

## **Appropriation Account 2017**

---

### **Vote 31**

### **Transport, Tourism and Sport**

---

## Introduction

As Accounting Officer for Vote 31, I am required each year to prepare the Appropriation Account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2017 for the salaries and expenses of the Office of the Minister for Transport, Tourism and Sport, including certain services administered by that Office, for payment of certain grants and certain other services.

The expenditure outturn is compared with the sums:

- (a) granted by Dáil Éireann under the Appropriation Act 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2017 out of unspent 2016 appropriation, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €2.26 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

### ***Depreciation***

The Department's policy is to depreciate assets from the date of purchase with no depreciation provided in the year of disposal. Depreciation is charged at the following rates:

Land and buildings - no depreciation

Furniture and fittings - 10%

Office equipment - 20%

Motor vehicles - 20%

Specialist equipment - 20%

## Statement 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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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.

***Assurance on Shared Services***

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I rely on this letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

I have fulfilled my responsibilities in relation to the requirements of the Employee Services Management Agreement (ESMA) between this Department and the National Shared Service Office for the provision of payroll and human resource shared services.

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
- procedures for all key business processes have been documented
- there are systems in place to safeguard the assets.

***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 is an appropriate budgeting system with an annual budget which is kept under review by senior management
- 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 Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines
- the Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. In 2017 the Department incurred no expenditure which was not procured in accordance with National and EU tender requirements
- in addition, the Finance Division of the Department has been certified as compliant with ISO: 9001:2008 standard and has had certification extended for a further 3 years up to February 2020, with respect to its management procedures.

### ***Enhancing Controls Over Local and Regional Roads Grant Payments***

Expenditure under Subhead B3 includes grants of €325 million for the improvement and maintenance of local and regional roads. The Department is responsible for the grant programme but between 2009 and 2013 the National Roads Authority (NRA, now Transport Infrastructure Ireland - TII) assumed responsibility for administering the grants on behalf of the Department. TII's control procedures included the monitoring of progress on road improvement works by the TII's engineers and inspectors.

In 2013 TII indicated that it was no longer in a position to undertake this work and the Department resumed responsibility for these grants in 2014 but for administrative efficiency it uses the Authority, as agent, to issue the payments to the local authorities. The Department's Road Division conducts administrative checks on expenditure but up to 2017, project inspections were not undertaken. The first Engineering Inspector took up duty on the 11th October 2017. In addition a Senior Adviser Engineer has also been assigned to inspection and monitoring work. A second Engineering Inspector took up duty on the 8th January 2018. There is now a team of 3 engineers reporting to the Principal Adviser and overseeing the regional and local road investment programme under the Principal Adviser's direction. This will allow inspections to be undertaken on a risk based approach.

### ***Enhancing Oversight Arrangements***

Total funding provided to bodies under the aegis of the Department was €1,648 million in 2017. In 2017, the Department's Internal Audit made a number of recommendations in relation to the overarching arrangements in place with regards to the corporate governance of State Agencies under the aegis of the Department.

Following this, the Department initiated a review of its oversight arrangements with its agencies and that review concluded with the approval by the Management Board in May 2018 of a new "Framework Oversight Plan". Among the key enhancements introduced under the "Framework Oversight Plan" are –

- clarification of Departmental roles and responsibilities in relation to agency oversight
- introduction of formal reporting structures to the Management Board giving a "whole of Department" perspective on compliance of the Department's agencies with their reporting responsibilities under the Code of Practice for the Governance of State Bodies
- improved access to financial expertise in assisting with monitoring and oversight arrangements
- dissemination of a standard template to assist Line Divisions in developing Performance Delivery Agreements (PDAs) with agencies

The development and implementation of the new "Framework Oversight Plan" has satisfactorily addressed the issues identified in 2017 and both the Management Board and the Internal Audit Unit are assured in respect of the measures now put in place.

### ***Internal Audit and Audit Committee***

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department 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 the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

***Risk and Control Framework***

The Department 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 the Department and these have been identified, evaluated and graded according to their significance. The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

The register is reviewed and updated by the Management Board three times a year, with the other quarter dedicated to system maintenance and improvement. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

***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 management and the Management Board, where relevant, in a timely way. I confirm that 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.

***Review of Effectiveness***

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the department responsible for the development and maintenance of the internal financial control framework.

***Internal Financial Control Issues***

No weaknesses in internal financial control were identified in relation to 2017 that resulted in, or may result in, a material loss.

**Graham Doyle**

Accounting Officer

Department of Transport, Tourism and Sport

11 September 2018

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 31 Transport, Tourism and Sport**

##### ***Opinion on the appropriation account***

I have audited the appropriation account for Vote 31 Transport, Tourism and Sport for the year ended 31 December 2017 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 31 Transport, Tourism and Sport for the year ended 31 December 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### ***Basis of opinion***

I conducted my audit of the appropriation account 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 *Preface to the Appropriation Accounts*. I am independent of the Department of Transport, Tourism and Sport 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 the statement on internal financial control, and on other matters***

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

I have nothing to report in that regard.

**Seamus McCarthy**

Comptroller and Auditor General

14 September 2018

## Vote 31 Transport, Tourism and Sport

### Appropriation Account 2017

		2017		2016
		Estimate provision		Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Civil aviation		27,255	25,285
B	Land transport			
	<i>Original</i>	1,456,930		
	<i>Supplementary</i>	12,500		
	<i>Deferred surrender</i>	4,647	1,474,077	1,475,083
C	Maritime transport and safety		95,791	87,286
D	Sports and Recreation Services			
	<i>Original</i>	108,107		
	<i>Deferred surrender</i>	6,322	114,429	107,762
E	Tourism services		121,971	123,692
<b>Gross expenditure</b>				
	<i>Original</i>	1,810,054		
	<i>Supplementary</i>	12,500		
	<i>Deferred surrender</i>	10,969	1,833,523	1,819,108
<i>Deduct</i>				
F	<b>Appropriations-in-aid</b>			
	<i>Original</i>	367,947		
	<i>Supplementary</i>	12,499	380,446	379,243
<b>Net expenditure</b>				
	<i>Original</i>	1,442,107		
	<i>Supplementary</i>	1		
	<i>Deferred surrender</i>	10,969		
			1,453,077	1,439,865
				1,452,480

**Surplus**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Surplus	13,212,200	13,878,891
Deferred surrender	(10,950,000)	(10,969,000)
<b>Surplus to be surrendered</b>	<b>2,262,200</b>	<b>2,909,891</b>

**Graham Doyle**

Accounting Officer

Department of Transport, Tourism and Sport

11 September 2018



## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2017

	2017	2016
	€000	€000
Programme cost	1,784,530	1,803,442
Pay	28,133	26,625
Non pay	6,445	6,040
<b>Gross expenditure</b>	<b>1,819,108</b>	<b>1,836,107</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>379,243</b>	<b>383,627</b>
<b>Net expenditure</b>	<b>1,439,865</b>	<b>1,452,480</b>
<b>Changes in capital assets</b>		
Purchases cash	(4,413)	
Disposals cash	27	
(Profit)/loss on disposals	(27)	
Depreciation	3,684	
	(729)	(1,529)
<b>Changes in net current assets</b>		
Increase in closing accruals and prepayments	172	
Decrease in stock	233	
	405	(118)
<b>Direct expenditure</b>	<b>1,439,541</b>	<b>1,450,833</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	16,766	14,585
Notional rents	3,785	4,045
<b>Net programme cost</b>	<b>1,460,092</b>	<b>1,469,463</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 31 borne elsewhere.

	2017	2016
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 120	135
Vote 12 Superannuation and Retired Allowances	e 12,289	9,973
Vote 13 Office of Public Works	e 3,901	4,188
Vote 18 National Shared Services Office	e 58	51
Central Fund - Ministerial pensions	e 398	238
	<b>16,766</b>	<b>14,585</b>

"e" indicates that the number is an estimate value or an apportioned cost.

**Note 2 Statement of Financial Position as at 31 December 2017**

		<b>2017</b>	<b>2016</b>
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>Capital assets</b>	2.2	<b>14,423</b>	<b>13,694</b>
		<b>14,423</b>	<b>13,694</b>
<b>Current assets</b>			
Bank and cash	2.3	8,381	11,386
Stocks	2.4	1,202	1,435
Prepayments		888	1,057
Other debit balances	2.5	1,131	240
<b>Total current assets</b>		<b>11,602</b>	<b>14,118</b>
<b>Less current liabilities</b>			
Accrued expenses		2,592	2,589
Other credit balances	2.6	1,643	555
Net Exchequer funding due	2.7	7,869	11,071
<b>Total current liabilities</b>		<b>12,104</b>	<b>14,215</b>
<b>Net current assets/(liabilities)</b>		<b>(502)</b>	<b>(97)</b>
<b>Net assets</b>		<b>13,921</b>	<b>13,597</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>13,921</b>	<b>13,597</b>

**2.1 State funding account**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>€000</b>	<b>€000</b>
Balance at 1 January		13,597	11,950
Disbursements from the Vote			
Estimate provision	Account	1,453,077	
Deferred surrender	Account	(10,950)	
Surplus to be surrendered	Account	(2,262)	
Net vote		1,439,865	1,452,480
Expenditure (cash) borne elsewhere	1	16,766	14,585
Non cash expenditure – notional rent	1	3,785	4,045
Net programme cost	1	(1,460,092)	(1,469,463)
<b>Balance at 31 December</b>		<b>13,921</b>	<b>13,597</b>

**2.2 Capital assets**

	<b>Land and buildings €000</b>	<b>Office equipment €000</b>	<b>Furniture and fittings €000</b>	<b>Motor vehicles €000</b>	<b>Specialist equipment €000</b>	<b>Total €000</b>
<b>Gross assets</b>						
Cost or valuation at 1 January 2017	2,396	21,431	1,932	14,208	21,719	61,686
Additions	74	1,000	33	1,386	1,920	4,413
Reclassification	—	1,467	(1,467)	—	—	—
Disposals	—	(508)	(53)	(185)	—	(746)
Cost or valuation at 31 December 2017	<b>2,470</b>	<b>23,390</b>	<b>445</b>	<b>15,409</b>	<b>23,639</b>	<b>65,353</b>
<b>Accumulated depreciation</b>						
Opening balance at 1 January 2017	—	18,123	1,609	9,950	18,310	47,992
Depreciation for the year	—	1,391	7	1,238	1,048	3,684
Reclassification	—	1,196	(1,196)	—	—	—
Disposals	—	(508)	(53)	(185)	—	(746)
Cumulative depreciation at 31 December 2017	—	<b>20,202</b>	<b>367</b>	<b>11,003</b>	<b>19,358</b>	<b>50,930</b>
<b>Net assets at 31 December 2017</b>	<b>2,470</b>	<b>3,188</b>	<b>78</b>	<b>4,406</b>	<b>4,281</b>	<b>14,423</b>
Net assets at 31 December 2016	2,396	3,308	323	4,258	3,409	13,694

The Department is in on-going discussions with OPW in relation to the majority of the Land and Buildings of €2.47 million above with regard to the ownership of certain Coastguard buildings. No depreciation has been charged pending the outcome of such discussions.

Certain assets were reclassified from fixtures and fittings to office equipment during 2017.

**2.3 Bank and cash**

at 31 December	<b>2017 €000</b>	<b>2016 €000</b>
PMG balances and cash	8,213	11,269
Commercial bank accounts	168	117
	<b>8,381</b>	<b>11,386</b>

**2.4 Stocks**

	2017	2016
at 31 December	€000	€000
Stationery and office supplies	23	23
IT consumables	73	51
Specialised consumables (Irish Coast Guard)	1,106	1,361
	<u>1,202</u>	<u>1,435</u>

**2.5 Other debit balances**

	2017	2016
at 31 December	€000	€000
OPW agency services	323	211
Pensions Recoverable	790	—
Other	18	29
	<u>1,131</u>	<u>240</u>

**2.6 Other credit balances**

	2017	2016
at 31 December	€000	€000
Amounts due to the State		
Income Tax & Universal Social Charge	659	—
Pay Related Social Insurance	297	3
Professional Services Withholding Tax	64	13
Value Added Tax	203	278
Relevant Contract Tax	55	227
Pension charges	62	31
Extra Exchequer receipts	166	—
	<u>1,506</u>	<u>552</u>
Other	137	3
	<u>1,643</u>	<u>555</u>

**2.7 Net Exchequer funding due**

	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
at 31 December		
Surplus to be surrendered	2,262	2,910
Deferred surrender	10,950	10,969
Exchequer grant undrawn	(5,343)	(2,808)
<b>Net Exchequer funding due</b>	<b>7,869</b>	<b>11,071</b>

**Represented by:****Debtors**

Bank	8,381	11,386
Debit balances: suspense	1,131	240
	<u>9,512</u>	<u>11,626</u>

**Creditors**

Due to State	(1,506)	(552)
Credit balances: suspense	(137)	(3)
	<u>(1,643)</u>	<u>(555)</u>

	<u><b>7,869</b></u>	<u><b>11,071</b></u>
--	---------------------	----------------------

**2.8 Commitments****a) Global Commitments**

	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
at 31 December		
Procurement of goods and services	297,280	350,172
Capital grant programmes	148,621	119,493
<b>Total of legally enforceable commitments</b>	<b>445,901</b>	<b>469,665</b>

**b) Commitments under Procurement****Subheads**

	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
Search and rescue helicopter services	273,358	329,864
Airports	6,798	8,357
Vehicle/driving licencing	13,601	7,737
Sustainable travel	—	400
Air Accident Investigation Unit	263	257
Information technology	148	273
Strategic Research	35	—
Coast Guard services	3,077	3,284
	<u><b>297,280</b></u>	<u><b>350,172</b></u>

**c) Capital Grant Commitments**

	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
Opening balance	119,493	142,866
Grants paid in year	(45,641)	(53,088)
New grant commitments	75,011	40,065
Grant decommitments	(242)	(10,350)
Closing balance	<b>148,621</b>	<b>119,493</b>

**d) Major Capital Commitments**

	<b>Cumulative expenditure to 31 December 2016</b>	<b>Expenditure in 2017</b>	<b>Project commitments in subsequent years</b>	<b>Expected total spend lifetime of project 2017</b>	<b>Expected total spend lifetime of project 2016</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Smarter Travel Areas	22,050	700	500	23,250	23,250
Sports Capital Programme	13,087	12,039	4,874	30,000	30,000

The Sports Capital Programme of €30million is specifically related to the Pairc Uí Chaoimh Investment.

**2.9 Matured liabilities**

	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	<b>920</b>	<b>57</b>

### Note 3 Vote Expenditure by Subhead

#### Analysis of Administration Expenditure

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	29,645	28,133	26,625
ii	Travel and subsistence	1,030	1,271	1,081
iii	Training and development and incidental expenses	1,964	1,993	1,597
iv	Postal and telecommunications services	400	378	702
v	Office equipment and external IT services	1,658	1,666	1,611
vi	Office premises expenses	600	497	767
vii	Consultancy services and value for money and policy reviews	599	640	282
		<b>35,896</b>	<b>34,578</b>	<b>32,665</b>

**Programme A Civil aviation**

		<b>2017</b>		<b>2016</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
A.1	Administration - pay	2,968	2,813	2,661
A.2	Administration - non pay	739	644	605
A.3	Regional airports	13,350	13,213	13,300
A.4	Miscellaneous aviation services	10,198	8,615	9,217
		<b>27,255</b>	<b>25,285</b>	<b>25,783</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €1.9 million lower than estimated (representing a variance of 7%). This was mainly due to the following:

**A.4 Miscellaneous aviation services**

Estimate provision: €10.2 million, outturn: €8.6 million

Overall the expenditure for miscellaneous aviation services was €1.6 million less than provided.

Miscellaneous aviation services relate to subscriptions to various international organisations e.g. Eurocontrol and payments in respect of operating Irish airspace. The Department covers these costs which were €1.1 million lower than anticipated in 2017. These costs are dependent on traffic during a given year. Traffic levels are not accurately predictable. Provisions are made on a robust basis but in 2017 our estimate was prudently over the required amount. In addition there was a €0.4 million saving on exempt services. Exempt services relate to the reimbursement to the Irish Aviation Authority for the cost of aeronautical communication services and air navigation services provided by the Authority to certain specified classes of airspace users (e.g. military aircraft, state aircraft) which the Minister has directed the Authority to exempt from payment of such costs (Per Irish Aviation Act, 1993, Section 45). Finally, insurance costs were also €105,000 less than anticipated.



**Programme B Land transport**

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration - pay		10,400	10,691
B.2	Administration - non pay		1,946	2,449
B.3	Road improvement/maintenance			
	Original	781,334		
	Deferred surrender	3,000	784,334	787,534
B.4	Road safety agencies and expenses			811,798
	Original	5,116		
	Deferred surrender	347	5,463	5,236
B.5	Vehicle and driver licencing expenses		15,200	15,727
B.6	Carbon reduction		2,500	—
B.7	Public service provision payments		279,354	278,648
B.8	Public & sustainable transport			249,804
	Original	355,208		
	Deferred surrender	1,300		
	Supplementary	12,500	369,008	368,908
B.9	Public transport agencies and expenses		5,794	5,836
B.10	Miscellaneous services		78	54
			<b>1,474,077</b>	<b>1,475,083</b>
				<b>1,466,928</b>

**Significant variations**

Overall, the expenditure in relation to Programme B was €1 million higher than provided. The variance was mainly due to the following:

*B.2 Administration - non pay*

Estimate provision: €1.9 million, outturn: €2.5 million

The increase in expenditure was due to higher than anticipated spend on IT investment including cost inflation on certain projects within the National Driver Licence Service.

*B.6 Carbon reduction*

Estimate provision: €2.5 million, outturn: €Nil

2017 was the inaugural year for carbon reduction programmes and despite substantial policy development no programme progressed to the funding requirement stage. The programmes were established to support the uptake of low carbon, energy efficient technologies within the public transport sector. Subsequent to 2017 the programme has commenced. The €2.5 million underspend was vired to other programmes in 2017, including programmes that encourage more environmentally benign travel modes.

*B.8 Public & sustainable transport*

Supplementary €12.5 million

Under the agreed budgetary profile for the funding of the Luas Cross City project, an element of the costs arising in 2017 were borne through the release of Section 49 Levies held by Transport Infrastructure Ireland (TII). These levies in the amount of €12.5 million were collected by TII under Section 49 of the Planning & Development Act 2000 in respect of the Luas extensions to Cherrywood and the Docklands. The levies were surrendered by TII to the Department of Transport, Tourism and Sport for reallocation to the National Transport Authority for Luas Cross City related costs. The Technical Supplementary Estimate facilitated arrangements to reallocate the funds.

**Programme C Maritime transport and safety**

		<b>2017</b>		<b>2016</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
C.1	Administration – pay	13,609	12,097	11,449
C.2	Administration - non pay	2,891	2,772	2,597
C.3	Maritime administration and Irish Coast Guard	79,205	72,332	77,174
C.4	Miscellaneous services	86	85	80
		<b>95,791</b>	<b>87,286</b>	<b>91,300</b>

**Significant variations**

Overall, the expenditure in relation to Programme C was €8.5 million lower than originally provided, representing a variance of 9%. The variance was mainly due to the following:

*C.1 Administration pay*

Estimate provision €13.6 million, outturn €12.1 million

In 2017 a total of 17 additional posts were sanctioned with 13 posts for the Irish Coast Guard and four posts for Marine Survey Office. The underspend was due to a longer than expected timeframe in the recruitment of these specialised posts.

*C.3 Maritime administration and Irish Coast Guard*

Estimate provision: €79.2 million, outturn: €72.3 million

€3 million of savings relate to the Commissioners of Irish Lights (CIL) who were in a position to fund more of their operating costs from their own resources than originally estimated.

An underspend of €3.5 million arose primarily in relation to the costs to the Irish Coast Guard of operating search and rescue helicopters. A restricted service was operated for a period of time following the loss of a helicopter and crew in an air accident off the Mayo coast in March 2017.

**Programme D Sports and recreation services**

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration - pay		1,769	1,598
D.2	Administration - non pay		428	362
D.3	Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)			
	Original	43,975		
	Deferred surrender	3,500	47,475	39,624
D.4	Grants for provision and renovation of swimming pools			
	Original	4,200		
	Deferred surrender	1,322	5,522	4,278
D.5	Sport Ireland (part funded by National Lottery)			
	Original	52,735		
	Deferred surrender	1,500	54,235	78,416
D.6	Dormant accounts funding for sports measures		5,000	4,493
		<b>114,429</b>	<b>107,762</b>	<b>128,771</b>

**Significant variations**

Changes in timing of investments in two large scale projects have resulted in the investment in Programme D being €6.6 million lower than originally provided.

*D.3 Grants for sporting bodies and provision of sports and recreational facilities*

Estimate €47.4 million, outturn €33.7 million

€7.5 million of the underspend is directly related to delays in the Kerry Academy Project. This funding has been carried over into 2018 and will be fully spent in completing the project.

The balance of the underspend is due to timing of expenditures in Sport Capital as drawdowns depend on the grantee's ability to meet the terms and conditions of the grant prior to draw down.

*D.5 Sport Ireland*

Estimate €54.2 million, outturn €61.8 million

Sport Ireland had sought to postpone the commencement of Phase 2 of the National Indoor Arena project. Following a conciliation process between Sport Ireland and the contractor Phase 2 of the National Indoor Arena, commenced in 2017. The Department provided an additional €7.5 million to fund this phase of the project.

*D.6 Dormant accounts funding for sports measures*

Estimate €5 million outturn €4.5 million

The applications process to Sport Ireland for dormant accounts funding was delayed pending approval of the Dormant Accounts Action Plan 2017, which governs overall disbursement of the funding.

**Programme E Tourism services**

		<b>2017</b>		<b>2016</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
E.1	Administration - pay	899	844	799
E.2	Administration - non pay	247	193	181
E.3	Fáilte Ireland	57,921	59,201	57,347
E.4	Tourism Ireland Limited - grant for administration and general expenses	14,601	14,601	14,430
E.5	Tourism Marketing Fund	35,853	36,403	35,053
E.6	Tourism Product Development	12,450	12,450	15,515
		<b>121,971</b>	<b>123,692</b>	<b>123,325</b>

## Note 4 Receipts

### 4.1 Appropriations-in-aid

		2017		2016
		Estimated provision	Realised	Realised
		€000	€000	€000
<b>Administration</b>				
1	Receipts from pension-related deduction on public service remuneration	3,364	3,548	3,478
<b>Civil aviation</b>				
2	Irish Aviation Authority refund of subscriptions to international organisations	7,095	5,911	6,238
3	Irish Aviation Authority recoupment of rents, etc.	394	394	394
4	Irish Aviation Authority payment for associated costs	2,391	2,036	2,655
<b>Land transport</b>				
5	Road transport licence fees	700	1,140	1,287
6	Receipts from Local Government Fund	345,500	345,500	361,243
7	Miscellaneous land transport receipts			
	Original	2,488		
	Supplementary	12,499		
		14,987	14,970	2,460
<b>Maritime transport and safety</b>				
8	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	450	537	491
<b>Tourism services</b>				
9	Tourism Ireland pension receipts	175	257	311
<b>Sports services</b>				
10	Sport Ireland pension receipts	90	91	133
11	Dormant accounts	5,000	4,551	4,493
<b>Miscellaneous receipts</b>				
12	Miscellaneous receipts	300	308	444
<b>Total</b>		<b>380,446</b>	<b>379,243</b>	<b>383,627</b>

#### Significant variations

Overall, Appropriations-in-Aid were €1.2 million less than the estimate.

Explanations for variances are set out below:

**1 Receipts from pension-related deduction on public service remuneration**

Estimate provision: €3.3 million, outturn: €3.5 million

The increase of €0.2 million was due to increased recruitment within the Department which resulted in increased pension related deductions.

**2 Irish Aviation Authority refund of subscriptions to international organisations**

Estimate provision: €7 million, outturn: €5.9 million

The Department pays annual subscription fees to International Organisations e.g. Eurocontrol and recoups the costs from the Irish Aviation Authority (IAA). Such costs were less than anticipated in the year, as reflected in subhead A4, and the amounts recouped were commensurately lower, in line with our agreement with IAA.

4 *Irish Aviation Authority payment for associated costs*

Estimate provision: €2.4 million, outturn: €2 million

The Department recoup certain costs from the Irish Aviation Authority for insurance, salaries, travel and subsistence costs etc. where these relate to policy areas such as air navigation policy and air safety policy. In 2017, these costs were less than originally estimated.

5 *Road Transport Licence fees*

Estimate provision €0.7 million, outturn: €1.1 million

Due to the upturn in the economy, applications and associated fees for licences and renewals were greater than anticipated.

7 *Miscellaneous land transport receipts*

*Supplementary Income €12.5 million*

Under the agreed budgetary profile for the funding of the Luas Cross City project, an element of the costs arising in 2017 were borne through the release of Section 49 Levies held by Transport Infrastructure Ireland (TII). These levies in the amount of €12.5 million were collected by TII under Section 49 of the Planning & Development Act 2000 in respect of the Luas extensions to Cherrywood and the Docklands. The levies have been surrendered by TII for reallocation to the National Transport Authority for Luas Cross City related costs. The Supplementary Estimate facilitates arrangements to reallocate the funds in question to fund Luas Cross City project expenditure in 2017.

8 *Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919*

Estimate provision €0.45 million, outturn: €0.54 million

Increased receipts were due to increased numbers of seafarers applying for certification as well as continued survey activity.

11 *Dormant accounts*

Estimate provision €5 million, outturn: €4.6 million

Dormant account receipts is an estimated figure. In 2017 the receipts were €0.4 million less than the estimate. (This receipt is linked to dormant accounts spend on D.6 which is less than estimated also).

## 4.2 Extra Exchequer receipts

	2017	2016
	€000	€000
Balance at 1 January	—	—
Shannon Development rents <sup>a</sup>	11	11
Sports capital grant refunds <sup>b</sup>	31	31
Medical Bureau of Road Safety refund of unspent grant	—	292
Receipt from Bus Éireann for school transport <sup>c</sup>	166	247
EU receipt for CCRP (City Centre Re-signalling Project) <sup>d</sup>	2,565	—
Capital sale of assets	—	10
Road Safety Authority pension contributions and notional service <sup>e</sup>	467	483
Refund of bank balance	—	38
Dividend by Dublin Airport Authority <sup>f</sup>	29,100	—
Transferred to the Exchequer	(32,174)	(1,112)
<b>Balance at 31 December</b>	<b>166</b>	<b>—</b>

<sup>a</sup> Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.

- <sup>b</sup> Grant funding returned to the Vote because, following an examination by the Department, it concluded that the funding has been drawn down in 2006 in contravention of the terms and conditions of the Sports Capital Programme.
- <sup>c</sup> Receipt from Bus Éireann for school transport relates to a depreciation charge paid for the use of Bus Éireann vehicles for various routes.
- <sup>d</sup> Moneys received from Innovation & Networks Executive Agency of the European Commission in relation to the City Centre Re-signalling Project (CCRP). The CCRP is a central element of the upgrading of rail services to allow for further capacity enhancement within the Greater Dublin Area and the delivery of the overall DART Expansion Programme. This work will accommodate an additional five train paths per direction per hour (up from 12 at present to 17) in the critical City Centre Area.
- <sup>e</sup> The Department acts as the intermediary in making the annual pay-over of the pension contributions deducted from RSA staff. These pay-overs are made to the Department of Public Expenditure and Reform.
- <sup>f</sup> Dividend received in respect of shareholding in Dublin Airport Authority for the 2016 financial year.

## 5 Employee Numbers and Pay

### 5.1 Employee numbers

	2017	2016
<b>Number of staff at year end</b> (full time equivalents)		
<b>Department</b>	486	459
<b>Agencies</b>		
Commission for Aviation Regulation	18	20
Fáilte Ireland	339	324
Medical Bureau of Road Safety	34	35
National Transport Authority	83	82
Commission for Railway Regulation	15	14
Road Safety Authority	326	322
Tourism Ireland	146	142
Transport Infrastructure Ireland	255	256
Sport Ireland	36	34
	<b>1,738</b>	<b>1,688</b>

### 5.2 Pay

<b>Department staff only</b>	<b>2017</b>	<b>2016</b>
	<b>€000</b>	<b>€000</b>
Pay	24,782	23,577
Higher, special or additional duties allowance	476	416
Other allowances	551	445
Overtime	554	589
Employer's PRSI	1,770	1,598
<b>Total pay<sup>a</sup></b>	<b>28,133</b>	<b>26,625</b>

<sup>a</sup> The total pay figure is distributed across subheads A.1, B.1, C.1, D.1, E.1

### 5.3 Allowances and overtime payments

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Highest individual payment 2017</b>	<b>Highest individual payment 2016</b>
			<b>€</b>	<b>€</b>
Higher, special or additional duties	108	44	26,374	20,374
Other allowances	96	2	25,083	17,228
Overtime	79	17	21,378	36,510
Extra remuneration in more than one category	57	44	41,505	43,624



#### **5.4 Other remuneration arrangements**

---

Three retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €41,505. Pension abatement rules were applied as appropriate.

---

#### **5.5 Payroll overpayments**

---

There were 78 individual overpayments at the year-end totalling €56,982 compared with 33 individual overpayments in 2016 (totalling €64,841). Recovery plans are in place for all of the €56,982 overpayments.

---

## 6. Miscellaneous

### 6.1 Carryover to 2018

Under the provision of Section 91 of the Finance Act 2004, €10.95 million in underspend allocation in respect of capital elements for subheads B.7, B.8, C.3, D.3 and E.7 was carried forward to 2018.

### 6.2 Contingent liabilities

The Department is involved in a number of legal cases. The Department cannot predict the outcome of such cases.

### 6.3 Commissions and special inquiries

In September 2016, a non-statutory inquiry commenced into the circumstances and facts concerning the reselling of tickets for the Rio Olympic Games. As of 31 December 2017, payments of €312,765 had been made in respect of the costs of the inquiry. As at 31 December 2017, the inquiry has concluded and no further expenditure will be incurred.

### 6.4 Compensation and legal costs

	Number of cases	Legal costs of the Department €000	Legal costs awarded €000	Compensation awarded €000	2017	2016
					Total	Total
					€000	€000
<b>Claims by members of the public</b>						
State Claims	8	17	375	—	392	96
Agency managed						
Other	3	6	—	—	6	312
		<b>23</b>	<b>375</b>	<b>—</b>	<b>398</b>	<b>408</b>

### 6.5 National Lottery Funding

Total expenditure of €95.6 million (€118.04 million in 2016) under subheads D.3 and D.5 was part funded by the National Lottery.

A full list of payments to grantees under subhead D.3 is available on the Department's website, [www.dttas.ie](http://www.dttas.ie)

### 6.6 EU Funding

The outturn shown in Subhead B.8 Public & sustainable transport includes payment in respect of activities which are co-financed from the European Regional Development Fund. Estimates of expenditure and actual outturns are as follows:

Subhead Description	2017	2017	2016
	Estimate	Outturn	Outturn
	€000	€000	€000
B.8 Public & sustainable transport	744	—	14

## Appendix A Accounts of bodies and funds under the aegis of the Department of Transport, Tourism and Sport

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, at 31 March 2018, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

Body/ departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Bus Eireann	2015	6 Apr 2016	30 May 2016	8 Jul 2016
Bus Atha Cliath	2015	6 Apr 2016	18 Jun 2016	8 Jul 2016
C.I.E. Tours International	2015	6 Apr 2016	8 Nov 2016	9 Nov 2016
Commission for Aviation Regulation	2016	19 Jun 2017	26 Jul 2017	10 Oct 2017
Coras Iompair Eireann (CIE)	2016	30 Jun 2017	7 Jul 2017	1 Sept 2017
Dublin Airport Authority	2016	21 Mar 2017	30 Mar 2017	23 May 2017
Drogheda Port Company	2016	4 Apr 2017	6 Apr 2017	10 Jul 2017
Dublin Port Company	2016	31 Mar 2017	5 Apr 2017	10 Jul 2017
Dun Laoghaire Harbour Company	2016	2 May 2017	4 May 2017	10 Jul 2017
Galway Harbour Company	2016	5 Apr 2017	6 Apr 2017	10 Jul 2017
Iarnrod Eireann	2015	6 Apr 2016	12 May 2016	8 Jul 2016
Irish Aviation Authority	2016	24 Mar 2017	27 Mar 2017	21 Apr 2017
Marine Casualty Investigation Board	2016	16 Jun 2017	12 Jan 2018	25 Jan 2018
Medical Bureau of Road Safety	2016	14 Dec 2017	21 Dec 2017	16 Jan 2018
National Tourism Development Authority – Failte Ireland	2016	29 Jun 2017	30 Jun 2017	8 Nov 2017
National Transport Authority	2016	22 Jun 2017	29 Jun 2017	26 Sep 2017
New Ross Port Company	2016	Not applicable	25 Mar 2017	10 Jul 2017
Port of Cork	2016	7 Apr 2017	7 Apr 2017	10 Jul 2017
Port of Waterford Company	2016	5 Apr 2017	11 Apr 2017	10 Jul 2017
Road Safety Authority	2016	31 May 2017	8 Jun 2017	15 Aug 2017
Shannon Foynes Port Company	2016	31 Mar 2017	21 Apr 2017	10 Jul 2017
Shannon Group	2016	29 Mar 2017	10 Apr 2017	25 Apr 2017
Sport Ireland	2015	13 Dec 2016	8 Feb 2017	30 May 2017
The Commission for Railway Regulation	2016	11 Dec 2017	22 Dec 2017	30 Jan 2018
Tourism Ireland	2016	30 Jun 2017	25 Aug 2017	9 Nov 2017
Transport Infrastructure Ireland	2016	30 Jun 2017	13 Jul 2017	28 Jul 2017