

Chapter 4

Office of Public Works

4.1 Discrepancies at Two Heritage Sites

Background

The Office of Public Works (OPW) manages 747 Heritage Sites and 19 Historic properties of which 89 are open to the public on a seasonal or annual basis. The Heritage Service within OPW has responsibility for the conservation and presentation of built heritage sites and the provision of safe public access to them.

The public are charged admission at 50 of the 89 sites. In 2006, over 2.2 million people visited OPW staffed heritage sites. The income generated from admission fees and sales over the last three years is shown in Table 25.

Table 25 Income at Heritage Sites

	2006 €m	2005 €m	2004 €m
Admission Fees	5,274	4,307	4,118
Tour Operator Receipts ²⁴	397	536	579
Heritage Cards	370	397	361
Publications/Postcards	480	415	461
Total	€6,521m	€5,655m	€5,519m

OPW procedures require each heritage site to make a weekly return to its Visitor Service Section including

- Details of cash received for admission fees and sale of heritage cards and publications
- Details of cancelled tickets, heritage card returns, *etc.*
- A bank stamped copy of the receivable order reconciled to the return.

The original receivable order is transmitted to the Accounts Division where details are recorded in the ledger under Appropriations-in-Aid. Visitor Service Section is required to confirm, on a weekly basis, bank receipt details, as recorded by Accounts Division, with the weekly returns from the various heritage sites.

Discrepancies at Two Sites

In the first of these cases, concerns with the operation of controls first emerged in July 2006 when Visitor Service Section discovered discrepancies between the weekly returns and bank lodgments at a particular heritage site. The OPW Internal Audit Unit was requested to reconcile the returns against lodgments made by the site for 2004, 2005 and up to June 2006. The site was open for 44 weeks during this time and discrepancies were found in 25 of these weeks – no lodgments had been made in 17 of these. The first irregularity was pinpointed to have occurred in August 2004 and, although the sum missing has yet to be fully determined, it has been estimated to date to be in excess of €11,000. An Garda Síochána were informed and investigations are ongoing.

²⁴ Tour operator receipts are accounted for centrally and are not part of local heritage receipts.

In the second case, an unusually large cash lodgment was made by another heritage site in October 2006. This warranted investigation as the requirement to make weekly returns and lodgments had been put in place to prevent the accumulation of large sums of money and limit the risks to security, error and misappropriation. It emerged that the lodgment was an accumulation of receipts from mid July 2006 to mid September 2006 and was in fact in order. However a detailed examination of returns for this site, going back as far as 2004, when OPW took over the particular heritage responsibilities from the Department of the Environment, Heritage and Local Government, indicated that receipts, due to be lodged between July and December 2005 amounting to €21,831 were missing. This irregularity is at present under investigation by An Garda Síochána.

A common theme emerging from these cases was failure to lodge moneys on a weekly basis as required and the failure by Visitor Service Section to detect this in a timely manner.

As a result of these incidents the Office of Public Works engaged a consultant to review its cash handling procedures. The review focussed on the systems, procedures, and controls underpinning the handling and bringing to account of its non-invoiced receipts. This review included both the Heritage Service and other operations within OPW. The consultant's recommendations, which essentially endorse the enforcement of present procedures, are currently being acted upon.

The Internal Audit Unit also reviewed procedures within the Heritage Service and reported in August 2006, making 11 recommendations. Significant concerns raised were; management failure to complete and sign off on risk assessment issues in the Heritage Service; and the failure to enforce existing procedures. The review also noted that only weekly returns for 2006 were being examined and that returns for 2004 and 2005 had not been examined. It recommended that the 2004/5 returns should be examined as soon as possible.

As I was concerned that the delay in detecting these defalcations was brought about by the failure to enforce existing controls and procedures, I sought the views of the Accounting Officer.

Office of Public Works Response

The Accounting Officer stated that in May 2004, responsibility for the management of significant aspects of the Heritage Service returned to OPW from the Department of the Environment, Heritage and Local Government. Certain other functions had at that stage already been allocated to the Department of Community, Rural and Gaeltacht Affairs leaving a limited pool of resources to ensure continuity in the tasks required. The transfer to OPW ultimately excluded responsibility for key aspects of policy and particular Heritage functions including National Parks, certain Historic Properties, parts of Architecture and the entire Archaeological Service. The final transfer to OPW included general day-to-day responsibility for the management of a large number of Heritage sites nationwide, including management of the Guide Service and the delivery of visitor services at certain sites within the portfolio.

This split of the Heritage function resulted in a dilution in corporate knowledge and the diversion to other Departments and areas of certain key and experienced personnel and resulted in a situation where there was considerable disruption in the continuity of staff within the Heritage Service. He stated that ongoing consistent management of the function throughout the entire portfolio was difficult to achieve as more experienced staff were either transferred out of the area or diverted to other functions. Steps have since been taken to significantly increase staffing levels in Visitor Service Section to enable the necessary levels of scrutiny and control to be consistently and properly applied.

He stated that it was clear from the internal and external examinations carried out, that the procedure for the recording and checking of returns from heritage sites was not in itself fundamentally flawed and did, in fact, result in the detection of the anomalies.

He added that there was a general requirement that staff dealing with incoming returns check the returns received against a list of sites actually open for visitors. If any open site had not made a return for the week in question, staff were required to bring this to the attention of management for action.

He was gratified that the external consultants had independently endorsed the OPW procedures now in place and that these had been embedded into normal operational practice within the Visitor Service. He was also satisfied that the planned enhancement of staff resources and the delivery of a structured training programme would contribute to a more robust system for managing these activities more efficiently.

The Accounting Officer confirmed that the Internal Audit Unit's recommendations had already been implemented or were being prioritised. He provided me with a status report on progress in this regard.