

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014



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Commissioners in the year ended 31 December 2014**

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Statement by Accounting Officer 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 Head of Office. 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.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

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 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 to identify potential risks and ensure an appropriate mitigation strategy is in place. Mitigations used to manage risk include:
 - Revenue's governance structures.
 - Environmental scanning to ensure Revenue is aware of influences that affect risk.
 - Integrated strategic/business planning and Risk Management system that regularly reviews risks at Organisational, Divisional and Branch level.
 - Project management methodologies for all significant projects.
- There are systems aimed at ensuring the security of the ICT systems.

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 formal written Internal Audit charter. 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 reports of the internal audit function are followed up.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

9 April 2015



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Account of the receipt of revenue of the State collected by the Revenue Commissioners

I have audited the account of receipt of revenue of the State collected by the Revenue Commissioners for the year 2014 under Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993 (the Act).

The account, which has been prepared under the accounting policies stated therein, comprises the accounting policies, the account of the receipt and disposal of revenue collected, the statement of balances and the related notes.

Responsibilities of the Revenue Commissioners

The Revenue Commissioners are responsible for preparing the account and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility in accordance with Section 3 (7) of the Act is to examine the account and to form an opinion as to whether it is complete and accurate.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the account

An audit involves obtaining evidence about the amounts and disclosures in the account, sufficient to give reasonable assurance that the account is free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Revenue Commissioners' circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the account, and
- the overall presentation of the account.

I also take assurance from my examinations of Revenue's collection systems.

I seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the account

In my opinion, the account properly presents the receipt and disposal of the revenue collected for the year ended 31 December 2014 and the residual balances at that date.

In my opinion, proper books of account have been kept by the Revenue Commissioners. The account is in agreement with the books of account.

Revenue collection systems

Under Section 3 (7) of the Act, I also carry out examinations on a cyclical basis in order to

- ascertain whether the systems, procedures and practices established by the Revenue Commissioners are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State
- satisfy myself that the manner in which those systems, procedures and practices are being employed and applied is adequate.

As provided under Section 3 (10) of the Act, I report each year on the results of my systems examinations in my Report on the Accounts of the Public Services.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control is misleading or inconsistent with other information of which I am aware from the audit of the account or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Seamus McCarthy
Comptroller and Auditor General

13 April 2015

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Accounting Policies

1. This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners and the transfer of the proceeds to the Exchequer. The Account has been prepared pursuant to Section 3(7) of the Comptroller and Auditor General (Amendment) Act, 1993.
2. No administration or operational costs of the Office of the Revenue Commissioners are included in this Account. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.
3. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
4. The Account also presents the receipts collected by the Revenue Commissioners for other Government Departments and Agencies as follows:
 - Social Insurance Fund (Pay Related Social Insurance and Health Levy)
 - Health Service Executive (Tobacco Levy)
 - Risk Equalisation Fund (Health Insurance Levy)
 - Environment Fund (Environmental Levy on Plastic Bags)
 - Department of Jobs, Enterprise and Innovation (Employment and Training Levy)
 - Commissioners of Irish Lights (Lighthouse Dues)
 - Department of Finance (Nursing Home Support Scheme payments and Miscellaneous Revenue for Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Companies' Registration Fees)
 - Insurance Compensation Fund (Insurance Compensation Fund Levy)
5. A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags, Lighthouse Dues, Nursing Home Support Scheme payments and the Insurance Compensation Fund levy. Charges are also levied by the Commissioners on customers who opt to pay their tax liabilities by credit card and on customers who apply for a VRT repayment under the Export Repayment Scheme. Amounts received in respect of these charges are accounted for as Appropriations-in-Aid of Vote 9.
6. Included in Excise receipts are amounts collected by other agencies on behalf of the Revenue Commissioners as follows:
 - The Courts Service (Excise Licences)
 - Applus+ Car Testing Service Ltd (Vehicle Registration Tax)

A charge is levied by Applus+ Car Testing Service Ltd for the collection of Vehicle Registration Tax. The charge is funded from Voted expenditure and accounted for in the annual Appropriation Account of Vote 9.
7. The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. The Account shows the actual amounts received and paid in the year. Where further amounts of taxes, duties, etc. are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Accounting Policies cont'd

8. In order to apportion certain Income Tax receipts to the relevant taxhead, an estimated percentage is applied. This apportionment affects PAYE, Schedule D PRSI, USC and LPT receipts. Once the relevant returns are filed a review of the estimate is conducted and the receipts re-apportioned as appropriate.
9. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.
10. Taxes and Duties are paid in the first instance into accounts held by Revenue in commercial banks. In most cases full accounting instructions are known at the time of payment and payments are receipted onto a customer record and transferred to the Exchequer. If a payment is received with incomplete accounting instructions it is included as an Unallocated Tax Deposit pending receipt of accounting instructions.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Account of the Receipt and Disposal of Revenue collected

	Notes	2014 €000	2013 €000
Gross Receipts			
Taxes and Duties collected	1	47,147,299	43,685,110
Receipts collected on behalf of other Departments/Agencies	2	8,912,626	8,172,656
Total Gross Receipts of Revenue Collected		56,059,925	51,857,766
Repayments			
Repayment of Taxes and Duties	3	(5,762,993)	(5,810,171)
Repayment of Receipts collected on behalf of other Departments/Agencies	4	(32,276)	(47,160)
Total Repayments		(5,795,269)	(5,857,331)
Net Receipts			
Taxes and Duties collected	5	41,384,306	37,874,939
Receipts collected on behalf of other Departments/Agencies	7	8,880,350	8,125,496
Total Net Receipts of Revenue Collected		50,264,656	46,000,435
Disposal of Net Receipts			
Taxes and Duties transferred to the Exchequer	6	(41,281,560)	(37,705,659)
Transfer of Tobacco Levy to Health Service Executive	6	(167,605)	(167,605)
Transfer of Receipts to other Departments/Agencies	7	(8,879,150)	(8,123,553)
Total Disposal of Net Receipts of Revenue Collected		(50,328,315)	(45,996,817)
Net Receipts retained at year end		(63,659)	3,618
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(204,406)	(208,024)
Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December		(268,065)	(204,406)

The Accounting Policies and Notes 1 to 12 form part of this Account.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

Paul Dempsey
Accountant General
Office of the Revenue Commissioners

9 April 2015

**Account of Receipt of Revenue of the State collected by the Revenue Commissioners in the
year ended 31 December 2014**

Statement of Balances

	Notes	2014 €000	2013 €000
Assets			
Cash at Bank and in Hand	8	64,399	57,761
Accrued Income	9	-	53
Amounts due from Government Departments	10	83	368
Total Assets		64,482	58,182
Liabilities			
Amounts Awaiting Receipting and Allocation	11	(160,138)	(95,023)
Deposits Held	12	(172,409)	(167,565)
Total Liabilities		(332,547)	(262,588)
Net Liabilities		(268,065)	(204,406)
Represented by:			
Closing Balance on the Account of Receipt and Disposal of Revenue			
Balance of Taxes and Duties owing from the Exchequer	6	(280,759)	(215,900)
Balance of Receipts collected and due to other Departments/Agencies	7	12,694	11,494
		(268,065)	(204,406)

The Accounting Policies and Notes 1 to 12 form part of this Account.

Niall Cody
Accounting Officer
Office of the Revenue Commissioners

Paul Dempsey
Accountant General
Office of the Revenue Commissioners

9 April 2015

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Notes to the Account

Note 1. Gross Taxes and Duties collected

	2014 €000		2013 €000
Income Tax	19,049,301		17,880,747
Value Added Tax	14,210,382		13,219,269
Excise Duty	5,194,228		5,023,098
Corporation Tax	5,300,114		4,978,083
Stamp Duties	1,702,466		1,352,176
Capital Gains Tax	555,916		382,489
Local Property Tax	497,006	*1	317,228
Capital Acquisitions Tax	360,834		284,067
Customs Duty	277,052		247,953
	47,147,299		43,685,110

*1 Revenue commenced collection of Household Charge arrears during 2014. The Local Property Tax collection figure of €497m is broken down into €37m for Household Charge arrears in respect of 2012, €21m for Local Property Tax liabilities in respect of 2013, €400m for Local Property Tax liabilities in respect of 2014 and €39m for Local Property Tax liabilities in respect of 2015.

Note 2. Gross Receipts collected on behalf of other Departments/Agencies

	2014 €000		2013 €000
Pay Related Social Insurance and Health Levy	8,237,625	*1	7,668,873
Health Insurance Levy	581,709		412,931
Insurance Compensation Fund Levy	65,598		64,444
Environmental Levy on Plastic Bags	13,164		14,736
Nursing Home Support Scheme (includes Miscellaneous receipts)	9,208		6,833
Lighthouse Dues	4,721		4,700
Employment and Training Levy	601		139
	8,912,626		8,172,656

*1 Includes an amount of €7.5m collected for Health Levy in 2014. The equivalent figure in 2013 was €6.3m. These represent residual amounts collected following cessation of Health Levy in January 2011.

Note 3. Repayment of Taxes and Duties

	2014 €000		2013 €000
Income Tax	(1,916,339)		(2,128,873)
Value Added Tax	(3,052,744)		(2,894,462)
Excise Duty	(60,332)		(37,121)
Corporation Tax	(683,536)		(708,458)
Stamp Duties	(22,643)		(19,438)
Capital Gains Tax	(16,595)		(15,275)
Local Property Tax	(4,455)		(766)
Capital Acquisitions Tax	(4,706)		(5,361)
Customs Duty	(1,643)		(417)
	(5,762,993)		(5,810,171)

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Notes to the Account

Note 4. Repayment of Receipts collected on behalf of other Departments/Agencies

	2014 €000	2013 €000
Pay Related Social Insurance and Health Levy	(32,261)	(47,146)
Environmental Levy on Plastic Bags	(15)	(14)
	(32,276)	(47,160)

Note 5. Net Receipts of Taxes and Duties

	Gross Receipts 2014 €000	Repayments 2014 €000	Net Receipts 2014 €000	Net Receipts 2013 €000
Income Tax	19,049,301	(1,916,339)	17,132,962	15,751,874
Value Added Tax	14,210,382	(3,052,744)	11,157,638	10,324,807
Excise Duty	5,194,228	(60,332)	5,133,896	4,985,977
Corporation Tax	5,300,114	(683,536)	4,616,578	4,269,625
Stamp Duties	1,702,466	(22,643)	1,679,823	1,332,738
Capital Gains Tax	555,916	(16,595)	539,321	367,214
Local Property Tax	497,006	(4,455)	492,551	316,462
Capital Acquisitions Tax	360,834	(4,706)	356,128	278,706
Customs Duty	277,052	(1,643)	275,409	247,536
	47,147,299	(5,762,993)	41,384,306	37,874,939

Note 6. Taxes and Duties Transferred to the Exchequer

	Balance owing to/(from) Exchequer at 1.1.14 €000	*1	Net Receipts €000	Total Transfers €000	Balance owing to/(from) Exchequer at 31.12.14 €000
Income Tax	(27,147)		17,132,962	(17,157,467)	(51,652)
Value Added Tax	(1,843)		11,157,638	(11,152,929)	2,866
Excise Duty	(163,776)		5,133,896	(5,158,752)	*2 (188,632)
Corporation Tax	(5,467)		4,616,578	(4,614,462)	(3,351)
Stamp Duties	(9,608)		1,679,823	(1,686,521)	(16,306)
Capital Gains Tax	(2,365)		539,321	(561,169)	(24,213)
Local Property Tax	(1,120)		492,551	(491,351)	80
Capital Acquisitions Tax	634		356,128	(356,771)	(9)
Customs Duty	(5,208)		275,409	(269,743)	458
	(215,900)		41,384,306	(41,449,165)	(280,759)

*1 The balances owing to/(from) the Exchequer at 1 January 2014 have been adjusted to reflect the reallocations of amounts between individual taxheads. The net amount due from the Exchequer at 1 January 2014 is unchanged.

*2 The amount of €5,158,752,000 includes €167,605,000 which was paid from the proceeds of Tobacco Excise Receipts to the Health Service Executive under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Notes to the Account

Note 7. Transfer of Receipts to other Departments/Agencies

	Balance due at 1.1.14 €000	Net Receipts €000	Total Transfers €000	Balance due at 31.12.14 €000
Pay Related Social Insurance and Health Levy	10,849	8,205,364	(8,203,592)	12,621
Health Insurance Levy	-	581,709	(581,709)	-
Insurance Compensation Fund Levy	76	65,598	(65,670)	4
Environmental Levy on Plastic Bags	537	13,148	(13,635)	50
Nursing Home Support Scheme (includes Miscellaneous receipts)	1	9,208	(9,209)	-
Lighthouse Dues	23	4,721	(4,731)	13
Employment and Training Levy	8	602	(604)	6
	11,494	8,880,350	(8,879,150)	12,694

Note 8. Cash at Bank and in Hand

	2014 €000	2013 €000
Balance in Revenue Accounts held at Central Bank	40,689	17,046
Balance in Revenue Accounts held at Commercial Banks	23,700	40,389
Cash in Hand	10	326
	64,399	57,761

Cash at Bank and in Hand represents amounts held pending completion of processing through Revenue's accounting systems.

Note 9. Accrued Income

Accrued Income represents amounts receipted in the year of account for which payment was received after the year end.

Note 10. Amounts due from Government Departments

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

Account of Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2014

Notes to the Account

Note 11. Amounts Awaiting Receipting and Allocation

	2014 €000		2013 €000
Unallocated Tax Deposits	(134,062)	*1	(58,574)
Tax receipts awaiting transfer and allocation	(25,980)		(36,410)
Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners	(96)	*2	(39)
	(160,138)		(95,023)

*1 Unallocated Tax Deposits (UTD) include payments made on account during tax audits and audit settlements as well as non audit payments for which accounting instructions have not been completed. UTD also includes payments transferred to the Exchequer as part of the Total Transfers in Note 6 for which customer records have yet to be updated.

*2 These amounts were received by the Revenue Commissioners and will be brought to account as Appropriations-in-Aid of Vote 9, Office of the Revenue Commissioners.

Note 12. Deposits Held

	2014 €000	2013 €000
Deposits held under Criminal Justice Act 1994	(2,784)	(3,133)
Deposits held with C&E Collectors	(1,876)	(2,245)
Deposits held for Excise Licences	(441)	(493)
Deposits held for C&E liabilities due after 31 December	(167,308)	(161,694)
	(172,409)	(167,565)

Deposits held under Criminal Justice Act 1994 relates to money seized under the Act and held on deposit pending court proceedings. All other deposits represent amounts paid by taxpayers for Customs and Excise (C&E) liabilities falling due after 31 December and brought to account when the appropriate return is filed. These deposits have been surrendered to the Exchequer at 31 December as part of Excise Duty transfers in Note 6.