staff and delays in vacancies being filled. In addition three staff members were on reduced pay due to long term sick leave. In the Non-Pay element (€352,044) small savings arose under most nominal codes. However larger savings arose in Legal Fees, which are difficult to anticipate accurately, Advertising, Training, ECC Grant and general maintenance/housekeeping codes.
S.2	321	The Bill establishing IAASA was signed by the President in December 2003. It was expected that the Authority would be established during 2004 and that full staffing and office accommodation would follow swiftly. Due to unforeseen difficulties however, the only staff employed so far are a CEO designate, appointed in July 2004, and an Assistant Principal on secondment from the Department.
S.3	317	In advance of the launch of the Personal Injuries Assessment Board, there was a rush by solicitors' offices to issue proceedings in the personal injury cases they had in hand. This resulted in a relatively low volume of cases being referred to PIAB for the remainder of 2004. For this reason, recruitment of the full staffing complement of 85 permanent staff sanctioned for the core office in Tallaght was delayed resulting in a substantial saving on pay for the PIAB in 2004.
T	(659)	A virement of €660K was authorised by Department of Finance to support the implementation of a new Customer Service Improvement Plan by the National Authority for Occupational Safety and Health entitled "Workplace Contact". While the Authority had included this Plan in the estimate for 2005, preparations commenced in 2004 and the virement was used to fund some roll-out costs incurred before end of 2004. Expenditure was mainly on software, consultancy and a small amount of hardware.
U	306	The variation between the Estimate and Outturn is due to the fact that a number of Research projects, which it had been intended to undertake in 2004, did not commence in that year and will now proceed in 2005.
X.2	234	This Subhead provides for legal and miscellaneous expenses incurred by the department. These are unpredictable by nature and difficult to estimate.
X.3	228	This subhead includes a provision for payment of death gratuities and possible spouses and children's pension in the event of the death in service of a current member of the Labour Court or Competition Authority. It also includes a provision for cases of unplanned retirement before maximum retirement age, e.g. retirement on grounds of ill health. As none of these circumstances arose in 2004 the total estimate was not required.
X.4	1	No estimate was provided for X.4 for 2004 during 2003 as Export Credit was in transition. The €1,000 was notified to maintain the subhead in the interim.

## 8 APPROPRIATIONS-IN-AID

	<u>Estimated</u> €	<u>Realised</u> €
1. Receipts from the Social Insurance Fund under Section 56 of the Redundancy Payments Act, 1967 (Employment Appeals Tribunal)	2,000,000	3,168,366
2. Work Permit Fees	9,000,000	12,863,802
3. Employment Agency Licences	250,000	238,500
4. Companies Registration Office	13,860,000	26,982,316
5. Registry of Friendly Societies.	50,000	123,444
6. Receipts under the Trade Marks Act, 1963 and Patents Act, 1964	9,000,000	8,887,528
7. Occasional Trading Licences (Competition Authority)	12,000	21,616
8. Office of the Director of Consumer Affairs	426,000	439,889
9. Merger Notifications	400,000	728,000
10. FAS Pay	2,000,000	3,842,020
11. European Social Fund - Non-Pay	52,075,000	52,810,304
12. ODCE Legal	80,000	110,185
13. County Enterprise Development	64,000	31,175
14. Miscellaneous	-	831,175
<b>TOTAL</b>	<b>89,217,000</b>	<b>111,078,320</b>

## EXPLANATION OF VARIATIONS

- Section 56 of the Redundancy Payments Act, 1967, as amended, provides that the administration costs of redundancy appeals heard by the EAT should be borne by the SIF.
- The variation can be attributed to the unexpected volume of work permit applications received for the year. The estimate was based on the expectation of a more significant reduction in demand for work permits due to an enlarged EU from 1 May 2004 and a tightened policy stance in granting permits. In the event, demand was very strong and in excess of 34,000 permits were issued.
- Buoyancy in labour market not as great as anticipated.
- It was originally estimated that €5m in late filing fees would be received in 2004. Over €18m was received. It was difficult to estimate the figure especially as the penalty was only re-introduced in 2001 and a pattern had not emerged by the time the estimate for 2004 was prepared.
- This subhead represents fees payable to the Registrar of Friendly Societies under the Industrial and Provident Societies Acts, the Friendly Societies Acts and the Trade Union Acts. The Registrar carried out a programme of cancellation of industrial and provident societies in 2004 for failure to submit annual returns. In order to avoid cancellation many societies submitted returns which were outstanding for a number of years and the filing fees received were accordingly greater than expected.
- The reason for the variation between the estimate and income received is that slightly greater amounts than anticipated were received for CTM search fees and from International trade mark registrations, but a slightly lower amount than expected was received from the remaining office fee income.
- The amount of fees collected in respect of Occasional Trading permits is a function of the number of traders who are willing to trade and it is not possible to predict this with any accuracy. Notwithstanding this, some of the increase in receipts in 2004 can be accounted for by traders and also from traders applying and paying for payments to cover trading in 2005.
- The difference relates to extra applications received in the section due to pro-active checking of the marketplace by the section.
- The reason for the variation is the higher number of merger notifications made to the Authority than estimated. The estimate was based on the number of notifications in 2003, which was 47 compared to 81 in 2004. The Authority attributed the increase in merger notifications to the improving economic climate in which companies are investing again and targeting growth.
- This shows FAS staff pay-as-you-go pension contributions returned to the DETE. The estimate of expected contributions was an overly conservative estimate prepared by FAS before the actual staff contributions to this scheme were costed.
- ESF receipts totalling €52,075,000 were forecast for 2004 categorised as "Non -Pay". Actual ESF receipts in 2004 totalled €52,810,303 an excess of €735,303. Total ESF receipts comprised €39,843,800 as "non-pay" and €380,439 identified as "pay" in respect of 2000-2006 round activity plus €12,586,065 in respect of 1994-1999 programmes.
- The principal reasons for the excess were legal costs recoveries were €30,000 more than anticipated and refunds of unused balance of monies lodged in 2002 with OPW for the fit-out of 16 Parnell Square.
- A total of €31,175 was returned to the department. The amount comprehends grants paid to promoters in previous years where the promoters had ceased trading. The reason for the variation stems from a lower than anticipated number of returned cheques from promoters ceasing to trade.

## Explanation of Variation Cont'd

- 14 By its very nature, it is difficult to predict accurately what funds will be received under this heading. The surplus is mainly attributed to (a) 2 refunds of money received in relation to pension deductions from Health and Safety Authority for a total value of €516,475 and (b) €150,977 represented a payment to the Office of the Director of Consumer Affairs in relation to costs recovered for high court proceedings.

## 9 COMMITMENTS

(A)	Procurement	€ 289,911
(B)	Grants	1,339,051,521

## 10 MATURED LIABILITIES

Estimated Matured Liabilities undischarged at the year end was €288,777

## 11 DETAILS OF EXTRA REMUNERATION

	Amount Paid €	Number of Recipients	Recipients of €6,350 or more	Max. Individual Payment of €6,350 or more €
Higher, special or additional duties	264,002	67	10	28,137
Overtime and delegates allowance	1,541,611	623	73	26,935
Miscellaneous	<u>365,070</u>	159	15	42,040
Total extra remuneration	<u>2,170,683</u>			

**Note:**

Certain individuals received extra remuneration in more than one category.

## 12 MISCELLANEOUS ITEMS

Under the provisions of section 91 of the Finance Act 2004, €34,237,000 of unspent allocation in respect of the capital element of the Subheads B.2., C.2., C.3., F., G. and K.4. was carried forward to 2005.

As agreed with the Department of Finance under the delegated administrative budget scheme, a carryover of €118,000 was included in the Estimate for 2005.

A total of €49,397 was spent on merit awards, of which €45,020 was awarded to 40 individual officers. €4,377 was spent on staff functions.

A sum of €55,991 was received from the Change Management Fund, subhead M, of the vote of the Office of the Minister for Finance

Sanction was received to write-off €58,000 in respect of High Court costs in the Director's case against Electrical and Electronics Company Ltd for Subhead R.1. Sanction Ref: S118/1901

## 13 EU FUNDING

The amount of £40,224,239 received from the European Social Fund and shown as appropriation-in-aid was included in the recorded expenditure from the following subheads of the Vote:- K.1, K.2, M.1, M.3 and M.5.

**In addition to the grants from the Vote, the following bodies under the aegis of the Department of Enterprise, Trade and Employment received European Social Fund Aid and European Regional Development Fund Aid in 2004 as shown below:**

	ESF €	ERDF €	Other €	Total €
SFADCo	-	1,710,000	798,753	2,508,753
FÁS	<u>472,577</u>	-	<u>1,552,803</u>	<u>2,025,380</u>
<b>Total</b>	<u>472,577</u>	<u>1,710,000</u>	<u>2,351,556</u>	<u>4,534,133</u>

## 14 COMMISSIONS AND INQUIRIES ETC.

The cumulative expenditure in respect of Commissions etc. to 31 December 2004 on account of which payments were made in the year is as follows:

Commission, Committee or Special Inquiry	Year of Appointment	Expenditure in 2004 €	Cumulative Expenditure to 31/12/2004 €
DION - Committee on Welfare Services Abroad <sup>4</sup>	1984		301,366
Credit Union Advisory Committee <sup>2</sup>	1967	128	90,794
Joint Labour Committees <sup>1</sup>	1946	95,474	677,330
Company Law Inquiries	1994	154,657	1,624,646
Company Law Compliance & Enforcement	1998		12,043
Company Law Review Group	2000	60,211	313,691
Teleworking Advisory Council	1998		156,856
Motor Insurance Advisory Group	1998	20,169	197,860
Personal Injuries Tribunal <sup>3</sup>	1996		142,060
Consumer Protection Section / Advisory Council	2001	2,704	4,942
Workplace Safety	2002	266,000	596,140
Bullying in the Workplace	2004	3,919	3,919
Departmental Audit Committee	2004	1,600	1,600
<b>Total</b>		<b>604,862</b>	<b>4,123,247</b>

Notes:

<sup>1</sup> Base Year 1994 - Payments in respect of the period 1946 - 1993 were made from Subhead A.2. in the year in question

<sup>2</sup> Base Year 1993 - Payments in respect of the period 1967 - 1992 were made from Subhead A.2. in the year in question

<sup>3</sup> Payments in respect of 1996 - 1998 were from Subhead A.7..

<sup>4</sup> From 2004 Payments to DION transferred to Department of Foreign Affairs.

## 15 MISCELLANEOUS PAYMENTS

Employment and Training Levy - Statement of Payments made in accordance with Section 25(1) of the Labour Services Act, 1987

	Total for the year ended 31 December 2004 €	Total to 31 December 2004 €
Received by Minister for Enterprise, Trade and Employment	8,689,564	2,878,636,552
Paid by Minister for Enterprise, Trade and Employment into the Exchequer	3,657,959	2,867,759,703
Paid by Minister for Enterprise, Trade and Employment to Department of Social and Family Affairs <sup>1</sup>	5,031,605	10,876,880

Note:

<sup>1</sup>Due to overpayment by DSFA to the Exchequer in respect of the Employment & Training Levy, sanction was received from the Department of Finance for the DETE to pay refunds received to a total of €10,876,880 which were completed in October 2004.

## 16 STOCKS

Stocks at 31 December 2004 comprise:

	€000
Stationery	66
Forms/Leaflets	37
IT Supplies	59
Cleaning Materials	<u>20</u>
	<u>182</u>

## 17 DUE TO THE STATE

The amount due to the State at 31 December 2004 consisted of:	<b>€000</b>
Income Tax	1,124
Superannuation	814
Pay Related Social Insurance	359
Withholding Tax	242
VAT on Intra EU Acquisitions	<u>48</u>
	<u><b>2,587</b></u>

## 18. ENHANCING INTERNAL CONTROL

A statement on internal financial controls in the standard format for the year ended 31 December 2004 has been submitted with this account to the Comptroller and Auditor General. The following actions have been taken or are planned to enhance the system of internal control:

In pursuit of the Government's priority to implement MIF across all Departments and Offices, a new financial management system was put in place in my Department in 2004. Work is continuing to embed the new system within the Department and further rollout of a number of modules to other sections will continue in 2005. Operating staff have undergone training on the new system and management staff outside of the finance areas have now begun to receive focussed financial training to facilitate their understanding and use of the outputs of the new system and the Management Information Framework in general.

In 2004 the Department established a formalised risk management system and a Risk Management Committee, with one member from each Division of the Department and chaired by the Assistant Secretary from Corporate Services. In 2005 the risk process will be further developed by incorporating it into the business planning process.

The Department seeks to operate to best practice in respect of Information Communication Technology. The Department has an ongoing relationship with leading security consultants to ensure that all new and existing systems continue to meet the security policies adopted as a result of the 2002 security review. The remote access element of this policy is being reviewed during 2005 with a view to improving facilities for the increasingly mobile workforce without any compromise in security. In addition, the Department underwent a full Business Continuity/Disaster Recover exercise during 2004 and the resultant plan is being rolled out during early 2005 to each Division and Office of the Department.

An Internal Audit review by the Department found that there were serious systems failures in respect of procurement procedures in respect of Office Premises Expenses, involving very significant payments over time to a single supplier, inadequate documentation and filing and multiple invoices below authorisation limits. New structures have already been put in place to address the audit findings and recommendations

**SEAN GORMAN**

Accounting Officer

DEPARTMENT OF ENTERPRISE, TRADE AND EMPLOYMENT

31 March 2005

### **Certificate of the Comptroller and Auditor General**

I have audited the Appropriation Account of the Vote for Enterprise, Trade and Employment for 2004 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Appropriation Account has been prepared in accordance with the Statement of Accounting Policies and Principles on pages v-viii. The responsibilities of the Accounting Officer and the Comptroller and Auditor General, and the basis of the audit opinion are set out on pages iii-v.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Enterprise, Trade and Employment. The Appropriation Account is in agreement with the books of account.

In my opinion the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2004.



**JOHN PURCELL**  
Comptroller and Auditor General  
09 September 2005

### **Deimhniú an Ard-Reachtair Cuntas agus Ciste**

Tá Cuntas Leithreasa an Vóta ar Oifig an Aire Fiontar, Trádála agus Fostaíochta le haghaidh 2004 iniúchta agam faoi Alt 3 d'Acht an Ard-Reachtair Cuntas agus Ciste (Leasú), 1993. Ullmhaíodh an Cuntas Leithreasa de réir an Ráitis um Bheartais agus Phrionsabail Chuntasaíochta ar leathanaigh v-viii. Leagtar amach freagrachtaí an Oifigigh Chuntasaíochta agus an Ard-Reachtair Cuntas agus Ciste, agus an bunús atá le mo thuairim ar an gcuntas, ar leathanaigh iii-v.

Tá an fhaisnéis agus na mínithe ar fad a mheas mé a bheith riachtanach chun críocha m'iniúchta faighte agam. Is é mo thuairim go raibh leabhair chearta chuntas coinnithe ag an Roinn Fiontar, Trádála agus Fostaíochta. Tá an Cuntas Leithreasa ag teacht lena bhfuil sna leabhair chuntas.

Is é mo thuairim go dtugann an Cuntas Leithreasa léargas ceart ar fháiltais agus ar chaiteachas an Vóta don bhliain dar chríoch 31 Nollaig 2004.

**JOHN PURCELL**  
Ard-Reachtair Cuntas agus Ciste  
09 Meán Fómhair 2004