

## 8. Inspections

Section 8 of the Comptroller and Auditor General (Amendment) Act, 1993 enables me to carry out, at my discretion, inspection of books, accounts and other records of regional tourism organisations and other bodies which receive 50% or more of their annual income from the State. The purpose of an inspection is to check that public moneys have been spent for the purposes for which they were provided and in accordance with any conditions specified by the relevant Minister.

In 1997 I carried out inspections in the Olympic Council of Ireland, Dublin Tourism and the South West Regional Tourism Authority Ltd. with satisfactory results.

From January to August 2000 I carried out inspections in Western Care Castlebar, Western Regional Tourism Authority Ltd., Mercy Hospital Cork and Cope Foundation Cork with satisfactory results.

## 9. Foreign Travel Policy

The annual expenditure incurred by Government Departments on Air Travel is about £6.1m, of which an estimated £1.9m is recouped from third parties, mainly the EU.

In order to address concerns that Departments were obtaining value for money (VFM) in air transport, that the selection of Air Carriers was fair and reasonable and that there was an adequate level of expertise within Departments to manage their air travel requirements, the Department of Finance, in March 1998, issued a Travel Policy document to Departments, which laid down certain principles and guidelines which were to be followed in selecting Air Carriers. These related mainly to issues of VFM, use of economy fares where possible, and fair competition and lack of bias in the selection of Air Carriers. It was decided that each Department would appoint a travel agent who would provide agreed services in relation to foreign travel for agreed remuneration.

The contract for all Departments was awarded to one travel agent following a tender competition. The term of the contract was initially for one year with effect from February 1999, with provision for an extension of up to two years.

In order to monitor the success of the new arrangements and to deal with any difficulties which might be arising, the Department of Finance also decided to appoint consultants to carry out reviews of the operation of the new arrangements in the various departments. The first review covered the year ended August 1999 and was completed in October 1999, a second review covering the year ended August 2000 is currently underway and it is intended that a further review covering the year ended August 2001 will be carried out in 2001.

The consultants made a number of recommendations for action by the various parties involved in the agreements, *viz.* the Department of Finance, line Government Departments and the travel agent. My staff reviewed the recommendations and the action taken by the Department of Finance in relation to them. The chief findings and recommendations of the consultants and the action taken in relation to them are as follows:

- The contract with the travel agent as an incentive to minimise costs, provided for the payment to the travel agent of a proportion of the savings effected by him. The contract provided that the savings should be calculated by a comparison of fares obtained by the agent and certain