

General Matters

1. Outturn for the year

The audited accounts are summarised on pages x and xi of Volume 2. The amount to be surrendered as shown in the summary is £599.63m arrived at as shown in Table 1.

Table 1 Outturn for the year 2000

	£'000	£'000	£'000
<i>Estimated Gross Expenditure</i>			
Original Estimates	18,221,890		
Supplementary Estimates	<u>432,110</u>	18,654,000	
<i>Deduct:-</i>			
<i>Estimated Appropriations in Aid</i>			
Original Estimates	1,785,422		
Supplementary Estimates	<u>4,135</u>	<u>1,789,557</u>	
Estimated Net Expenditure			16,864,443
Actual Gross Expenditure		18,015,831	
<i>Deduct:-</i>			
Actual Appropriations in Aid		<u>1,751,549</u>	
Net Expenditure			<u>16,264,282</u>
Amount to be Surrendered			£600,161 (€762,047)

This represents 3.56% of the supply grant as compared with 3.21% in 1999.

2. Extra Exchequer Receipts

Extra Receipts payable to the Exchequer as recorded in the Appropriation Accounts amounted to £208,991,464.

3. Surrender of Balances of 1999 Votes

The balances due to be surrendered out of Votes for Public Services for the year ended 31 December 1999 amounted to £478.23m. I hereby certify that these balances have been duly surrendered.

4. Stock and Store Accounts

The stock and store accounts of the Departments have been examined with generally satisfactory results.

5. 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.

Since August 2000 I carried out inspections in St Patrick's Hospital, Cork, South Infirmary – Victoria Hospital, Cork, Galway County Association for Mentally Handicapped Children and the South Western Regional Tourism Authority, with satisfactory results.

6. North-South Implementation Bodies

Background

The British Irish Agreement was signed at Belfast on 10 April 1998 and was brought into force on 2 December 1999.

The following North/South Institutions, as provided for in the Agreement, were established with effect from 2 December 1999:

- The North/South Ministerial Council
- The six North/South Implementation Bodies.

The North/South Ministerial Council

The North/South Ministerial Council brings together Ministers from the Northern Ireland Assembly and the Irish Government, on a regular basis, to develop consultation, co-operation and action within the island of Ireland on matters of mutual interest within the competence of both administrations.

The work of the Council is supported by a Joint Secretariat, located in Armagh, which is staffed by personnel from the Office of the First Minister and Deputy First Minister and the Irish Civil Service. Among other duties, the Joint Secretariat is responsible for arranging Council meetings in both sectoral and plenary formats, co-ordinating the papers for the meetings and monitoring the work of the six Implementation Bodies.

The North/South Implementation Bodies

The work of the North/South Ministerial Council covers 12 sectors, six have North/South bodies and the other 6 operate through existing agencies in each jurisdiction.

The six North/South Implementation Bodies implement the policies agreed by the Ministers in the Council. The governing legislation is the British-Irish Agreement Act 1999 and the North-South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999.

The six matters identified as "Areas of Co-operation" through the mechanism of existing bodies in each separate jurisdiction are: Transport, Agriculture, Education, Health, Environment and Tourism.

The following summarises the functions of each Implementation Body: -

Waterways Ireland

Waterways Ireland is responsible for navigable inland waterways on the island. Its primary function is the management, maintenance, development and restoration of the inland navigable waterway systems, primarily for recreational purposes. These systems were previously under the control of the Minister for Arts, Heritage, Gaeltacht and the Islands in this jurisdiction and the Rivers Agency in Northern Ireland.

Food Safety Promotion Board

The Food Safety Promotion Board is principally charged with promoting food safety – through public campaigns, conferences, training and advising professionals and the general public. It is also involved in supporting North/South scientific co-operation, and links between institutions working in the field of food safety – laboratories, statutory food safety enforcement agencies, and international and domestic research bodies.

Trade and Business Development Body

The Trade and Business Development Body, which operates under the name of InterTradeIreland, exercises a range of functions in the trade and business sector. Under the overall policy direction of the North/South Ministerial Council, InterTradeIreland works in close collaboration with the Department of Enterprise, Trade and Investment, Belfast, and the Department of Enterprise, Trade and Employment, Dublin. It also has a focus on promoting North/South trade and business co-operation by building enterprise capability and competitiveness.

Special European Union Programmes Body

The Special European Union Programmes Body has significant managerial, including grant-making and oversight functions in relation to the new Community Initiatives under the post-1999 European Structural Funds and the new Peace Programme. The Body is also responsible for monitoring and promoting the implementation of the Common Chapter in the National Development Plan for Ireland and the Northern Ireland Structural Funds Plan.

The North/South Language Body

The Language Body is a single body reporting to the North/South Ministerial Council, but composed of two separate agencies: the Irish Language Agency, Foras na Gaeilge, and the Ulster-Scots Agency, Tha Boord o Ulster-Scotch.

Foras na Gaeilge, which was established on 2 December 1999 after taking over the functions of Bord na Gaeilge, An Gúm and An Coiste Téarmaíochta is responsible for promoting the Irish Language on an all-island basis. Its wide range of functions includes the promotion of Irish, for example, in the area of education, dictionaries and terminology.

Tha Boord o Ulster-Scotch is responsible for promoting a greater awareness and use of Ullans and of Ulster-Scots cultural issues, both within Northern Ireland and throughout the island.

Foyle, Carlingford and Irish Lights Commission

The functions of the Commission in relation to the Foyle and Carlingford Areas are exercised through the Loughs Agency, which replaced the Foyle Fisheries Commission on 2 December 1999. Its function includes the "conservation, protection and improvement of the fisheries of the Foyle area" and to promote the development of Lough Foyle and Carlingford Lough for commercial and recreational purposes.

British and Irish legislation, when implemented will allow transfer of the Commissioners of Irish Lights functions to the Foyle, Carlingford and Irish Lights Commission, and such functions will be exercised through an agency of the Commission known as the Lights Agency. The Commission will become the General Lighthouse Authority for the island of Ireland.

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Other Bodies

With the agreement of the Northern Ireland Assembly and the Oireachtas it will be open to the North-South Ministerial Council to set up more Implementation Bodies in the future.

A limited company publicly owned by Bord Fáilte Éireann and the Northern Ireland Tourist Board was established on 11 December 2000. The new company, Tourism Ireland Limited, markets the island of Ireland overseas as a tourism destination and will operate under the overall policy direction of the North/South Ministerial Council.

Funding Arrangements

The bodies are funded primarily from grants made by the relevant government departments in both jurisdictions. They are staffed by a combination of civil servants (either transferred or seconded from their parent Departments) and directly recruited staff. A summary of the funding and staffing position of the Implementation Bodies for the period 2 December 1999 to 31 December 2000 is shown in Table 2.

Table 2 Implementation Bodies – Funding and Staffing

Body	Total Public Funding¹	Irish Contribution¹	Northern Ireland Contribution¹	Average Staff Numbers
	IR£m	IR£m	IR£m	
Waterways Ireland ²	11.950	10.912	1.038	250
North/South Language Body:				
Foras na Gaeilge ²	8.173	5.876	2.297	43
Ulster-Scots Agency ²	0.342	0.085	0.257	3
Food Safety Promotion Board	2.050	2.050		4
Trade and Business Development Body	2.448	1.637	0.811	14
Special EU Programmes Body	2.758	1.883	0.875	19
Foyle, Carlingford and Irish Lights Commission				
Loughs Agency ²	1.893	1.182	0.711	27
Total	29.614	23.625	5.989	360

Notes:

1 Includes Current and Capital Grants.

2 Unaudited Accounts.

Auditing Arrangements

Each Body is required to keep proper accounts and financial records and to prepare a statement of accounts in respect of each year containing such information and in such form as the Irish and Northern Ireland Department paying grants to the Body may direct with the approval of the Finance Departments.

Each Body submits copies of its accounts to the North/South Ministerial Council as well as to the Comptroller and Auditor General for Northern Ireland and me. Staff from the Northern Ireland Audit Office and my Office audit the accounts in co-operation leading to joint certification of the accounts by the Comptroller and Auditor General for Northern Ireland and me.

The audited accounts, together with any report thereon, are then laid before both Houses of the Oireachtas and the Northern Ireland Assembly.

Tourism Ireland Limited is a company registered in this jurisdiction and it has been agreed that I should be the auditor of its accounts. While it is my intention that staff from the Northern Ireland Audit Office will form part of my audit team, the Comptroller and Auditor General for Northern Ireland will not formally participate in the audit as he does not have the necessary legislative authority to audit the accounts of private companies.

As at 10 September 2001 the audit of the Trade and Business Development Body, the Special EU Programmes Body and the Food Safety Promotion Board have been completed. The audits of Waterways Ireland and the Loughs Agency were ongoing while the audits of the Language Body had not commenced. The first set of accounts for Tourism Ireland Limited will cover the period 11 December 2000 to 31 December 2001 and will be audited in 2002.

The expenses of the North/South Ministerial Council are accounted for by the Office of the First and Deputy Minister in Belfast and by the Department of Foreign Affairs in Dublin as appropriate.

7. Domestic Travel And Subsistence In The Civil Service

Background

Officers employed on official business away from their normal workplace are compensated for the resultant travel and subsistence expenses incurred in accordance with rules and regulations made by the Minister for Finance. Expenses incurred on accommodation and meals are generally reimbursed at standard overnight or daily rates set by the Department of Finance. Where use of an officer's own car is permitted, standard mileage rates - based on the engine capacity of the car - are paid. Where public transport is used actual costs are reimbursed. The Regulations require that allowances claimed should not exceed actual expenses incurred and that expenses should not be a source of emolument or profit. Responsibility for ensuring compliance with the rules rests with the individual Government Departments and Offices that employ such staff.

Expenditure on both domestic and foreign travel and subsistence in 1999 was £49.7m. This had increased by almost 10% to £54.6m in 2000. Some £41m of this expenditure related to domestic travel and subsistence. The Departments/Offices examined spent £5.3m and £6.0m in 1999 and 2000 respectively of which £4.3m and £5.0m was in respect of domestic travel and subsistence.

Audit Objectives and Scope

The purpose of the audit was to determine the extent to which Government Departments and Offices adhered to the Regulations laid down by the Department of Finance and to ascertain whether there was a generally consistent interpretation of the Regulations across different Departments and Offices. The accounting records and the controls and procedures in operation to ensure that travel and subsistence payments were properly and correctly authorised and paid were also evaluated.

Six Departments and Offices were selected for audit. Except for the Department of Finance, the Departments and offices selected had higher than average spending per employee on travel. Audit software was used to extract a sample of travel and subsistence claims for detailed examination. Discussions also took place with managers and staff in the selected Departments and Offices who had responsibility for the processing and recording of travel and subsistence claims. The following Departments and Offices were selected for audit - Departments of Arts, Heritage, Gaeltacht and the Islands; Environment and Local Government; Marine and Natural Resources; and Finance, as well as the Valuation Office and Ordnance Survey.

Expenditure

Details relating to the costs incurred on travel and subsistence by the six Departments and Offices audited are shown in Table 3.

Table 3 Expenditure on domestic travel and subsistence for selected Departments/Offices

Department	Total Number of Staff	Total Amount Paid £	Number of Recipients	Number of Recipients £5,000 or more	Max individual Payment £
Environment and, Local Government	856	2,072,070	621	170	18,836
Arts, Heritage, Gaeltacht and the Islands	790	1,309,000	502	100	14,227
Marine and Natural Resources	597	1,099,206	390	86	16,575
Finance	569	131,703	263	0	3,696
Valuation Office	132	142,483	103	29	17,538
Ordnance Survey	316	273,798	222	16	13,553
Total	3,260	5,028,260	2,101	401	

Audit Findings

The maintenance of accounting records, and the controls and procedures in place to ensure that all travel payments were correctly and properly made in accordance with Department of Finance Regulations, were satisfactory.

The Department of the Environment and Local Government had a system in place for paying car allowances and reduced mileage rates to certain technical grades who travel regularly, rather than the standard mileage rates. The Department of the Marine and Natural Resources supplied cars to its Sea Fisheries Officers and Control Manager for use exclusively on official business. The arrangements in both cases seemed appropriate and had been approved by the Department of Finance.

In the case of the Ordnance Survey Office, an authorised officer did not approve the travel costs of its two most senior officers. I have been informed that arrangements have now been put in place to correct this position.

According to the Regulations, overnight subsistence is payable to officers when they are working more than 15 miles from home or their normal workplace. The 15 mile threshold has remained unchanged since 1982. Except for the Valuation Office, all of the Departments and Offices examined paid overnight subsistence when officers were more than 15 miles from home or normal workplace. The Valuation Office stated that it only paid overnight subsistence if this was more economically advantageous than having the officer return to the Office at the end of the working day, taking account of the cost in mileage and the work forgone due to travel.

Instances were noted in Departments where claimants were paid overnight subsistence when they were working not far outside the 15 mile threshold. With the advent of improved roads, high levels of car ownership and changes in commuting patterns it would appear that a review of the threshold is well overdue. As a result of my inquiry the Department of Finance has undertaken to examine the existing arrangements.