

Vote 32 Transport, Tourism and Sport

Introduction

As Accounting Officer for Vote 32, 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 2011 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, grants-in-aid and certain other services.

The expenditure outturn is compared with the sums

(a) granted by Dáil Éireann under the Appropriation Act 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year, and

(b) provided for capital supply services in 2011 out of unspent 2010 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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

Transfer of Functions

Tourism and Sport functions in general transferred to the Department of Transport, Tourism and Sport (Vote 32) with effect from 1 April 2011 (S.I. 140 of 2011) and, in relation to all other Tourism and Sport functions from 1 June 2011 (S.I. No. 217 of 2011). All expenditure relating to the functions transferred is included in Vote 32 from 1 January 2011.

The 2011 allocations take account of the transfer of functions from the former Department of Tourism, Culture and Sport (Vote 35) from 1 April 2011. The services transferred are those under subheads G and H. The Account reports on the estimate and expenditure figures for the calendar year. Prior year comparisons are given in Note 3.1.

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, except for the following:

Depreciation

The Department's policy is to depreciate assets from the date of purchase up to and including the previous year of disposal at the following annual rates:

Land and Buildings - no depreciation

Furniture and Fittings - 10%

Office Equipment - 20%

Motor Vehicles - 20%

Specialist Equipment - 20%

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Transport, Tourism and Sport.

Tom O'Mahony
Accounting Officer
Department of Transport, Tourism and Sport
1 August 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 32: Transport, Tourism and Sport for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

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, Tourism and Sport. 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 2011.

Chapter 26 of my report on the accounts of the public services for 2011 refers to certain matters relating to Vote 32 on which I considered it appropriate to report in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993.

Seamus McCarthy
Comptroller and Auditor General
31 August 2012

Vote 32 Department of Transport, Tourism and Sport Appropriation Account 2011

Service	2011 Estimate provision €000	2011 Outturn €000	2010 Outturn €000
Administration			
A.1. Salaries, wages and allowances	30,646	30,663	29,405
A.2. Travel and subsistence	1,003	911	931
A.3. Training and development and incidental expenses	2,208	1,609	1,973
A.4. Postal and telecommunications services	750	555	510
A.5. Office equipment and external IT services	1,667	1,523	1,565
A.6. Office premises expenses	913	846	1,078
A.7. Consultancy services and value for money and policy reviews	599	397	452
Other services			
Roads			
B.1. Road improvement/maintenance	1,258,998	1,270,666	1,635,455
B.2. Road safety agencies and expenses	27,582	17,075	29,163
B.3. Vehicle and driver licencing expenses	18,279	13,546	15,155
B.4. Smarter travel and carbon reduction	21,865	17,674	8,898
Public transport			
C.1. Public service provision payments	275,916	277,764	288,852
C.2. Public transport investment programme	370,000	377,210	614,341
C.3. Public transport agencies and expenses	13,712	13,160	13,821
Civil aviation			
D.1. Aircraft accident investigation insurance	495	476	476
D.2. Regional airports	19,327	19,782	21,193
D.3. Payments to the Irish Aviation Authority in respect of exempt services	2,558	2,916	2,809
D.4. Miscellaneous aviation services	123	60	76
Maritime transport and safety			
E.1. Maritime administration and Irish Coast Guard	54,058	54,974	65,125

Service	2011 Estimate provision €000	2011 Outturn €000	2010 Outturn €000
Miscellaneous transport			
F.1. Subscriptions to international organisations	8,337	6,611	7,664
F.2. Miscellaneous services	13	10	42
F.3. Cross border initiatives	14,000	13,481	134
Tourism services			
G.1. Fáilte Ireland - (grant -in-aid)	63,622	63,622	—
G.2. Tourism Ireland Limited - grant for administration and general expenses	17,006	17,006	—
G.3. Shannon Free Airport Development Company Limited (tourism development) (grant -in-aid)	786	786	—
G.4. Tourism marketing fund (grant-in-aid)	41,383	46,083	—
G.5. Tourism product development (grant -in-aid)	24,790	14,790	—
Sports and recreation services			
H.1. Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)			
	<i>Current year provision</i> 28,000		
	<i>Deferred surrender</i> 5,000	33,000	23,403
H.2. Grants for provision and renovation of swimming pools	6,650	9,528	—
H.3. Irish Sports Council (grant-in-aid) (part funded by National Lottery)	46,837	46,837	—
H.4. National Sports Campus	4,998	2,174	—
Gross expenditure			
	<i>Current year provision</i> 2,357,121		
	<i>Deferred surrender</i> 5,000	2,362,121	2,346,138
		2,362,121	2,346,138
Deduct			
I. Appropriations-in-aid	433,074	428,319	441,977
Net expenditure			
	<i>Current year provision</i> 1,924,047		
	<i>Deferred surrender</i> 5,000	1,929,047	1,917,819
		1,929,047	1,917,819
Surplus for the year		11,228,933	14,369,986
Deferred surrender		8,700,000	—
Surplus to be surrendered		€2,528,933	€14,369,986

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	Note	€000	2011 €000	2010 €000
Expenditure on administration			36,504	35,914
Expenditure on services and programmes			2,309,634	2,703,204
Gross expenditure			<u>2,346,138</u>	<u>2,739,118</u>
Deduct				
Appropriations-in-aid			428,319	441,977
Net expenditure			<u>1,917,819</u>	<u>2,297,141</u>
Changes in capital assets				
Purchases cash		(4,481)		
Depreciation		3,691	(790)	(8,992)
Changes in assets under development				
Cash payments			(110)	(2,507)
Changes in net current assets				
Decrease in closing accruals		(308)		
Decrease in stock		20		
			<u>(288)</u>	<u>(365)</u>
Direct expenditure			1,916,631	2,285,277
Net allied services expenditure	1.1		13,782	13,460
Notional rents			1,214	978
Total operating cost			<u><u>1,931,627</u></u>	<u><u>2,299,715</u></u>

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 32 borne elsewhere.

Vote		2011 €000	2010 €000
7	Superannuation and Retired Allowances	7,945	7,621
10	Office of Public Works	5,595	5,522
20	Garda Síochána	62	206
	Central Fund - Ministerial etc. pensions	180	111
		<u>13,782</u>	<u>13,460</u>

2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Capital assets	2.1	11,834	19,543
Capital assets under development	2.2	2,496	2,752
		14,330	22,295
Current assets			
Bank and cash	2.3	1,488	738
Stocks	2.4	655	675
Prepayments		322	443
Accrued income		25	79
Other debit balances	2.5	2,319	1,476
Total current assets		4,809	3,411
Less current liabilities			
Accrued expenses		1,732	2,215
Other credit balances	2.6	743	1,840
Net liability to the Exchequer	2.7	3,064	374
Total current liabilities		5,539	4,429
Net current liabilities		(730)	(1,018)
Net assets		13,600	21,277
Represented by:			
State funding account		13,600	21,277

2.1 Capital Assets

	Land and buildings	Office equipment	Furniture and fittings	Motor vehicles	Specialist Equipment	Total
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2011	1,932	17,035	321	7,100	24,706	51,094
Transfer from Tourism, Culture and Sport ¹	—	49	10	—	—	59
Additions	—	1,039	8	2,127	1,307	4,481
Adjustment ²	—	(342)	—	—	(8,470)	(8,812)
Cost or valuation at 31 December 2011	1,932	17,781	339	9,227	17,543	46,822
Accumulated depreciation						
Opening balance at 1 January 2011	—	13,794	259	4,900	12,598	31,551
Transfer from Tourism, Culture and Sport ¹	—	20	8	—	—	28
Depreciation for the year	—	1,140	63	710	1,778	3,691
Adjustment ²	—	—	—	—	(282)	(282)
Cumulative depreciation at 31 December 2011	—	14,954	330	5,610	14,094	34,988
Net assets at 31 December 2011	1,932	2,827	9	3,617	3,449	11,834
Net assets at 31 December 2010	1,932	3,241	62	2,200	12,108	19,543

¹ As part of the transfer of the Tourism and Sport functions, the respective fixed assets have been transferred to this Department.

² The adjustment relates to payments in respect of a capital contractual commitment and office refurbishment incorrectly treated as fixed assets of the Department.

2.2 Capital Assets under Development

Information Systems	2011	2010
	€000	€000
Amounts brought forward at 1 January 2011	2,752	1,899
Cash payments for the year	110	2,507
Transferred to Asset Register	(312)	—
Adjustment ¹	(54)	(1,654)
Amounts carried forward at 31 December 2011	2,496	2,752

¹ As part of an Internal Audit recommendation in relation to examining all Work in Progress (WIP) accounts, some transactions previously treated as capital were reclassified.

2.3 Bank and Cash	2011	2010
at 31 December	€000	€000
PMG balances and cash	1,618	960
Orders outstanding	(130)	(222)
	<u>1,488</u>	<u>738</u>
2.4 Stocks	2011	2010
at 31 December	€000	€000
Stationery and office supplies	55	58
IT consumables, etc.	73	19
Specialised consumables (Irish Coast Guard)	527	598
	<u>655</u>	<u>675</u>
2.5 Other Debit Balances	2011	2010
at 31 December	€000	€000
Retirement lump sums	1,826	985
Other	493	491
	<u>2,319</u>	<u>1,476</u>
2.6 Other Credit Balances	2011	2010
at 31 December	€000	€000
Amounts due to the state		
Income Tax	333	10
Pay Related Social Insurance	—	(20)
Professional Services Withholding Tax	94	62
Value Added Tax	245	125
Relevant Contract Tax	—	113
	<u>672</u>	<u>290</u>
Pension Charges	11	497
Other	60	1,053
	<u>743</u>	<u>1,840</u>

2.7 Net Liability to the Exchequer	2011	2010
at 31 December	€000	€000
Surplus to be surrendered	2,539	14,370
Deferred surrender	8,700	—
Exchequer grant undrawn	(8,175)	(13,996)
Net liability to the Exchequer	<u>3,064</u>	<u>374</u>
Represented by:		
Debtors		
Bank and cash	1,488	738
Debit balances: suspense	2,319	1,476
	<u>3,807</u>	<u>2,214</u>
Creditors		
Due to State	(672)	(290)
Credit balances: suspense	(71)	(1,550)
	<u>(743)</u>	<u>(1,840)</u>
	<u>3,064</u>	<u>374</u>

2.8 Commitments	2011	2010
at 31 December	€000	€000
(a) Global Commitments		
(i) Procurement subheads*	629,806	639,511
(ii) Grant subheads	108,203	17,177
Total of legally enforceable commitments	<u>738,009</u>	<u>656,688</u>

* Commitments under procurement subheads	€
Helicopter services	603,643,000
Airports	21,614,744
Vehicle/driving licencing	3,444,831
Air Accident Investigation Unit	355,800
Other Coastguard services	569,775
IT	177,754
	<u>629,805,904</u>

(b) Multi Annual Capital Commitments

	Expenditure to 31 December 2010	Expenditure 2011	Subsequent years	Total cost
	€000	€000	€000	€000
Search and Rescue Helicopter services - 2010 contract*	8,470	6,776	19,311	34,557

* Multi annual capital commitments relate to up-front capital payments to the service provider under the new contract which commences 1 July 2012. The overall commitment of €603.6 million for these services includes monthly standing charges, hourly flying charge and fuel charges based on estimated flying hours and airport and ancillary charges. The actual costs may, therefore, vary from this estimate.

2.9 Matured Liabilities

The total of matured liabilities at 31 December 2011 was €106,000.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided €000	Explanation
A.3.	599	A concerted effort was made in the Department in 2011 to reduce costs which resulted in reductions in items such as advertising, printing and entertainment costs.
A.4.	195	Expenditure was less than estimated due to efficiencies being implemented with the Department's communications network.
A.7.	202	Expenditure on consultancies was less than anticipated as a result of delays on some studies.
B.2.	10,507	Higher than anticipated fee income by the Road Safety Authority, in respect of driving test applications, NCT levies and driver theory tests, resulted in the monthly drawdown amounts under the subhead being adjusted by €9.957 million.
B.3.	4,733	A number of cost saving measures were introduced including new support contracts which have significant savings, new online banking services, online change of ownership processing.
B.4.	4,191	The underspend in 2011 Smarter Travel capital spending arises on foot of postponement of the Smarter Travel Areas scheme until funding clarity for future years was achieved in addition to timing issues in respect of various Smarter Travel infrastructure projects.
D.3.	(358)	Additional funding was required by the Irish Aviation Authority. The Authority base their calculation on fee income on estimates of flights operating in Irish controlled airspace. Sanction has been granted from the Department for Public Expenditure and Reform to vire the additional expenditure.
F.1.	1,726	In addition to Eurocontrol subscriptions, this subhead also provides for Ireland's membership subscription to the International Civil Aviation Organisation (ICAO), the European Civil Aviation Conference (ECAC) and ABIS, a small regional grouping of 7 States that Ireland participates in to influence matters in ICAO. The subscriptions are determined by the organisations themselves in all cases so the Department of Transport, Tourism and Sport (DTTAS) has no input into the estimate process of the contributions.
G.4.	(4,700)	The provision of an additional €4.7 million for tourism marketing in 2011 was approved by Department for Public Expenditure and Reform, consequent on the decision by the Government to retain the €3 Air Travel Tax, pending a further review in Spring 2012, and to use a significant proportion of the revenues deriving from its retention to support inbound tourism, by funding co-operative marketing. Sanction has been granted from the Department for Public Expenditure and Reform to vire the additional expenditure.
G.5.	10,000	The saving of €10 million can be attributed in the main to the legacy of the freeze on capital allocations which took place in 2009. The low number of project approvals in that year has meant that expenditure on the programme has lagged. It is anticipated that spend will increase considerably in 2012 based on allocations made in 2010 and 2011.

Sub-head	Less/(more) than provided €000	Explanation
H.1.	9,597	As this subhead is demand led, it is often difficult to accurately predict total drawdown for any given year. In 2011, drawdown by grantees was slower than expected. There could be a number of reasons for this, but it is likely that grantees are finding it difficult to complete projects in the current financial climate.
H.2.	(2,878)	During the year a special initiative was launched to provide funding for local authorities for energy efficiency and disabled access measures in respect of swimming pools. Demand under this initiative was greater than expected. Sanction has been granted from the Department for Public Expenditure and Reform to vire the additional expenditure.
H.4.	2,824	The savings arose as an Office of Public Works tender was delayed in 2011 but will proceed in 2012.

3.1 Total Services Outturn for 2011

As described in the introduction to the account, the expenditure on services contained in the Vote was previously accounted for in Vote 35. The table below shows the year on year comparison.

	2011 Outturn €000	2010 Outturn €000
G.1. Fáilte Ireland - (grant -in-aid)	63,622	67,016
G.2. Tourism Ireland Limited - grant for administration and general expenses	17,006	18,740
G.3. Shannon Free Airport Development Company Limited (tourism development) (grant -in-aid)	786	831
G.4. Tourism marketing fund (grant-in-aid)	46,083	44,250
G.5. Tourism product development (grant -in-aid)	14,790	10,000
H.1. Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)	23,403	50,042
H.2. Grants for provision and renovation of swimming pools	9,528	3,122
H.3. Irish Sports Council (grant-in-aid) (part funded by National Lottery)	46,837	49,572
H.4. National Sports Campus	2,174	5,459
H.5. Landsdowne Road	—	4,451
H.6. Grants to support sport in disadvantaged areas (dormant account funds)	—	395
Gross expenditure	224,229	253,878

4 Receipts

4.1 Appropriations-in-aid	2011	2011	2010
	Estimated	Realised	Realised
	€000	€000	€000
1. Recoupment for seconded staff	450	—	—
2. Road Transport licence fees	1,150	1,007	800
3. Irish Aviation Authority refund of subscriptions to international organisations	7,560	6,511	7,489
4. Irish Aviation Authority recoupment of rents, etc.	305	305	533
5. Irish Aviation Authority associated costs	2,200	2,268	2,361
6. Recoupment of costs of IAA safety audit	—	—	—
7. Miscellaneous receipts	260	224	370
8. Receipts from Local Government Fund	415,780	410,788	426,263
9. National toll roads	—	—	—
10. Receipts under the Merchant Shipping and Wireless Telegraphy Act	480	562	531
11. Pension Contribution from the Commission for Taxi Regulation	—	1,196	25
12. Tourism Ireland pension receipts	258	333	—
13. Receipts from pension-related deduction on public service remuneration	4,631	5,125	3,605
Total	433,074	428,319	441,977

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
1	450	In 2011, recoupment of staff costs was credited to A.1 and not brought in as appropriations in aid as in previous years.
2	143	Due to the economic downturn, applications for licences and renewals were less than anticipated.
3	1,049	As contributions under subhead F.1. were lower than expected, recoupment from the Irish Aviation Authority was also lower.
11	(1,196)	In 2011 there was no provision made in respect of pension contributions from the Commission for Taxi Regulation (CTR). However, in 2011 the CTR was incorporated into the National Transport Authority (NTA), therefore pension receipts collected in respect of the CTR/NTA were more than anticipated.
13	(494)	The Department of Public Expenditure and Reform determined the figure for 2011 and the receipts were more than they estimated.

4.2 Extra Exchequer Receipts

	2011	2010
	€000	€000
Receipt from the Medical Bureau of Road Safety	500	—
Recoupment of costs incurred by the Irish Coastguard	24	35
Receipt from the Department of Arts, Heritage and Gaelteacht	28	—
Recoupment of travel costs	2	—
Total	554	35

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (full time equivalents)	497	496
	€000	€000
Pay	27,302	26,128
Higher, special or additional duties allowances	685	699
Other allowances	681	743
Overtime	551	480
Employer's PRSI	1,444	1,355
Total pay	30,663	29,405

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment	Maximum individual payment
			2011	2010
			€	€
Higher, special or additional duties	261	56	63,791	54,222
Other allowances	96	22	32,195	15,321
Overtime	68	39	15,573	30,844

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

5.2 Other Remuneration Arrangements

Eight retired civil servants, in receipt of civil service pensions, were re-engaged on a fee basis at a total cost of €71,416.

6 Miscellaneous Items

6.1 National Lottery Funding

Total expenditure of €70.240 million (€99.614 million in 2010) under subheads H.1. and H.3. was part funded by the National Lottery as shown below

	2011	2010
	€000	€000
H.1. Grants for sporting bodies and provision of sports and recreational facilities	14,724	30,589
H.3. Irish Sports Council (grant-in-aid)	29,467	30,301
	<u>44,191</u>	<u>60,890</u>

A full list of grantees under subhead H.1. is available on the Department's website, (www.dttas.ie).

6.2 Compensation and Legal Costs

Compensation and associated legal and miscellaneous costs totalling €375,938 and ranging from €1,421 to €150,000 were paid in fourteen cases taken against the Minister.