



An Oifig Náisiúnta um Fhorbairt Eacnamaíoch agus Shóisialta
National Economic & Social Development Office NESDO

Annual Report

For the year ended 31 December 2021



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Chapter 1

Chairperson's Statement

Chairperson's Statement

The National Economic and Social Development Office (NESDO) was established under the National Economic and Social Development Office Act, 2006.

NESDO is a body corporate for the National Economic and Social Council (NESC) which advises the Taoiseach on strategic policy issues relating to sustainable economic, social and environmental development in Ireland.

NESDO provides full administrative and support services for NESC and submits reports, recommendations and conclusions arising from projects carried out by the NESC to Government and arranges for the subsequent publication of such items.

NESDO's Policies and Procedures Guidelines outline the corporate governance arrangements of the Office, including the functions and responsibilities of the NESDO Board and staff. The Guidelines comply with the Code of Practice for the Governance of State Bodies and are reviewed on a regular basis. I am satisfied that NESDO is in compliance with the Guidelines.

The NESDO Audit Committee held four meetings during 2021: on 23rd March, 22nd June, 21st September and 14th December. The Committee comprised:

Mr Nigel Clarke (Chairperson), Department of the Taoiseach

Ms Edna Jordan, NESC

Mr Cillian Doyle, Department of the Taoiseach

The Internal Audit Unit (IAU) of the Department of the Taoiseach operates as a resource for the Board and management of NESDO providing assurance on the adequacy and effectiveness of the organisation's system of internal controls including financial, operational and compliance controls and risk management.

The NESDO Internal Financial Control Procedures document sets out the accounting procedures and standards in operation, including those for cash, payroll, receipts, payments, travel and expenses, procurement, fixed assets, information technology security, budgetary controls and record management and retention.

During 2021 the NESDO Audit Committee reviewed the Risk Management Register & IT Risk Register, the Audit Committee Effectiveness Checklist, the Financial Statements (2020), the Internal Audit Charter, the Annual Review of Internal Controls, and the Audit Report on Procurement. No issues of significance were found. The Audit Committee confirmed its satisfaction with the adequacy and appropriateness of the system of internal controls within NESDO.

The positions of Chief Officer of NESDO and Director of the NESC are occupied by the same person, who is paid in respect of his position as Director of NESC and receives no additional remuneration, emoluments or expenses in relation to his role as Chief Officer of NESDO. All staff of NESDO and NESC, including the Chief Officer/Director, are paid in accordance with relevant pay circulars issued by the Department of Public Expenditure and Reform. I am satisfied that NESDO is compliant with these circulars.

NESDO is committed to meeting its obligations under the Prompt Payment of Accounts Act, 1997. Its policy of settling all invoices within prescribed timeframes was adhered to during the year, with 98.11% of its payments made within 15 days of receipt of invoice. There were two invoices that were subject to Prompt Payment Interest in 2021.

During 2021, NESDO staff fully complied with the National Health and Safety guidelines in relation to remote working during Covid-19. Strict protocols were developed and applied to manage any on site activities which were deemed necessary by the Administration Manager and Chief Officer.

I confirm that there were no significant post balance sheet events during 2021.

John Callinan

Chairperson
National Economic and Social Development Office

Chapter 2

National Economic and Social Council

NESC Work Programme 2021

NESC published the following reports in 2021:

Grounding the Recovery in Sustainable Development: A Statement from the Council (NESC Report No.152):

In this report, the Council sets out the importance and value of grounding the recovery in sustainable development. It argues that a reset in terms of ambition and action is needed to reduce emissions and restore biodiversity and that this can also drive post-pandemic recovery. It argues that rising to the challenge and seeing the possibility of change, as demonstrated by the response to Covid-19, is needed to tackle the climate change and biodiversity crises.

Shared Island: Projects, Progress & Policy Scoping Paper (NESC Report No.153):

This report sets out how NESC aimed to respond to a request from the Department of the Taoiseach to produce a comprehensive report on the Shared Island. It describes how NESC set out to do this in an inclusive manner, engaging with all communities and traditions on this island to build consensus around a shared future, with a focus on actionable areas of cooperation.

Digital Inclusion in Ireland: Connectivity, Devices & Skills (NESC Report No.154):

This report argues that a digital inclusion strategy would help address the ‘digital’ needs of people who remain poorly engaged with digital technologies. The report argues this would build on Ireland’s large investment in broadband connectivity and help companies, particularly micro-businesses, compete effectively with other small open economies. Critically, in the years to come, the report argues a digital inclusion strategy could be a key means of combatting social exclusion.

Ireland’s Well-Being Framework: Consultation Report (NESC Report No.155):

Covid-19 had profound impacts on societal and economic well-being. Ireland has committed to developing new measures of well-being and progress, and this Council report, presents findings from a consultation designed to ensure that the well-being framework is shaped by the priorities of citizens and stakeholders. The consultation process engaged with a wide range of stakeholders and experts and included an on-line survey shared with over 500 organisations. The report contributed to the on-going development of a well-being framework for Ireland.

Renewing Climate and Biodiversity Ambition and Action on a Shared Island (NESC Report No.156):

Forming part of a wider body of work on a Shared Island, this NESC report examines the particular challenges and opportunities of climate change and biodiversity loss across the island, drawing on an extensive consultation with stakeholders, north and south.

Shared Island Consultation: Climate and Biodiversity Challenges and Opportunities (NESC Secretariat Series No.21):

As part of the Shared Island project, this Consultation Paper on Climate and Biodiversity Challenges and Opportunities provided an overview of the current state of knowledge and prevailing policy approaches for climate and biodiversity, in Ireland and Northern Ireland, touching also on UK, EU and international policies. Through a consultation process, the work sought to incorporate the understandings of key stakeholders and form part of wider dialogue and engagement on the all-island dimensions of climate and biodiversity.

Community Call: Learning for the Future (NESC Secretariat Series No.22):

This report looks at Community Call, an innovative programme which delivered co-ordinated support to vulnerable people remaining at home during Covid-19 lockdowns. It describes how it was established and developed, and identifies key lessons of what it describes as an experiment in partnership between national and local government, and the community and voluntary sector.

Shared Island: The Good-Jobs Agenda (NESC Secretariat Series No.23):

Good jobs are needed on all parts of the island of Ireland. This report helps identifies a number of important issues which will shape the development of an all-island approach to 'good jobs'. These include labour market mobility; cross-border working and a coordinated approach to skills and apprenticeships.

Housing and Urban Development Policy Priorities (NESC Secretariat Series No.24):

This report argued that bold action is urgently needed to fix Ireland's dysfunctional housing system and deliver more affordable homes. It highlighted that action should be focussed on bridging the supply gap by actively managing land and locational value for public good; and bridging the affordability gap by engineering-in permanent affordability.

Shared Island: The Island Economy (NESC Secretariat Series No.25):

This report outlines the expansion of cross-border trade and the multiple economic connections on the island. It recognises that the two economies, North and South, have evolved in different ways. The report also sets out the similarities that exist between the two economies.

Building a New Relationship between Voluntary Organisations and the State in the Health and Social Care Sectors (NESC Secretariat Series No.26):

This report looks in detail at the organisational changes and innovation that have taken place since the Covid-19 crisis profoundly challenged our health and social care sector.

Shared Island: A Regional Perspective on Ireland, North and South (NESC Secretariat Series No.27):

Economic growth occurs in regions and this report finds that looking at the regions across the island helps identify opportunities for collaboration, investment and growth. It finds that there is a broad division between the north and west of the country and the south and east.

Shared Island: Sharing Knowledge and Lessons in Combatting Poverty (NESC Secretariat Series No.28):

Poverty is a concern on both parts of the island and this report finds that similar poverty trends have been identified in Ireland and Northern Ireland, with people who are unemployed, lone parents, and people with disabilities at greatest risk of poverty. It also notes that children and young people in both jurisdictions have a high risk of poverty, challenge of digital exclusion, invisibility of some rural poverty, the increasing risk of poverty faced by people in low-paid work, and the links between poverty and mental health.

Shared Island: A Shared Island Perspective on Mental Health (NESC Secretariat Series No.29):

This report argues that the pandemic has shown that there is scope for development, and much value to be found, in increased cross-border co-operation on mental health. It highlights key areas of potential including the provision of on-line supports, mental health promotion, and training and education.

The Impacts of Covid-19 on Ethnic Minority and Migrant Groups in Ireland (NESC Research Paper No.18):

This paper described the ways in which the Covid-19 pandemic tended to worsen existing disadvantage experienced by migrants and ethnic minorities in Ireland.

Economic Resilience in Sustainable Communities: Innovative Approaches in Public Spending to Maximise Local Benefits (NESC Research Paper No.19):

This paper considers community wealth building as a catalyst in rural spaces, focusing in particular on need for a coordinated approach from local government to use procurement and job creation to create wealth locally.

Challenges and Opportunities for Rural Ireland and the Agricultural Sector (NESC Research Paper No.20):

This paper identifies seven types of rural typologies and highlights common challenges such as declining numbers of young adults but also differences in changes in population density and consequent demand for services.

Gender and Covid-19 in Ireland (NESC Research Paper No.21):

This paper explores how women and men of all ages and groups have been impacted by the changes wrought by COVID-19 in Ireland

Long-term Resilient and Sustainable Cities (NESC Research Paper No.22):

This paper explores the conditions required to enable cities to build resilience and liveable places.

Perspectives on Micro-Generation: Public Participation in the Low-Carbon Transition in Ireland (MISTRAL) (NESC Research Paper No.23):

This paper examines stakeholder views on micro-generation as expressed through the Irish Micro-Generation Scheme consultation process.

In addition, over the course of 2021 the Secretariat have produced a range of papers to support ongoing work on the pandemic. These have focused on enterprise supports, valuing work, behavioural insights, housing, social policy responses and sustainable recovery.

NESC held seven events in 2021**Spotlight Roundtable: Just Transition – Rural Resilience - 12th February 2021:**

Research work from UCD and TASC informed the basis of this event to initiate a constructive conversation about the future of diverse rural areas. The reports, in line with European and Irish policy, such as the Action Plan for Rural Development (2017), argue for a focus on possibilities and opportunities: rather than a focus on rural decline.

Roundtable on Understanding Resilient and Sustainable Cities – 15th April 2021

This event focused on the Council Statement *Grounding the Recovery in Sustainable Development*. A central question discussed was: what does it mean to build-in resilience to adapt and cope with future shocks in all aspects of our economy, society and environment?

The Future of the Irish Social Welfare System – 30th April 2021

The purpose of this conference was to discuss the findings of the NESC welfare report and the future of social welfare systems, more generally. The conference heard from international experts, as well as those tasked with delivery of the current social welfare system in Ireland and representatives of those impacted by it. The conference provided a forum for hearing and discussing new ideas, reform proposals, drawing on academic, policy and lived experience.

Launch of Council Report No.154, Digital Inclusion in Ireland: Connectivity, Devices & Skills – 1st July 2021

The conference outlined the findings of the NESC report, and heard from a range of speakers and the experiences of communities impacted by digital exclusion. It provided a forum to hear about and discuss new ideas and reform proposals linked to digital inclusion policy in Ireland and internationally.

Shared Island: NW Focus groups – end of October and early November 2021

In undertaking research for the Department of the Taoiseach's Shared Island Unit, four workshops were held to discuss; Good Jobs; Green Transformation; Poverty and Mental Health; and Mechanisms for Co-operation.

Community Call – 21st October 2021

Following the NESC paper looking at Community Call, the Department of Rural and Community Development (DRCD) hosted a webinar to reflect on how these new ways of working can be built upon for effective policy and service delivery in future. NESC had a key role in supporting this event.

Shared Island: Climate and Bio-diversity 'launch' – 8th December 2021

Minister for Environment, Climate, Communications and Transport, Eamon Ryan, T.D. participated in this event addressing climate change and biodiversity. Other speakers from across the island, discussed their shared experiences, networks and outline opportunities for future development.

International Meetings of the Economic and Social Council (ESCs) of EU Member States

NESC participated in the annual meeting of Economic and Social Councils of the member states of the European Union and the European Economic and Social Committee (EESC). In 2021, the meeting was hosted by the French ESEC in Paris, on 22 and 23 November, NESC attended virtually. As well as sharing information on the work of the councils and the state of social and civil dialogue in each of the member states, the meeting discussed '*Participatory Democracy and its Role in Making the EU Resilient and Future-Proof*'.

International Meetings of the European network of sustainable development councils,

NESC participated in the EEAC Annual Conference, *Digital Transformation for a Sustainable Anthropocene: Ethical, Green and Inclusive*, which was held in Barcelona and online. The event focused on the digital transformation within a European context and the issues and opportunities it raises for sustainable development. Two levers and important elements of the transformation, both central to the European Green Deal and the European Digital Strategy were explored in particular.

NESC meetings held during 2021

The Council met online four times in 2021; 1st April, 24th June, 30th September and 16th December.

During 2021, the Secretariat made numerous presentations on NESC work, contributed to a range of conferences, seminars and workshops and served on a number of committees and working groups. A number of these activities are listed below.

Dr Larry O’Connell, Director was a member of:

- Marine Spatial Planning (MSP) Advisory Group
- Earth Institute Advisory Board (Deputy Chair)

for first half of the year

- National Environmental Research Coordination Group (NERCG)
- Climate Research Coordination Group
- National Planning Knowledge Group
- PA 5YR Assessment Report
- BioEconomy Implementation Group

He was an invited speaker and panellist at the following events:

- Joint Oireachtas Committee, Affordable Housing Bill, February
- Department of Applied Social Studies Maynooth, MUSSI, ‘Home: A Human Right’, April.
- Raportuer, National Economic Dialogue, June
- UCD Earth Institute, ‘Intersectoral Approaches to Environmental Challenges’, September.
- IGEEs, Housing SPD, November.
- Houses of the Oireachtas Parliamentary Budget Office, ‘Well-being Framework’, November.
- Department of the Taoiseach, Shared Island Research Conference, December.

Dr Helen Johnston (Senior Policy Analyst):

During 2021 Dr Johnston was a member of:

- The Centre for Cross Border Studies (Chairperson)
- The Technical Advisory Group on Poverty Indicators and Data
- The Tallaght West Child Development Initiative Board and Research Advisory Committee
- The Department of Expenditure and Public Reform’s Equality Budget Proofing Expert Advisory Group
- The Centre for Effective Services Implementation Network and Steering Group;
- Katharine Howard Foundation Board and
- Focus Ireland’s Research Advisory Group

She was an invited speaker at the following events:

- The Institute of Public Administration Doctorate in Governance Programme on ‘Implementation’, on-line, January.
- ‘The Future of the Irish Social Welfare System: Participation and Protection’, NERI Webinar, March.

- Chaired Panel Discussion and Workshop at ‘The Future of the Irish Social Welfare System’, on-line event, April.
- ‘Implementing a Wellbeing Framework – Some Ideas’, The Foundation for Fiscal Studies Webinar on Implementing Wellbeing Indicators, May.
- ‘Plugging the Gaps for a More Tailored Public Employment Service’, with Anne-Marie McGauran, Launch of Special Issue of *Administration*: Activation and Welfare Reform in Ireland, on-line, May.
- Opening welcome at Centre for Cross Border Studies Annual Conference on ‘Testing the Health of Conditions for Post-Brexit Cooperation: the evolving social and political contexts’, on-line, September.
- Chaired Implementation Network meeting on ‘Implementing Resilient and Sustainable Cities’, on-line, November.
- ‘Opening Up – Economic and Social Progress in the 1960s’, Irish Association Webinar, November and
- Closing remarks at ‘Climate and Biodiversity Ambition: Shared Island as a Catalyst’ on-line event, December.

She co-authored:

- ‘Moving Towards a More Tailored Public Employment Service?’ with Anne-Marie McGauran in *Administration*, vol. 69, no. 2 (2021), pp 107-125.

Dr Damian Thomas (Senior Policy Analyst):

During 2021 Dr Thomas was:

- Appointed Chair of Health Dialogue Partnership Principles Sub-Group (first meeting 17th December 2021)

He presented:

- ‘Adopting a Good Jobs Agenda’ to the ICTU A New Deal for Retail and Essential Workers Webinar 6th May 2021.

Dr Cathal FitzGerald (Senior Economist)

During 2021 Dr FitzGerald was assigned to the Department of the Taoiseach as lead on Covid data and behavioural analytics. Over that time he remained active on some NESDO related work including as a member of:

- The National Planning Knowledge Group and
- The National Planning Advisory Forum

He spoke at/attended the following events:

- ISAG Covid 19 Webinar
- UCC Public Management Challenges and Policy Analysis in Ireland Seminar

- IIEA Moderated Discussion with the Minister for Finance and the Chief Economist of the ECB
- LSE 'Behavioural Transformations in the 21st Century' Conference
- NUI Maynooth 'Has Ireland Failed the Covid-19 Test?' Conference
- Government Communications Network 'Behavioural Insights' Event
- NAEC 'GENSYS' Launch and
- Presidents and Secretaries-General of the Economic and Social Councils of the EU and the European Economic and Social Committee, Annual Meeting

Ms Niamh Garvey (Senior Policy Analyst):

During 2021 Ms Garvey was a member of:

- Bio-economy Implementation Group
- Climate Research Coordination Group
- National Environmental Research Coordination Group
- Gas Innovation Advisory Group
- Monitoring Committee for the Rural Development Programme for Ireland 2014 – 2022

She was an invited speaker at the following events:

'Development a well-being framework', Parliamentary Budget Office, online, November 2021

Dr Anne Marie McGauran (Policy Analyst):

During 2021 Dr McGauran was:

- Research Associate with the Centre for Gender and Women's Studies in Trinity College Dublin and
- A member of the Social Policy Network

She was an invited speaker and gave presentations to:

- ComReg staff, on NESC's report on digital inclusion, online October
- Eolas' Digital Government 2021 conference on digital inclusion, online, November
- EEAC's annual conference, 'Digital Transformation for a sustainable Anthropocene: Ethical, Green and Inclusive', online November
- Irish Social Policy Network, on NESC's report on Community Call, online November

She was also a participant in a [podcast](#) on Gender and Family in the Social Welfare System for Social Justice Ireland.

Dr Jeanne Moore (Policy Analyst):

During 2021 Dr Moore was a member of:

- DECC Working Group on Just Transition for the Climate Action Plan
- Advisory Committee on EPA project Greening the City, by Moore-Cherry and Gerard Mills (UCD) (ended July 2021)
- EPA National Research Overview Steering Group
- EPA National 5YRAR (Five Year Annual Climate Review) Steering Group to prepare climate change review
- SEAI/DECC Renewable Electricity Support Scheme (RESS) Evaluation Expert Steering Group
- Advisory Board of DCU Centre for Climate & Society

She was an invited speaker at the following events/meetings:

- Presentation at NESC & Department of the Taoiseach Climate and Biodiversity Shared Island Report Launch (December 8th)
- Presentation to the Marine Research Funders Forum (December 13th)
- Presentation to Ibec's Environment Policy Committee (May 17th)
- Presentation at the Shared Island Climate and Environment Dialogue (February 5th)
- Delivered a public lecture 'Just Transition: From Policy to Practice?' hosted by the UCD (School of Social Policy, Social Work and Social Justice) 2020-21 Seminar Series (January 28th)
- Presentation to Joint Oireachtas Committee on Environment and Climate Action (13th January)

Mr Noel Cahill (Economist)

During 2021 Noel Cahill was a member of the Supply and Affordability Advisory Panel of the Housing Agency.

He was an invited speaker at:

- Discussion of the General Scheme of the Affordable Housing Bill at the Joint Oireachtas Committee on Housing, Local Government and Heritage, February
- Presented 'Is Our Housing System moving on to a New More Sustainable Trajectory?' to an Irish Government Economic and Evaluation (IGEES) seminar on housing policy, online, November.

Chapter 3

NESDO Accounting Policies

Accounting Policies

3.1.1 Historical Cost Convention

The Financial Statements are prepared on an accruals basis under the historical cost convention in accordance with generally accepted accounting principles except where otherwise stated.

3.1.2 Income Recognition

A Grant received from the Department of the Taoiseach is recognised in the Financial Statements on a cash receipts basis.

Income from Conferences is recognised when it is invoiced. If it becomes apparent that the monies may not be received, a provision is made for doubtful debts.

NESDO enters into co-funding projects with other organisations that may last greater than one year. This income is recognised on a cash receipts basis.

3.1.3 Foreign Currencies

Transactions in currencies other than euro are recorded at the rates ruling at the date of the transactions or at a contracted date. Monetary assets and liabilities are translated into euro at the balance sheet date or at a contracted date. Exchange differences are dealt with in the Statement of Income and Expenditure Account.

3.1.4 Tangible Assets

Tangible assets are stated at cost less accumulated depreciation. Depreciation is calculated in order to write off the cost of tangible assets to their estimated residual values over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

- Furniture: 5/10 years;
- Equipment: 5 years.

Superannuation

NESDO staff are members of the pension scheme for Non-Established State Employees. This is a non-contributory scheme for an officer's own retirement pension

and lump sum benefits. Contributions are payable for the Spouses' and Children's Scheme. NESDO remits these contributions to the Department of Finance via the Department of the Taoiseach. Accordingly, NESDO has no liability in respect of the superannuation arrangements of these staff.

During 2021, the Department of the Taoiseach seconded two staff members to NESDO. These staff were covered by the superannuation schemes in operation in their respective Department. The Departments were reimbursed by NESDO in respect of salary, employer's PRSI and superannuation for the particular staff. Reimbursements accrued on a monthly basis and were charged to the Statement of Income and Expenditure and Retained Revenue Reserves. The relevant Department takes responsibility for the payroll and superannuation in respect to its seconded staff to NESDO.

Appendices

Appendix 1 NESDO Board Membership

- Mr Martin Fraser, Department of the Taoiseach (Chairperson)
- Ms Elizabeth Canavan, Department of the Taoiseach
Chief Officer NESDO, Dr Larry O’Connell

Appendix 2 NESC Council Membership

The membership of the Council for 2016-2022 was nominated as follows:

- Mr Martin Fraser (Former Chairman—Retired May 2022)
- Mr John Callinan (Chairman—Appointed June 2022)
- Ms Elizabeth Canavan (Deputy Chair—Reappointed June 2022)

Three members from Business and Employers:

- Ms Maeve McElwee, Director of Employer Relations, Ibec
- Mr Tom Parlon, Director General, CIF
- Mr Ian Talbot, Chief Executive Officer, Chambers Ireland

Three members from Trade Unions:

- Ms Patricia King, General Secretary, ICTU
- Mr Shay Cody (retired October) was replaced by Mr Joe Cunningham, General Secretary, Fórsa
- Mr Kevin Callinan, General Secretary, IMPACT

Three members from Farming and Agricultural:

- Mr Damian McDonald, Director General, IFA
- Mr John Enright, General Secretary, ICMSA was replaced (October) by Mr TJ Flanagan, Chief Executive Officer, ICOS
- Mr Denis Duggan, Chief Executive Officer, Macra na Feirme

Three members from Community and Voluntary:

- Dr Seán Healy, Social Justice Ireland
- Ms Brid O'Brien, Irish National Organisation of the Unemployed
- Mr James Doorley, Assistant Director, National Youth Council of Ireland

Three members from Environment:

- Ms Karen Ciesielski, Coordinator, Environmental Pillar
- Ms Kate Ruddock, Deputy Director, Friends of the Earth Ireland
- Ms Oonagh Duggan, Assistant Head of Division: Policy and Advocacy, Bird Watch Ireland

Four members from the Public Service:

- Mr Derek Moran, Secretary General, Department of Finance
- Dr Orlaigh Quinn, Secretary General, Department of Jobs, Enterprise and Innovation
- Mr John McCarthy, Secretary General, Department of Environment, Community and Local Government
- Mr Robert Watt, Secretary General, Department of Public Expenditure & Reform

Seven independent members nominated by the Taoiseach:

- Mr Philip Hamell, Retired Civil Servant
- Prof Edgar Morgenroth, DCU
- Prof Michelle Norris, School of Applied Social Science, UCD Geary Institute
- Prof Paul Donnelly, Technology University Dublin
- Prof Sinead O'Flanagan, Royal College of Surgeons in Ireland
- Prof Eleanor Denny, Trinity College Dublin
- Prof Geraint Ellis, Queens University Belfast

Director NESD, Dr Larry O'Connell

Appendix 3 Financial Statements as Signed by NESDO Board

National Economic and Social Development Office (NESDO)

Financial Statements

For The Year Ended 31 December 2021

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National Economic and Social Development Office (NESDO)

Board Members and Other Information

Board Members: Mr Martin Fraser (Former Chairman—Retired May 2022)
Mr John Callinan (Chairman—Appointed June 2022)
Ms Elizabeth Canavan (Deputy Chair—Reappointed June 2022)

Bankers: Allied Irish Bank
7/12 Dame Street
Dublin 2

Head Office: 16 Parnell Square
Dublin 1

Auditor: Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

National Economic and Social Development Office (NESDO)

Chairman's Report

For the year ended 31 December 2021

The National Economic and Social Development Office (NESDO) was established under the terms of the National Economic and Social Development Office Act, 2006 and is governed by a Board which was appointed by the Taoiseach.

NESDO is the body corporate for the National Economic and Social Council (NESC) which advises the Taoiseach on strategic policy issues relating to sustainable economic, social and environmental development in Ireland.

The Board of NESDO is committed to the highest standards of Corporate Governance and has implemented the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2016).

NESDO has extensive policies and procedures guidelines in place for all staff, committees and Board members. NESDO applies the highest standards of disclosure and transparency in respect of interests held by staff, committees and Board members.

Remuneration Policy - Board Members and Executive Directors

The positions of Chief Officer of NESDO and Director of the NESC are occupied by the same person. He is paid in respect of his position as Director of NESC and receives no additional remuneration, emoluments or expenses in relation to his role as Chief Officer. All staff of NESDO and NESC, including the Chief Officer/Director are paid in accordance with relevant pay circulars issued by the Department of Public Expenditure and Reform. The Board members of NESDO and the Council members of NESC do not receive any remuneration/fees.

Going Concern

The Board has a reasonable expectation of continued Departmental funding. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements. The first instalment of the 2022 Grant Income was received in January 2022.

National Economic and Social Development Office (NESDO)

Governance Statement and Board Members' Report

For the year ended 31 December 2021

Governance

The Board of the National Economic and Social Development Office (NESDO) was established under the National Economic and Social Development Office Act, 2006. The Board is accountable to the Taoiseach and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business decisions. The regular day-to-day management, control and direction of NESDO are the responsibility of the Chief Officer (CO) and NESDO management. The CO must follow the broad strategic direction set by the Board and must ensure that the Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CO acts as a direct liaison between the Board and the management of NESDO.

Board Responsibilities

The work and responsibilities of the Board are set out in the NESDO Policies and Procedures document which also contain matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 31(1) of the National Economic and Social Development Office Act, 2006 requires NESDO to keep, in such form as may be approved by the Taoiseach with the concurrence of the Minister for Finance, all proper and usual accounts of money received and expended by it.

In preparing these Financial Statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that it will continue in operation; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

The Board is responsible for ensuring that adequate accounting records are kept which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the Financial Statements comply with Section 31(2) of the National Economic and Social Development Office Act, 2006. The maintenance and integrity of the corporate and financial information on the NESDO's website is the responsibility of the Board.

The Board is responsible for approving an annual plan and budget. An evaluation of the performance of NESDO by reference to the annual plan and budget was carried out on 14 June 2021.

The Board is responsible for ensuring that the assets of NESDO are adequately safeguarded and that reasonable steps are in place for the prevention and detection of fraud and other irregularities.

The Board considers that the Financial Statements of NESDO give a true and fair view of the financial performance and the financial position of NESDO at 31 December, 2021.

Board Structure

The Board consists of a Chairperson and a Deputy Chairperson who are appointed by the Taoiseach. In May 2022, the Chairperson Martin Fraser (appointed May 2017 to May 2022) was replaced by John Callinan (appointed June 2022). Board meetings are held annually or more frequently as required. The members of the Board were appointed for a period coterminous with the term of the National Economic and Social Council (NESC). The table below details the appointment period for current members:

National Economic and Social Development Office (NESDO)

Governance Statement and Board Members' Report

For the year ended 31 December 2021

Board Member	Role	Date Appointed
Martin Fraser	Chairperson	24 May 2017
Elizabeth Canavan	Deputy Chairperson	24 May 2017

The Board has established an Audit and Risk Committee (ARC), comprising three members, including two external members. The role of the Audit and Risk Committee is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The Committee reports to the Board annually, or as required. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are Mr Nigel Clarke (Chairperson), from March 2021; Cillian Doyle, Department of the Taoiseach from June 2021, and Ms Edna Jordan, NESD from March 2021. There were 4 meetings of the ARC in 2021.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2021 is set out below including the fees and expenses received by each member:

	Board	Fees & Expenses (€)
Number of Meetings:	1	
Martin Fraser	1	0
Elizabeth Canavan	1	0

The Board members receive no fees or expenses.

	Audit & Risk Committee	Fees & Expenses (€)
Number of Meetings:	4	
Nigel Clarke	4	0
Cillian Doyle	3	0
Edna Jordan	3	0

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that NESDO has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employee Short-Term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits	Number of Employees 2021	Number of Employees 2020
€60,000-€69,999	0	1
€70,000 - €79,999	1	0
€80,000 – €89,999	2	4
€90,000 - €99,999	3	1
€100,000 - €109,999	1	2
€110,000 - €119,999	2	1
€120,000 - €129,999	0	0
€130,000 - €139,999	0	1
€140,000 - €149,999	1	0

Note: For the purpose of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employers' PRSI.

National Economic and Social Development Office (NESDO)

Governance Statement and Board Members' Report

For the year ended 31 December 2021

Travel and Subsistence Expenditure

Travel and subsistence Expenditure is categorised as follows:

Employees	2021 (€)	2020 (€)
Domestic	-	-
International	-	-
Non-Employees		
Domestic	-	852
Foreign	-	-
Total	-	852

Consultancy Costs

NESC are engaged in sustainable development research projects supported by funding from the Environment Fund.

Project	2021 (€)	2020 (€)
Sustainable Development Research Consultancy	78,435	13,575

Legal Costs and Settlements

2021 (€)	2020 (€)
Nil	Nil

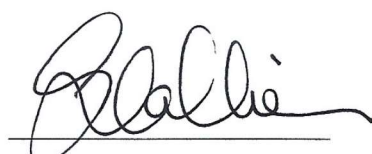
Hospitality Expenditure

Expenditure Analysis	2021 (€)	2020 (€)
Employees	-	527
Non-Employees	-	-
Total	-	527

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. NESDO was in full compliance with the Code for 2021.

Signed:



John Callinan
Board Chairman

Date: 19.09.2022

National Economic and Social Development Office (NESDO)

Statement on Internal Control

For the year ended 31st December 2021

Scope of Responsibility

On behalf of the Board of the National Economic and Social Development Office, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated in the Office. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can only provide 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 way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in NESDO for the year ended 31 December, 2021 and up to the date of approval of the Financial Statements.

Capacity to Handle Risk

NESDO has an Audit & Risk Committee (ARC) comprising three members two of whom, including the Chairman, are external members with wide corporate and financial experience in public sector organisations. The ARC has access to professional accountancy services as required. The ARC met four times in 2021.

The internal audit function at NESDO is carried out by the Internal Audit Unit of the Department of the Taoiseach on behalf of the NESDO ARC. The Unit is adequately resourced and conducts a three-year programme of work agreed with the Audit Committee covering a wide range of areas of the organisation including internal controls.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within NESDO risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

NESDO 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 NESDO and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on a quarterly 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 responsibility for operation of controls assigned to specific staff. I confirm that a control environment is in place containing the following elements:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, and
- there are systems in place to safeguard the assets.

National Economic and Social Development Office (NESDO)

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 the management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- 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.
- reporting arrangements are in place at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budget/forecasts.

Procurement

I confirm that NESDO has procedures in place to ensure compliance with current procurement rules and guidelines and that there is appropriate focus on good practice in purchasing. During 2021, 2 contracts to a value of €40,252 are considered to be non-competitive and non-compliant as the contracts were extended beyond the original contract date without competitive procurement. NESDO has taken steps to address this non-compliance by finalising a competitive process for these services. This process will be finalised in 2022.

Impact of Covid-19 on the Control Environment

I confirm that NESDO has prepared a report to provide Senior Management and the Audit Committee with an overview of the impact of Covid-19 on the control environment in response to the pandemic. The following was noted:

- No enforced changes to financial control processes including procurement compliance and existing segregation of duties and approval authorisations
- No changes to the security, access or monitoring of assets
- No additional risks to the capacity or security of the ICT infrastructure
- No impact on the work of the Audit Committee and Internal Audit Unit
- A range of additional measures put in place including regular communications to all staff, well-being and remote working supports, access to online training and information sessions.

The controls were working and there has been no impact on the control environment.

Review of Effectiveness

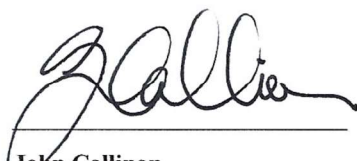
I confirm that NESDO has procedures to monitor the effectiveness of its risk management and control procedures. NESDO's monitoring and review of the effectiveness of the systems of internal control is informed by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within NESDO responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2021 on the 22 June 2022.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2021 that require disclosure in the Financial Statements.

Signed:


John Callinan
Board Chairman

Date: 19.09.2022



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

National Economic and Social Development Office

Opinion on the financial statements

I have audited the financial statements of the National Economic and Social Development Office for the year ending 31 December 2021 as required under the provisions of section 31 of the National Economic and Social Development Office Act 2006. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Economic and Social Development Office at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements 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 appendix to this report. I am independent of the National Economic and Social Development Office 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 information other than the financial statements, and on other matters

The National Economic and Social Development Office has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Mary Henry
For and on behalf of the
Comptroller and Auditor General
29 September 2022

Appendix to the report

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of annual financial statements in the form prescribed under section 31 of National Economic and Social Development Office Act 2006
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 31 of the National Economic and Social Development Office Act 2006 to audit the financial statements of the National Economic and Social Development Office and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Economic and Social Development Office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Economic and Social Development Office to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

National Economic and Social Development Office (NESDO)

Statement of Income and Expenditure and Retained Revenue Reserves

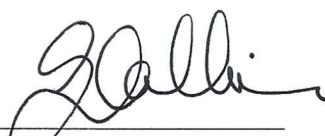
For the year ended 31 December 2021

Income	Notes	2021 €	2020 €
Oireachtas Grant	2	1,973,391	1,761,233
Other Income	3	99,973	75,645
Total Income		2,073,364	1,836,878
Expenditure			
Staff Costs	4	1,450,423	1,292,432
Consultancy		78,435	13,575
Printing and Publications		7,453	4,815
Travel & Subsistence	6	-	852
Conferences and Seminars		26,395	55,706
Training		9,058	14,613
Post, Taxis & Couriers		694	1,207
Library Services		16,424	13,892
Administration		662	535
Professional Fees		5,289	4,588
Audit Fee		10,000	9,700
Telephone		5,572	6,914
Stationery		2,261	6,309
IT and Website costs		52,325	41,110
Rent & Service Charges		376,841	381,782
Gain on disposal of fixed asset		(80)	-
Depreciation	7	7,905	12,071
Total Expenditure		2,049,657	1,860,101
Surplus/(Deficit) for the year before Appropriations		23,707	(23,223)
Transfer from/(to) Capital Account	11	(2,650)	1,027
Surplus/(Deficit) for the year after Appropriations		21,057	(22,196)
Balance at 1 January		103,172	125,368
Balance at 31 December		124,229	103,172

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows on page 12 and the notes on pages 13 to 18 form part of the Financial Statements.

Signed:


John Callinan
Board Chairman

Date:

19.09.2022

Signed:


Larry O'Connell
Chief Officer

Date:

19.9.22

National Economic & Social Development Office (NESDO)

Statement of Financial Position

As at 31 December 2021

	Notes	2021	2020
		€	€
Fixed Assets			
Property, Plant and Equipment	7	22,425	19,775
Current Assets			
Receivables	8	22,822	22,825
Cash and Cash Equivalents	10	180,121	145,556
		<u>202,943</u>	<u>168,381</u>
Current Liabilities (Amounts falling due within one year)	9	<u>(78,715)</u>	<u>(65,210)</u>
Net Current Assets		124,228	103,171
Total Net Assets		<u>146,653</u>	<u>122,946</u>
Representing			
Capital Account	11	22,424	19,774
Retained Reserves		124,229	103,172
		<u>146,653</u>	<u>122,946</u>

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

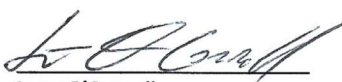
The Statement of Cash Flows on page 12 and the notes on pages 13 to 18 form part of the Financial Statements.

Signed:


John Callinan
Board Chairman

Date: 19.09.2022

Signed:


Larry O'Connell
Chief Officer

Date: 19.9.22

National Economic & Social Development Office (NESDO)

Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 €	2020 €
Net Cash Flows from Operating Activities			
Surplus/(Deficit) for year		21,057	(22,196)
Depreciation		7,905	12,071
Profit on disposal		(80)	-
Decrease in receivables		3	21,021
Increase in payables		13,505	15,225
Transfer to/(from) capital account		2,650	(1,027)
Bank interest received		(5)	(18)
Net Cash Inflow from Operating Activities		45,035	25,076
Cash flow from Investing Activities			
Payment to acquire property, plant & equipment	7	(11,278)	(11,045)
Net Cash Flows from Investing Activities		(11,278)	(11,045)
Cash Flows from Financing Activities			
Bank interest received		5	18
Proceeds from sale of fixed assets		803	-
Net Cash Flows from Financing Activities		808	18
Net Increase in Cash and Cash Equivalents		34,565	14,049
Cash and cash equivalents at 1 January		145,556	131,507
Cash and Cash Equivalents at 31 December	10	180,121	145,556

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

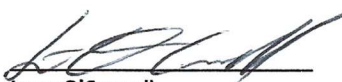
The Statement of Cash Flows on page 12 and the notes on pages 13 to 18 form part of the Financial Statements.

Signed:


 John Callinan
 Board Chairman

Date: 19.09.2022

Signed:


 Larry O'Connell
 Chief Officer

Date: 19.9.22

National Economic & Social Development Office (NESDO)

Notes to the Financial Statements

For the Year Ended 31st December 2021

1 Statement of Accounting Policies

Accounting Policies

The basis of accounting and significant accounting policies adopted by NESDO is set out below. They have all been applied consistently throughout the year and for the preceding year.

General Information

NESDO was set up under the National Economic and Social Development Office Act 2006, with a head office at 16 Parnell Square, Dublin 1.

NESDO's primary objective as set out in Section 8 of the National Economic and Social Development Office Act 2006 is as follows:

To advise the Taoiseach on all strategic matters relevant to economic and social development in the State.

NESDO is a Public Benefit Entity (PBE).

Statement of Compliance

The Financial Statements of NESDO for the year ended 31 December 2021 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC).

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The Financial Statements are in the form approved by the Taoiseach with the concurrence of the Minister for Public Expenditure and Reform under the National Economic and Social Development Office Act, 2006. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to NESDO's Financial Statements.

Revenue

Oireachtas Grant

Grant received from the Department of the Taoiseach is recognised in the Financial Statements on a cash receipts basis.

Other Income

NESC are engaged in research projects supported by funding from The Environment Fund. This income is recognised when it is invoiced.

NESDO enters into co-funding projects with other organisations that may last greater than one year. This income is recognised on a cash receipts basis.

National Economic & Social Development Office (NESDO)

Notes to the Financial Statements

For the Year Ended 31st December 2021

Foreign Currencies

Transactions in currencies other than euro are recorded at the rates ruling at the date of the transactions or at a contracted date. Monetary assets and liabilities are translated into euro at the balance sheet date or at a contracted date. Exchange differences are dealt with in the Statement of Income and Expenditure Account.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

- (i) Furniture: 10 years
- (ii) Equipment: 5 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

Employee Benefits

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

With the approval of the Departments of the Taoiseach and Public Expenditure and Reform by 2015 all staff had become members of the pension scheme for Non-Established State Employees. This is a non-contributory scheme for an officer's own retirement pension and lump sum benefits. Contributions are payable for the Spouse and Children's Scheme. NESDO remits these contributions to the Department of Public Expenditure and Reform. Accordingly, NESDO has no liability in respect of the superannuation arrangements of these staff.

During 2021, the Department of the Taoiseach seconded two staff members to NESDO, the Department of Business, Enterprise and Innovation seconded one staff member to NESDO (until March 2021), the Department of Health seconded one staff member to NESDO and the Department of Foreign Affairs seconded one staff member to NESDO. These staff were covered by the superannuation schemes in operation in their respective Department. The Departments were reimbursed by NESDO in respect of salary, employer's PRSI and superannuation for the particular staff. Reimbursements accrued on a monthly basis were charged to the Statement of Income and Expenditure and Retained Revenue Reserves. The relevant Department takes responsibility for the payroll and superannuation in respect to its seconded staff to NESDO.

Critical Accounting Judgements and Estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgement has had the most significant effect on amounts recognised in the Financial Statements.

National Economic and Social Development Office (NESDO)

Notes to the Financial Statements

For the Year Ended 31st December 2021

Depreciation and Residual Values

The Chief Officer has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and has concluded that asset lives and values are appropriate.

2 Oireachtas Grant Income Drawdown

	2021	2020
	€	€
Oireachtas Grant Income Drawdown ¹	<u>1,973,391</u>	<u>1,761,233</u>

¹ Source of Income – Allocation from Vote 2 Department of the Taoiseach Subhead A3 to NESDO. As a constituent body of NESDO (as set out in the National Economic and Social Development Office Act, 2006), NESC's expenditure is met by NESDO.

3 Other Income

	2021	2020
	€	€
Project Income ²	99,968	75,627
Bank Interest	<u>5</u>	<u>18</u>
	<u>99,973</u>	<u>75,645</u>

² The sum of €99,968 was received from The Environment Fund in 2021.

4 Staff Costs

	2021	2020
	€	€
Wages and Salaries	1,327,433	1,189,171
Social Welfare Costs	<u>122,990</u>	<u>103,261</u>
	<u>1,450,423</u>	<u>1,292,432</u>
The average number of employees and ECF allocation during the year were:	<u>18</u>	<u>17</u>

A total of €67,331 (2020: €57,252) of pension levy has been deducted from staff and paid over to the Department of the Taoiseach. The Chief Officer of NESDO, who is also the Director of NESC received €143,872 (2020: €135,209) as remuneration in respect of his role as Director of NESC for the year ended 31 December 2021. The Chief Officer was not in receipt of remuneration, emoluments or expenses in respect of his role as Chief Officer of NESDO. As Director of NESC he received nil in 2021 (2020: €103) in respect of official travel and subsistence as per Department of Finance Circular 07/2009.

Included in Wages and Salaries is Holiday Pay accrual amounting to €31,601 (2020 – €44,972).

National Economic & Social Development Office (NESDO)

Notes to the Financial Statements

For the Year Ended 31st December 2021

5 Retirement Benefits

2021

2020

€

€

Included in wages and salaries in note 4 is the following:

Employee contributions to the Department of the Taoiseach in respect of staff

28,234

23,983

6 Travel & Subsistence

2021

2020

€

€

Travel and Subsistence³

-

852

-

852

3. Includes reimbursement of expenses to Council members of NESC associated with attending Council meetings.

7 Property, Plant and Equipment

Equipment

Furniture

Total

€

€

€

Cost

Balance at 1 January 2021

249,566

178,994

428,560

Additions

11,278

-

11,278

Disposals

(1,436)

(4,623)

(6,059)

Balance at 31 December 2021

259,408

174,371

433,779

Depreciation

Balance at 1 January 2021

235,921

172,864

408,785

Charge for year

7,249

656

7,905

Disposals

(1,436)

(3,900)

(5,336)

Balance at 31 December 2021

241,734

169,620

411,354

Net Book Value

At 31 December 2021

17,674

4,751

22,425

At 31 December 2020

13,645

6,130

19,775

National Economic and Social Development Office (NESDO)

Notes to Financial Statements

For the Year Ended 31st December 2021

8	<u>Receivables</u>	2021	2020
		€	€
	Prepayments	22,822	22,298
	Other debtors	-	527
	Debtors control	-	-
		<u>22,822</u>	<u>22,825</u>
9	<u>Payables</u>	2021	2020
		€	€
	Trade creditors	24,524	4,767
	Taxes and social costs	817	934
	Accruals	53,374	59,509
		<u>78,715</u>	<u>65,210</u>
10	<u>Cash and Cash Equivalents</u>	2021	2020
		€	€
	Current account	38,329	35,062
	Deposit account	141,722	110,287
	Cash on hand	70	207
		<u>180,121</u>	<u>145,556</u>
11	<u>Capital Account</u>	2021	2020
		€	€
	Balances at 1 January	19,774	20,801
	<i>Transfer to Income and Expenditure</i>		
	Income used to purchase Fixed Assets	11,278	11,044
	Amortisation in line with depreciation	(7,905)	(12,071)
	Released on disposal of fixed assets	(723)	-
		<u>2,650</u>	<u>(1,027)</u>
	Balance at 31 December	<u>22,424</u>	<u>19,774</u>

National Economic and Social Development Office (NESDO)

Notes to the Financial Statements

For the Year Ended 31st December 2021

12 Premises occupied by NESDO

NESDO occupies one premises which is located at 16 Parnell Square, Dublin 1. It rents this premises on a year to year basis from the Office of Public Works and is not tied into a lease. Rent of € 322,329 and service charges of €54,512 were paid in respect of 2021.

13 Related Party Disclosures

The Board members of NESDO adopted procedures in accordance with procedures issued by the Department of Public Expenditure and Reform in relation to the disclosure of Interests by Board members and these procedures have been adhered to during the year. I confirm that there were no transactions in the year in relation to the Board's activities in which a Board member had any beneficial interest.

The Council of NESC (the constituent body of NESDO) is solely an advisory body with no executive functions and is specifically structured in order that key sectoral interests are represented.

Key management personnel in NESDO consist of the Chief Officer and members of the Board. Key management personnel were not in receipt of remuneration, emoluments or expenses in respect of their role in NESDO.

Both NESDO and NESC operate under the NESDO Act, 2006 which provides for disclosure of interests.

14 Covid 19 Pandemic

The National Economic and Social Development Office recognises that the Covid-19 pandemic is a significant event. NESDO assesses this event to be a non-adjusting post balance sheet event in relation to its 2021 Financial Statements and has factored the Covid-19 pandemic into its overall risk management processes and operations in 2021 and for estimates into 2022.

NESDO is satisfied that it can continue to discharge its functions and that it will continue to have the necessary funding to enable that. NESDO is of the view that its operations can continue on a going concern basis covering the twelve-month period from the date of the signing of the 2021 Financial Statements.

15 Approval of Financial Statements

The Financial Statements were approved by the Board of NESDO on the 22 June 2022.

