

TRANSPORT

Account of the sum expended, in the year ended 31 December 2007, compared with the sum granted and of the sum which may be applied as appropriations-in-aid in addition thereto for the salaries and expenses of the Office of the Minister for Transport, including certain services administered by that Office, for payment of certain grants and grants-in-aid and certain other services.

| Service | | Estimate Provision | Outturn | Closing Accruals |
|--------------------------------------|---|-----------------------|-----------|---------------------|
| | €000 | €000 | €000 | €000 |
| ADMINISTRATION | | | | |
| A.1. | SALARIES, WAGES AND ALLOWANCES | 24,689 | 27,221 | - |
| A.2. | TRAVEL AND SUBSISTENCE | 1,810 | 1,458 | - |
| A.3. | INCIDENTAL EXPENSES | 3,502 | 2,613 | 617 |
| A.4. | POSTAL AND TELECOMMUNICATIONS SERVICES | 768 | 662 | 9 |
| A.5. | OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES | 2,151 | 1,633 | (66) |
| A.6. | OFFICE PREMISES EXPENSES | 1,401 | 747 | 57 |
| A.7. | CONSULTANCY SERVICES | 1,423 | 1,513 | 64 |
| A.8. | VALUE FOR MONEY AND POLICY REVIEWS | 290 | 30 | 3 |
| ROADS | | | | |
| B.1. | ROAD IMPROVEMENT/MAINTENANCE | | | |
| | <i>Original</i> | 1,593,688 | | |
| | <i>Supplementary</i> | 121,886 | | |
| | <i>Deferred Surrender</i> | <u>24,100</u> | 1,739,674 | 1,782,874 |
| B.2. | ROAD HAULAGE DEVELOPMENT PROGRAMME | 150 | 150 | - |
| B.3. | ROAD SAFETY AGENCIES AND EXPENSES | | | |
| | <i>Current Year Provision</i> | 37,035 | | |
| | <i>Deferred Surrender</i> | <u>55</u> | 37,090 | 36,045 |
| PUBLIC TRANSPORT | | | | |
| C.1. | PUBLIC SERVICE PROVISION PAYMENTS | 326,664 | 326,687 | - |
| C.2. | PUBLIC TRANSPORT INVESTMENT PROGRAMME | | | |
| | <i>Original</i> | 724,157 | | |
| | <i>Supplementary</i> | <u>(55,986)</u> | 668,171 | 640,783 |
| C.3. | PUBLIC TRANSPORT AGENCIES AND EXPENSES | 15,498 | 12,968 | - |
| CIVIL AVIATION | | | | |
| D.1. | AIRCRAFT ACCIDENT INVESTIGATION INSURANCE | 600 | 552 | 19 |
| D.2. | REGIONAL AIRPORTS | 28,239 | 21,088 | 1,622 |
| D.3. | PAYMENTS TO THE IRISH AVIATION AUTHORITY IN RESPECT OF EXEMPT SERVICES | 2,500 | 2,930 | - |
| D.4. | MISCELLANEOUS AVIATION SERVICES | 3,700 | 2,691 | - |
| D.5. | NORTH SOUTH CO-OPERATION | 6,000 | - | - |
| MARITIME TRANSPORT AND SAFETY | | | | |
| E.1. | MARITIME SAFETY AND IRISH COAST GUARD | | | |
| | <i>Original</i> | 40,552 | | |
| | <i>Supplementary</i> | (650) | | |
| | <i>Deferred Surrender</i> | <u>1,645</u> | 41,547 | 42,249 |
| E.2. | SEAPORTS AND SHIPPING | | | |
| | <i>Original</i> | 7,273 | | |
| | <i>Supplementary</i> | (5,250) | | |
| | <i>Deferred Surrender</i> | <u>3,300</u> | 5,323 | 5,016 |
| E.3. | CROSS BORDER INITIATIVES | 150 | 22 | - |

Transport**Vote 32**

| Service | | Estimate Provision | Outturn | Closing Accruals |
|---|---------------|----------------------------------|--------------------|---------------------|
| | €000 | €000 | €000 | €000 |
| MISCELLANEOUS | | | | |
| F.1. SUBSCRIPTIONS TO INTERNATIONAL ORGANISATIONS | | 7,412 | 6,914 | - |
| F.2. MISCELLANEOUS SERVICES | | <u>219</u> | <u>14</u> | <u>-</u> |
| | | | | |
| | | Gross Total | | |
| | | <i>Original</i> | | |
| | 2,829,871 | | | |
| | | <i>Supplementary</i> | | |
| | 60,000 | | | |
| | | <i>Deferred Surrender</i> | | |
| | <u>29,100</u> | 2,918,971 | 2,916,860 | 2,983 |
| <i>Deduct :-</i> | | | | |
| G. APPROPRIATIONS-IN-AID | | <u>30,550</u> | <u>29,993</u> | <u>18,046</u> |
| | | | | |
| | | Net Total | | |
| | | <i>Original</i> | | |
| | 2,799,321 | | | |
| | | <i>Supplementary</i> | | |
| | 60,000 | | | |
| | | <i>Deferred Surrender</i> | | |
| | <u>29,100</u> | <u>2,888,421</u> | <u>2,886,867</u> | <u>(15,063)</u> |
| | | | | |
| | | SURPLUS TO BE SURRENDERED | € 1,553,718 | |

The Statement of Accounting Policies and Principles and Notes 1 to 15 form part of this Account.

NOTES

1 EXCEPTIONS TO GENERAL ACCOUNTING POLICIES

The Department's policy is to depreciate assets from the date of purchase. Similarly assets are depreciated only up to the date of disposal and not as stated in Paragraph 9 in the Statement of Accounting Policies and Principles in the preface to the Accounts.

2 OPERATING COST STATEMENT FOR 2007

| | €000 | €000 | €000 |
|--------------------------------------|------------|----------------|------------------|
| Net Outturn | | | 2,886,867 |
| Changes in Capital Assets | | | |
| Purchases Cash | (461) | | |
| Disposals Cash | 1 | | |
| Depreciation | 2,035 | | |
| Loss on Disposals | <u>3</u> | 1,578 | |
| Assets Under Development | | | |
| Cash Payments | | (467) | |
| Changes in Net Current Assets | | | |
| Decrease in Closing Accruals | (3,914) | | |
| Decrease in Stock | <u>66</u> | <u>(3,848)</u> | <u>(2,737)</u> |
| Direct Expenditure | | | 2,884,130 |
| Expenditure Borne Elsewhere | | | |
| Net Allied Services Expenditure | 23,574 | | |
| Notional Rents | <u>700</u> | | <u>24,274</u> |
| Operating Cost | | | <u>2,908,404</u> |

3 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2007

| | €000 | €000 | €000 |
|--|----------------|---------------|---------------|
| Capital Assets (Note 4) | | | 5,233 |
| Assets Under Development (Note 5) | | | <u>398</u> |
| | | | 5,631 |
| Current Assets | | | |
| Stocks (Note 14) | | 635 | |
| Prepayments | | 89 | |
| Accrued Income | | 18,046 | |
| Other Debit Balances: | | | |
| Retirement Lump Sum | 346 | | |
| OPW | 335 | | |
| Commission for Aviation Regulation | 116 | | |
| General | <u>135</u> | 932 | |
| PMG Balance and Cash | 7,381 | | |
| Orders Outstanding | <u>(4,709)</u> | 2,672 | |
| Net Liability to the Exchequer (Note 6) | | | <u>587</u> |
| Total Current Assets | | <u>22,961</u> | |
| Less Current Liabilities | | | |
| Accrued Expenses | | | 3,072 |
| Other Credit Balances: | | | |
| Department of Finance | 2,644 | | |
| Due to State (Note 15) | 1,340 | | |
| Pension Charges | 195 | | |
| General | <u>12</u> | 4,191 | |
| Total Current Liabilities | | | <u>7,263</u> |
| Net Current Assets | | | <u>15,698</u> |
| Net Assets | | | <u>21,329</u> |

4 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2007

| | Land and Buildings €000 | Office Equipment €000 | Furniture and Fittings €000 | Motor Vehicles €000 | Specialist Equipment €000 | Totals €000 |
|--|-------------------------------|-----------------------------|-----------------------------------|---------------------------|---------------------------------|----------------|
| Cost or Valuation at 1 January 2007 | 460 | 3,713 | 387 | 4,614 | 8,362 | 17,536 |
| Additions | - | 904 | 3 | 178 | 2,797 | 3,882 |
| Disposals | - | <u>(150)</u> | - | <u>(255)</u> | - | <u>(405)</u> |
| Gross Assets at 31 December 2007 | <u>460</u> | <u>4,467</u> | <u>390</u> | <u>4,537</u> | <u>11,159</u> | <u>21,013</u> |
| Accumulated Depreciation | | | | | | |
| Opening Balance at 1 January 2007 | - | 2,954 | 225 | 3,811 | 7,156 | 14,146 |
| Depreciation for the year | - | 448 | 38 | 367 | 1,182 | 2,035 |
| Depreciation on disposals | - | <u>(146)</u> | - | <u>(255)</u> | - | <u>(401)</u> |
| Cumulative Depreciation at 31 December 2007 | - | <u>3,256</u> | <u>263</u> | <u>3,923</u> | <u>8,338</u> | <u>15,780</u> |
| Net Assets at 31 December 2007 | <u>460</u> | <u>1,211</u> | <u>127</u> | <u>614</u> | <u>2,821</u> | <u>5,233</u> |

5 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2007

| | Specialist Equipment €000 | Information Systems €000 | Total €000 |
|---|---------------------------------|--------------------------------|----------------|
| Amounts brought forward at 1 January 2007 | 2,551 | 797 | 3,348 |
| Cash Payments for year | 467 | - | 467 |
| Transferred to Asset Register | <u>(2,620)</u> | <u>(797)</u> | <u>(3,417)</u> |
| Amounts carried forward at 31 December 2007 | <u>398</u> | = | <u>398</u> |

6 NET LIABILITY TO THE EXCHEQUER

Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2007

| | €000 | €000 |
|--------------------------------|------|----------------|
| Surplus to be surrendered | | 1,554 |
| Deferred Surrender | | - |
| Exchequer Grant Undrawn | | <u>(2,141)</u> |
| Net Liability to the Exchequer | | <u>(587)</u> |
| Represented by: | | |
| Debtors | | |
| Debit Balances: Suspense | | 932 |
| Net PMG position and cash | | <u>2,672</u> |
| | | 3,604 |
| Creditors | | |
| Due to State (Note 15) | | (1,340) |
| Credit Balances: Suspense | | <u>(2,851)</u> |
| | | <u>(4,191)</u> |
| | | <u>(587)</u> |

7 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

| | € |
|--|------------------|
| Recoupment of costs in respect of Aer Lingus privatisation | 2,637,184 |
| Pension charges in respect of seconded staff | <u>6,474</u> |
| Total | <u>2,643,658</u> |

8 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND ESTIMATE PROVISION

| Subhead | Less/(More) than Provided €000 | Explanation |
|---------|-----------------------------------|--|
| A.3. | 889 | The variation arose due to the lower than anticipated expenditure on a range of incidental expenditure items. |
| A.6. | 654 | Expenditure in this subhead was lower than anticipated due mainly to the timing and phasing of office maintenance projects. |
| A.8. | 260 | The variation arose as anticipated costs in relation to value for money reviews did not materialise. |
| C.3. | 2,530 | Functions associated with the railway order process transferred to An Bord Pleanála resulting in lower costs. In addition, there was a less than anticipated grant drawdown requirement by the Railway Procurement Agency and the Railway Safety Commission. |

| Subhead | Less/(More) than Provided €000 | Explanation |
|---------|-----------------------------------|---|
| D.1. | 48 | The cost of air accident premiums was lower than anticipated. |
| D.2. | 7,151 | The lower than anticipated costs reflects the start-up phase of a new capital grant scheme for regional airports, including initial difficulties experienced by some airports with the procurement and planning permission aspects of certain projects. |
| D.3. | (430) | Expenses associated with the the cost of aeronautical communication and air navigation services provided by the Irish Aviation Authority were higher than expected. |
| D.4. | 1,009 | Anticipated consultancy costs did not materialise. |
| D.5. | 6,000 | Agreed governance arrangements for Derry airport were not sufficiently progressed to allow activation of grant in 2007. |
| E.2. | 307 | Funding for remedial works at some regional harbours could not take place due to delays in the planning and tendering process. |
| E.3. | 128 | Payments to project promoters under the Interreg IIIA programme were slower than anticipated during 2007 leading to a delay in the request for funding. |
| F.1. | 498 | The costs of subscriptions to Eurocontrol was less than anticipated. |
| F.2. | 205 | Anticipated costs in relation to the IAA Safety Audit did not arise. |

9 APPROPRIATIONS-IN-AID

| | Estimated € | Realised € |
|--|--------------------------|--------------------------|
| 1. Recoupment for Seconded Staff | 343,000 | 585,600 |
| 2. Road Transport Licence Fees | 1,150,000 | 1,157,946 |
| 3. Irish Aviation Authority Refund of Subscriptions to International Organisations | 7,412,000 | 6,167,870 |
| 4. Irish Aviation Authority Recoupment of Rents, etc. | 305,000 | 254,255 |
| 5. Irish Aviation Authority Associated Costs | 2,200,000 | 1,729,090 |
| 6. Recoupment of Costs of IAA Safety Audit | 200,000 | 170,835 |
| 7. Miscellaneous Receipts | 500,000 | 222,760 |
| 8. National Toll Roads | 18,000,000 | 19,163,796 |
| 9. Receipts under the Merchant Shipping and Mercantile Marine Acts | <u>440,000</u> | <u>540,465</u> |
| Total | <u>30,550,000</u> | <u>29,992,617</u> |

Explanation of Variations

- The variation arose as the number of staff on secondment and the costs associated with them were higher than anticipated.
- The Department's contributions to international aviation organisations are recouped from the Irish Aviation Authority. These were lower than anticipated during 2007.
- The recoupment of rents from the Irish Aviation Authority in 2007 was less than anticipated.
- The Department's administrative costs, such as salaries and overheads, in overseeing and monitoring the Irish Aviation Authority and for which the Department is reimbursed were less than anticipated.
- The recoupment of costs associated with the IAA Safety Audit was less than anticipated.
- Miscellaneous Receipts are by their nature difficult to estimate. In the event they were less than anticipated in 2007.
- The increase in fee received from National Toll Roads reflected the increase in traffic volumes and toll rate during 2006.
- The increase in fees reflected an increased level of mercantile marine and marine survey activity during 2007.

10 COMMITMENTS**(A) Global Commitments**

| | |
|--------------------------|-------------|
| | € |
| (i) Procurement Subheads | 96,676,182 |
| (ii) Grant Subheads | 152,073,026 |

(B) Multi Annual Capital Commitments

| | |
|---|------------|
| Expenditure in 2008 | 11,737,182 |
| Commitments to be met in subsequent years | 18,392,928 |

11 MATURED LIABILITIES

The total of matured liabilities at 31 December 2007 was €401,395.

12 DETAILS OF EXTRA REMUNERATION

| | Amount € | Number of recipients | Recipients of €6,350 or more | Max. individual payment of €6,350 or more € |
|--------------------------------------|------------------|-------------------------|---------------------------------|--|
| Higher, special or additional duties | 2,306,876 | 444 | 137 | 79,942 |
| Overtime and extra attendance | 1,407,509 | 324 | 69 | 33,084 |
| Shift and Roster Allowance | <u>719,824</u> | 65 | 48 | 16,302 |
| Total extra remuneration | <u>4,434,209</u> | | | |

Note: Certain individuals received extra remuneration in more than one category.

13 MISCELLANEOUS ITEMS

85 members of staff were in receipt of merit awards in 2007. In total, €41,450 was awarded comprising €18,000 for 18 individual awards and €23,450 comprising €350 per team member for 11 team awards.

This account includes penalty interest payments under the Prompt Payment of Accounts Act, 1997 amounting to €734.

14 STOCKS

| | |
|---|-------------|
| Stocks at 31 December 2007 comprised: | €000 |
| Stationery and office supplies | 28 |
| IT Consumables, etc. | 94 |
| Specialised Consumables (Irish Coast Guard) | <u>513</u> |
| | <u>635</u> |

15 DUE TO THE STATE

| | |
|---|--------------|
| The amount due to the State at 31 December 2007 consisted of: | €000 |
| Income Tax | 883 |
| Pay Related Social Insurance | 317 |
| Value Added Tax | 109 |
| Withholding Tax | <u>31</u> |
| | <u>1,340</u> |

JULIE O'NEILL
Accounting Officer
DEPARTMENT OF TRANSPORT
31 March 2008

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Transport for 2007 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Appropriation Account has been prepared in accordance with the Statement of Accounting Policies and Principles on pages v-viii. The responsibilities of the Accounting Officer and the Comptroller and Auditor General, and the basis of the audit opinion are set out on pages iii-v.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Transport. The Appropriation Account is in agreement with the books of account.

In my opinion the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2007.



JOHN BUCKLEY
Comptroller and Auditor General
19 September 2008