

An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform



Our Ref: DPE026-001-2024

14 February 2024

Ms. Sarah O'Farrell
Clerk,
Committee of Public Accounts,
Leinster House,
Dublin 2

**Re: PAC Query to DPER:
A note on the assessment being undertaken by the Department
of Public Expenditure, NDP Delivery, and Reform of the
rationale provided by the Department of Social Protection (DSP)
in relation to ex gratia payments made by DSP in 2022 (pg. 32).
Ref: S1571 PAC33**

Dear Ms.O'Farrell,

I refer to your recent correspondence dated 31st January 2024 regarding the above query raised in the meeting of the Committee of Public Accounts on Thursday 18 January 2024.

Please find attached a note in respect of same.

Yours sincerely

David Moloney
Secretary General

Department of Public Expenditure, NDP Delivery and Reform response to PAC Query
February 14th 2024

Original Query (Ref: S1571 PAC33):

A note on the assessment being undertaken by the Department of Public Expenditure, NDP Delivery, and Reform of the rationale provided by the Department of Social Protection (DSP) in relation to ex gratia payments made by DSP in 2022 (pg. 32).

DPENDR Response:

In 2022, the Department of Social Protection made ex-gratia payments to Branch Offices totalling approximately €1.425m.

As mentioned at the Public Accounts Committee meeting of 18 January, the Department of Public Expenditure, NDP Delivery and Reform first became aware of these payments in August 2023 when the Comptroller and Auditor General made contact in relation to a draft chapter being prepared as part of the *Accounts of the Public Services 2022*.

Public Financial Procedures (Section C7, paragraph 11) state that ex-gratia payments fall under the category of special payments that “usually require prior Finance sanction and should also be the subject of a note in the Appropriation Account”. As part of the C&AG engagement DPENDR provided observations that included clarifying the sanction requirement for ex-gratia payments. This was reflected in the final report and the payment has been noted in the 2022 Appropriation Account for Vote 37.

DPENDR’s primary role centres on broader expenditure management within agreed expenditure ceilings, setting the parameters for expenditure through delegated current, capital and pay sanctions and requiring adherence to relevant policies, such as the *Public Financial Procedures*.

In the interim period, both departments have engaged and agreed that sanction from DPENDR was required and will be sought in for any such payments in the future. In addition, and although the annual current sanction already includes broader compliance with *Public Financial Procedures*, we have amended the 2024 sanction to specifically set out this requirement with respect to ex-gratia payments going forward.

END