

## **Appropriation Account 2018**

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### **Vote 31**

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

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## 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 2018 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

- granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2018 out of unspent 2017 appropriation, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €4.814 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.

### ***Receipts from Local Government Fund***

Up to the end of 2017, funding was provided by the Department of Housing Planning and Local Government from the Local Government Fund to this Department in relation to the provision of public roads and/or public transport. In accordance with a transfer of functions between Ministers as decided by the Government, Motor Tax receipts ceased being transferred to the Local Government Fund on 1 January 2018. Such receipts are now payable to the Minister for Transport, Tourism and Sport and are then passed directly to the Exchequer. As a consequence, a contribution to this Vote is no longer received as an appropriation-in-aid from the Local Government Fund. The Exchequer grant to this Vote has been increased to compensate for this change.

## 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 the progress made in the development of the audit assurance process. This letter addresses the framework of governance and controls in place and includes the reports of audits conducted into the operation of controls within the shared services environment.

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.

### ***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 Finance Division of the Department has been certified as compliant with ISO: 9001:2008 standard and has had certification extended for a further year 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 €434 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. 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.

Following the appointment of two Engineering Inspectors and the assignment of a Senior Advisor, a programme of project/grant programme inspections under the Principal Advisor's direction has been in operation since early 2018. There has also been increased oversight of the appraisal of project proposals and regional and local road maintenance and improvement programmes. The Department continues to work with local authorities and the Road Management Office (the local authority shared service) with a view to ensuring that the data on the MapRoad pavement management system is as accurate and consistent as possible. In this context, the Department has produced a Pavement Survey Standard for Regional and Local Roads for use in road pavement management by local authorities. This standard requires local authorities to carry out a visual Pavement Surface Condition Index (PSCI) survey on regional, local primary and local secondary roads every two years, and every five years for local tertiary roads.

### ***Enhancing oversight arrangements***

Total funding provided to bodies under the aegis of the Department was €1,850 million in 2018. 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. Reports to the Management Board on the commercial agencies and non-commercial agencies were presented in July 2018 and September 2018, respectively.
- Improved access to financial expertise in assisting with monitoring and oversight arrangements. During 2018, the Department seconded a Financial Advisor to review the agencies' reports on an ongoing basis.
- Dissemination of a standard template to assist Line Divisions in developing performance delivery agreements (PDAs) with agencies. PDAs are in place for all applicable 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.

### ***Ensuring the timely replacement of Córas Iompair Éireann (CIE) Board members***

During 2018 the Department's Internal Audit made a recommendation that CIE Board member vacancies should be anticipated and planned to ensure there are no resource and skills shortages.

Following on from this recommendation the Department streamlined and amalgamated the recruitment of ten Board members of CIE and its subsidiaries into one recruitment drive which was managed by the Public Appointments Service. The advertisement for the recruitment of these ten Board members was in addition to the thirteen appointments made by the Minister to CIE and its subsidiaries during 2018.

### ***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.

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 2018, the Department complied with the guidelines with the exception of one contract to the value of €60,872. Details of this contract are included in my annual return in respect of Circular 40/02. This contract related to the commissioning of a review into the Oversight Search and Rescue (SAR) Aviation Operations in Ireland following a safety recommendation from the Air Accident Investigation Unit. This review culminated in a report which assisted in the development and the adoption of a new Search and Rescue Plan for Ireland.

***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 2018 that resulted in, or may result in, a material loss.

**Graham Doyle**

Accounting Officer

Department of Transport, Tourism and Sport

18 September 2019

## **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 2018 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 2018
- 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

19 September 2019

## Vote 31 Transport, Tourism and Sport

### Appropriation Account 2018

|                                  | Estimate provision |           | 2018      | 2017      |
|----------------------------------|--------------------|-----------|-----------|-----------|
|                                  | €000               | €000      | Outturn   | Outturn   |
|                                  | €000               | €000      | €000      | €000      |
| <b>Programme expenditure</b>     |                    |           |           |           |
| A Civil aviation                 |                    |           |           |           |
| <i>Original</i>                  | 28,127             |           |           |           |
| <i>Supplementary</i>             | <u>1,500</u>       |           |           |           |
|                                  |                    | 29,627    | 28,142    | 25,285    |
| B Land transport                 |                    |           |           |           |
| <i>Original</i>                  | 1,660,507          |           |           |           |
| <i>Deferred surrender</i>        | 1,645              |           |           |           |
| <i>Supplementary</i>             | <u>34,330</u>      |           |           |           |
|                                  |                    | 1,696,482 | 1,691,046 | 1,475,083 |
| C Maritime transport and safety  |                    |           |           |           |
| <i>Original</i>                  | 95,966             |           |           |           |
| <i>Deferred surrender</i>        | 1,100              |           |           |           |
| <i>Supplementary</i>             | <u>1,700</u>       |           |           |           |
|                                  |                    | 98,766    | 90,909    | 87,286    |
| D Sports and recreation services |                    |           |           |           |
| <i>Original</i>                  | 111,380            |           |           |           |
| <i>Deferred surrender</i>        | 7,500              |           |           |           |
| <i>Supplementary</i>             | <u>2,620</u>       |           |           |           |
|                                  |                    | 121,500   | 118,558   | 107,762   |
| E Tourism services               |                    |           |           |           |
| <i>Original</i>                  | 133,805            |           |           |           |
| <i>Deferred surrender</i>        | 705                |           |           |           |
| <i>Supplementary</i>             | <u>3,350</u>       |           |           |           |
|                                  |                    | 137,860   | 134,270   | 123,692   |

|                           | Estimate provision |               | 2018             | 2017             |
|---------------------------|--------------------|---------------|------------------|------------------|
|                           | €000               | €000          | Outturn          | Outturn          |
|                           |                    |               | €000             | €000             |
| <b>Gross expenditure</b>  |                    |               |                  |                  |
| <i>Original</i>           | 2,029,785          |               |                  |                  |
| <i>Deferred surrender</i> | 10,950             |               |                  |                  |
| <i>Supplementary</i>      | 43,500             |               |                  |                  |
|                           |                    |               | <b>2,084,235</b> | <b>2,062,925</b> |
|                           |                    |               |                  | <b>1,819,108</b> |
| <i>Deduct</i>             |                    |               |                  |                  |
| F Appropriations-in-aid   |                    | <b>24,477</b> | <b>26,347</b>    | <b>379,243</b>   |
| <b>Net expenditure</b>    |                    |               |                  |                  |
| <i>Original</i>           | 2,005,308          |               |                  |                  |
| <i>Deferred surrender</i> | 10,950             |               |                  |                  |
| <i>Supplementary</i>      | 43,500             |               |                  |                  |
|                           |                    |               | <b>2,059,758</b> | <b>2,036,578</b> |
|                           |                    |               |                  | <b>1,439,865</b> |

**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. €18,366,000 of unspent allocations in respect of the capital elements of subheads A.3, B.5, B.6, B.7, B.8, C.3, D.3, D.4, E.6 and E.7 was carried forward to 2019.

|                                  | 2018             | 2017             |
|----------------------------------|------------------|------------------|
|                                  | €                | €                |
| Surplus                          | 23,179,599       | 13,212,200       |
| Deferred surrender               | (18,366,000)     | (10,950,000)     |
| <b>Surplus to be surrendered</b> | <b>4,813,599</b> | <b>2,262,200</b> |

**Graham Doyle**  
Accounting Officer  
Department of Transport, Tourism and Sport

18 September 2019

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2018

|  | 2018             | 2017             |
|--|------------------|------------------|
|  | €000             | €000             |
| Programme cost                             | 2,018,315        | 1,784,530        |
| Pay  | 30,726           | 28,133           |
| Non pay                                    | 13,884           | 6,445            |
| <b>Gross expenditure</b>                   | <b>2,062,925</b> | <b>1,819,108</b> |
| <i>Deduct</i>                              |                  |                  |
| <b>Appropriations-in-aid</b>               | <b>26,347</b>    | <b>379,243</b>   |
| <b>Net expenditure</b>                     | <b>2,036,578</b> | <b>1,439,865</b> |
| <b>Changes in capital assets</b>           |                  |                  |
| Purchases cash                             | (2,919)          |                  |
| Disposals cash                             | 39               |                  |
| (Profit)/loss on disposals                 | (39)             |                  |
| Depreciation                               | 3,935            |                  |
|  | 1,016            | (729)            |
| <b>Changes in net current assets</b>       |                  |                  |
| Increase in closing accruals               | (1,546)          |                  |
| Decrease in stock                          | 102              |                  |
|  | (1,444)          | 405              |
| <b>Direct expenditure</b>                  | <b>2,036,150</b> | <b>1,439,541</b> |
| <b>Expenditure borne elsewhere</b>         |                  |                  |
| Net allied services expenditure (note 1.1) | 18,019           | 16,766           |
| Notional rents                             | 3,757            | 3,785            |
| <b>Net programme cost</b>                  | <b>2,057,926</b> | <b>1,460,092</b> |

#### 1.1 Net allied services expenditure

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

|   | 2018          | 2017          |
|---|---------------|---------------|
|   | €000          | €000          |
| Vote 9 Office of the Revenue Commissioners    | 148           | 120           |
| Vote 12 Superannuation and Retired Allowances | 12,608        | 12,289        |
| Vote 13 Office of Public Works                | 4,814         | 3,901         |
| Vote 18 National Shared Services Office       | 52            | 58            |
| Central Fund - Ministerial pensions           | 397           | 398           |
|   | <b>18,019</b> | <b>16,766</b> |

## Note 2 Statement of Financial Position as at 31 December 2018

|   | Note | 2018<br>€000  | 2017<br>€000  |
|---|------|---------------|---------------|
| <b>Capital assets</b>                   | 2.2  | <b>11,598</b> | <b>14,423</b> |
| <b>Current assets</b>                   |      |               |               |
| Bank and cash                           | 2.3  | 18,819        | 8,381         |
| Stocks                                  | 2.4  | 1,100         | 1,202         |
| Prepayments                             |      | 2,410         | 888           |
| Other debit balances                    | 2.5  | 764           | 1,131         |
| <b>Total current assets</b>             |      | <b>23,093</b> | <b>11,602</b> |
| <b>Less current liabilities</b>         |      |               |               |
| Accrued expenses                        |      | 2,568         | 2,592         |
| Other credit balances                   | 2.6  | 1,386         | 1,643         |
| Net Exchequer funding due               | 2.7  | 18,197        | 7,869         |
| <b>Total current liabilities</b>        |      | <b>22,151</b> | <b>12,104</b> |
| <b>Net current assets/(liabilities)</b> |      | <b>942</b>    | <b>(502)</b>  |
| <b>Net assets</b>                       |      | <b>12,540</b> | <b>13,921</b> |
| <b>Represented by:</b>                  |      |               |               |
| <b>State funding account</b>            | 2.1  | <b>12,540</b> | <b>13,921</b> |

### 2.1 State funding account

|  | Note    | 2018<br>€000  | 2017<br>€000  |
|--|---------|---------------|---------------|
| Balance at 1 January                       |         | 13,921        | 13,597        |
| Disbursements from the Vote                |         |               |               |
| Estimate provision                         | Account | 2,059,758     |               |
| Deferred surrender                         | Account | (18,366)      |               |
| Surplus to be surrendered                  | Account | (4,814)       |               |
| Net vote                                   |         | 2,036,578     | 1,439,865     |
| Expenditure (cash) borne elsewhere         | 1       | 18,019        | 16,766        |
| Non cash expenditure – notional rent       | 1       | 3,757         | 3,785         |
| Capital asset adjustments-land & buildings | 2.2     | (1,809)       | —             |
| Net programme cost                         | 1       | (2,057,926)   | (1,460,092)   |
| <b>Balance at 31 December</b>              |         | <b>12,540</b> | <b>13,921</b> |

**2.2 Capital assets**

|   | Land and<br>buildings | Office<br>equipment | Furniture<br>and fittings | Motor<br>vehicles | Specialist<br>equipment | Total         |
|---|-----------------------|---------------------|---------------------------|-------------------|-------------------------|---------------|
|   | €000                  | €000                | €000                      | €000              | €000                    | €000          |
| <b>Gross assets</b>                               |                       |                     |                           |                   |                         |               |
| Cost or valuation at<br>1 January 2018            | 2,470                 | 23,390              | 445                       | 15,409            | 23,639                  | 65,353        |
| Additions   | 179                   | 595                 | 47                        | 782               | 1,316                   | 2,919         |
| Transfer out <sup>a</sup>                         | (948)                 | —                   | —                         | —                 | —                       | (948)         |
| Adjustment <sup>b</sup>                           | (861)                 | —                   | —                         | —                 | —                       | (861)         |
| Reclassification                                  | —                     | (75)                | —                         | —                 | 75                      | —             |
| Disposals   | —                     | (3,064)             | (12)                      | (436)             | —                       | (3,512)       |
| Cost or valuation at<br>31 December 2018          | 840                   | 20,846              | 480                       | 15,755            | 25,030                  | 62,951        |
| <b>Accumulated<br/>depreciation</b>               |                       |                     |                           |                   |                         |               |
| Opening balance at<br>1 January 2018              | —                     | 20,202              | 367                       | 11,003            | 19,358                  | 50,930        |
| Depreciation for the<br>year                      | —                     | 1,162               | 55                        | 1,455             | 1,263                   | 3,935         |
| Disposals   | —                     | (3,064)             | (12)                      | (436)             | —                       | (3,512)       |
| Cumulative<br>depreciation at 31<br>December 2018 | —                     | 18,300              | 410                       | 12,022            | 20,621                  | 51,353        |
| <b>Net assets at 31<br/>December 2018</b>         | <b>840</b>            | <b>2,546</b>        | <b>70</b>                 | <b>3,733</b>      | <b>4,409</b>            | <b>11,598</b> |
| Net assets at 31<br>December 2017                 | 2,470                 | 3,188               | 78                        | 4,406             | 4,281                   | 14,423        |

Notes <sup>a</sup> The assets transferred out relate to Coast Guard units and radio stations transferred to the OPW.

<sup>b</sup> The adjustment is related to land which is owned by the Commissioners of Irish Lights (€464,000) and a correction in respect of duplicate entries on the fixed asset register identified following a year-end review.

**2.3 Bank and cash**

| at 31 December           | 2018          | 2017         |
|--------------------------|---------------|--------------|
|                          | €000          | €000         |
| PMG balances             | 18,555        | 8,213        |
| Commercial bank accounts | 264           | 168          |
|                          | <b>18,819</b> | <b>8,381</b> |

**Motor Tax bank account**

The Department holds a bank account to allow for the collection and allocation of Motor Tax and the transfer of the proceeds to the Exchequer. No moneys due to or paid from the vote are transmitted through this bank account. The amount held at the end of 2018 is €16,784 and is not included in the account (2017: €Nil).

**2.4 Stocks**

| at 31 December                              | 2018         | 2017         |
|---|--------------|--------------|
|   | €000         | €000         |
| Stationery and office supplies              | —            | 23           |
| IT consumables                              | 84           | 73           |
| Specialised consumables (Irish Coast Guard) | 1,016        | 1,106        |
|   | <u>1,100</u> | <u>1,202</u> |

**2.5 Other debit balances**

| at 31 December       | 2018       | 2017         |
|----------------------|------------|--------------|
|                      | €000       | €000         |
| OPW agency services  | 632        | 323          |
| Pensions recoverable | —          | 790          |
| Other                | 132        | 18           |
|                      | <u>764</u> | <u>1,131</u> |

**2.6 Other credit balances**

| at 31 December                         | 2018         | 2017         |
|--|--------------|--------------|
|  | €000         | €000         |
| Amounts due to the State               |              |              |
| Income Tax and Universal Social Charge | 478          | 659          |
| Pay Related Social Insurance           | 232          | 297          |
| Professional Services Withholding Tax  | 87           | 64           |
| Value Added Tax                        | 370          | 203          |
| Relevant Contract Tax                  | 107          | 55           |
| Pension charges                        | 49           | 62           |
| Extra Exchequer receipts               | —            | 166          |
|  | <u>1,323</u> | <u>1,506</u> |
| Other                                  | 63           | 137          |
|  | <u>1,386</u> | <u>1,643</u> |

**2.7 Net Exchequer funding due**

| at 31 December                   | <b>2018</b>   | <b>2017</b>  |
|----------------------------------|---------------|--------------|
|                                  | <b>€000</b>   | <b>€000</b>  |
| Surplus to be surrendered        | 4,814         | 2,262        |
| Deferred surrender               | 18,366        | 10,950       |
| Exchequer grant undrawn          | (4,983)       | (5,343)      |
| <b>Net Exchequer funding due</b> | <b>18,197</b> | <b>7,869</b> |

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

|                          |        |       |
|--------------------------|--------|-------|
| Bank                     | 18,819 | 8,381 |
| Debit balances: suspense | 764    | 1,131 |
|                          | 19,583 | 9,512 |

**Creditors**

|                           |               |              |
|---------------------------|---------------|--------------|
| Due to State              | (1,323)       | (1,506)      |
| Credit balances: suspense | (63)          | (137)        |
|                           | (1,386)       | (1,643)      |
|                           | <b>18,197</b> | <b>7,869</b> |

**2.8 Commitments****Global commitments**

| at 31 December                                  | <b>2018</b>    | <b>2017</b>    |
|---|----------------|----------------|
|   | <b>€000</b>    | <b>€000</b>    |
| Procurement of goods and services               | 246,111        | 297,280        |
| Non capital grant programmes                    | 114            | —              |
| Capital grant programmes                        | 113,664        | 148,621        |
| <b>Total of legally enforceable commitments</b> | <b>359,889</b> | <b>445,901</b> |

**Commitments under procurement subheads**

|                                       | <b>2018</b>    | <b>2017</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>€000</b>    | <b>€000</b>    |
| Search and rescue helicopter services | 212,114        | 273,358        |
| Airports                              | 22,571         | 6,798          |
| Vehicle/driving licencing             | 10,298         | 13,601         |
| Climate Change Unit                   | 469            | —              |
| Air Accident Investigation Unit       | —              | 263            |
| Information technology                | 105            | 148            |
| Strategic research                    | 67             | 35             |
| Coast Guard services                  | 487            | 3,077          |
|                                       | <b>246,111</b> | <b>297,280</b> |

**Non-capital grant commitment**

|                       | <b>2018</b> | <b>2017</b> |
|-----------------------|-------------|-------------|
|                       | <b>€000</b> | <b>€000</b> |
| Opening balance       | —           | —           |
| Grants paid in year   | (29)        | —           |
| New grant commitments | 143         | —           |
| Grants cancelled      | —           | —           |
| Closing balance       | <u>114</u>  | <u>—</u>    |

**Capital grant commitment**

|                       | <b>2018</b>    | <b>2017</b>    |
|-----------------------|----------------|----------------|
|                       | <b>€000</b>    | <b>€000</b>    |
| Opening balance       | 148,621        | 119,493        |
| Grants paid in year   | (39,976)       | (45,641)       |
| New grant commitments | 6,726          | 75,011         |
| Grants cancelled      | (1,707)        | (242)          |
| Closing balance       | <u>113,664</u> | <u>148,621</u> |

**Major capital projects**

|                         | <b>Cumulative<br/>expenditure<br/>to 31<br/>December<br/>2017<br/>€000</b> | <b>Expenditure<br/>in 2018<br/>€000</b> | <b>Project<br/>commitments<br/>in<br/>subsequent<br/>years<br/>€000</b> | <b>Expected<br/>total spend<br/>2018<br/>€000</b> | <b>Expected<br/>total spend<br/>2017<br/>€000</b> |
|-------------------------|--|---|---|---|---|
| Smarter<br>Travel Areas | 22,750   | 492                                     | —   | 23,242  | 23,250  |
| Pairc Uí<br>Chaoimh     | 25,126   | 3,374                                   | 1,500   | 30,000  | 30,000  |

**2.9 Matured liabilities**

| at 31 December  | <b>2018</b> | <b>2017</b> |
|---|-------------|-------------|
|   | <b>€000</b> | <b>€000</b> |
| Estimate of matured liabilities not<br>discharged at year end | 188         | 920         |

**2.10 Contingent liabilities**

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

During 2018, the Department paid legal settlement costs of €6,656,720 relating to a long running legal case, Smith v Meade. The case relates to the legal requirement to have motor insurance, and the State agreed to a settlement, following an interpretive ruling in the case by the Court of Justice of the European Union. Further costs to finalise the settlement are expected to be in the region of €1.2 million and these cover legal costs incurred by FBD Insurance due to proceedings in the High Court, Court of Appeal, Supreme Court and European Court of Justice.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

|     | Estimate provision  |               | 2018          | 2017          |
|-----|---|---------------|---------------|---------------|
|     |   |               | Outturn       | Outturn       |
|     | €000  | €000          | €000          | €000          |
| i   | Salaries, wages and allowances                              | 32,456        | 30,726        | 28,133        |
| ii  | Travel and subsistence                                      | 1,177         | 1,346         | 1,271         |
| iii | Training and development and incidental expenses            |               |               |               |
|     | <i>Original</i>   | 2,273         |               |               |
|     | <i>Supplementary</i>  | 7,000         |               |               |
|     |   | 9,273         | 9,020         | 1,993         |
| iv  | Postal and telecommunications services                      | 519           | 360           | 378           |
| v   | Office equipment and external IT services                   | 1,584         | 1,498         | 1,666         |
| vi  | Office premises expenses                                    | 564           | 579           | 497           |
| vii | Consultancy services and value for money and policy reviews | 599           | 1,081         | 640           |
|     |   | <b>46,172</b> | <b>44,610</b> | <b>34,578</b> |

#### Significant variations

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

##### *i Salaries, wages and allowances*

Estimate provision: €32.456 million, outturn: €30.726 million

The outturn was lower than the estimate in 2018 due to longer than anticipated lead in times for recruitment and emerging challenges in recruitment and retention of staff, in particular our professional and technical staff, in the face of competitive pressures in the wider labour market.

##### *iii Training and development and incidental expenses*

Estimate provision: €2.273 million, outturn: €9.02 million

The outturn in 2018 was significantly higher than the original estimate and the 2017 outturn due to the inclusion of the costs of a legal settlement of €6,656,720. The settlement related to a long running legal case (Smith v Meade). These costs were provided for by way of a supplementary estimate during 2018.

*iv Postal and telecommunications services*

Estimate provision: €519,000, outturn: €360,000

The decrease of €159,000 on expenditure on postal and telecommunications services was due to lower than expected postal and telecommunications costs. No single factor has led to an outturn lower than the estimate. The outturn for 2018 is in line with the outturn in 2017.

*vii Consultancy services and value for money and policy reviews*

Estimate provision: €599,000, outturn: €1.081 million

The increase on expenditure on consultancy services and value for money policy reviews was due to a greater demand for a wide variety of consultancy services. In all 44 different companies were contracted for consultancy services in 2018, with the highest single payment being €140,343 for a review of capacity needs at State Airports.

**Programme A Civil aviation**

|     |                                 | 2018               |               | 2017          |
|-----|---------------------------------|--------------------|---------------|---------------|
|     |                                 | Estimate provision |               | Outturn       |
|     |                                 | €000               | €000          | €000          |
| A.1 | Administration - pay            |                    | 3,547         | 3,380         |
| A.2 | Administration - non pay        |                    | 732           | 795           |
| A.3 | Regional airports               |                    |               |               |
|     | <i>Original</i>                 | 13,650             |               |               |
|     | <i>Supplementary</i>            | 1,500              |               |               |
|     |                                 |                    | 15,150        | 15,460        |
| A.4 | Miscellaneous aviation services |                    | 10,198        | 8,507         |
|     |                                 |                    | <b>29,627</b> | <b>28,142</b> |
|     |                                 |                    |               | <b>25,285</b> |

**Significant variations**

Overall, the expenditure in relation to Programme A was in line with the original estimate. However, within Programme A there were two significant variations.

**A.3 Regional airports**

Estimate provision: €13.65 million, outturn: €15.46 million

In recent years, funding to support operational activities at regional airports was met through DPER approved virements in unspent capital under A.3. As the capital allocation was fully utilised in 2018, there was no capacity to meet historical levels of support for operational costs within the original estimate amount of €13.65 million. Accordingly, additional funds were sought to maintain existing levels of support for operational activities at regional airports, thus resulting in a higher outturn than estimated in 2018. The majority of this operational funding focuses on supporting wage costs for the provision of essential safety and security services, such as air traffic control, police, customs and fire fighting, which provide no economic return to the airport.

**A.4 Miscellaneous aviation services**

Estimate provision: €10.198 million, outturn: €8.507 million

Overall the expenditure for miscellaneous aviation services was €1.691 million lower than provided due to a combination of factors. Ireland is a member of the Eurocontrol en-route charging scheme. In common with most Eurocontrol member states, Ireland exempts certain classes of flights from payment of the en-route charge. The Department refunds the costs incurred by the IAA in providing these air navigation services from moneys provided by the Exchequer, in accordance with Section 45(1)(c) of the Irish Aviation Act 1993. The underspend in 2018 of €800,000 arose as fewer flights by exempt classes of aircraft took place, resulting in a lower than estimated requirement to reimburse the IAA. Ireland's contribution to Eurocontrol's general budget, our subscriptions to the International Civil Aviation Organisation (ICAO) and our subscriptions to the European Civil Aviation Conference (ECAC) are calculated on the basis of formulae which include variables that are not fully clear until during the year. This gives rise to slight variations in outturns. In 2018 the variation between estimate and outturn was €700,000. Finally, the cost of two aviation insurance policies were €200,000 less than profiled.

**Programme B Land transport**

|      |  | 2018               |                  | 2017             |
|------|--|--------------------|------------------|------------------|
|      |  | Estimate provision |                  | Outturn          |
|      |  | €000               | €000             | €000             |
| B.1  | Administration - pay                   |                    | 12,460           | 11,676           |
| B.2  | Administration - non pay               |                    |                  | 10,691           |
|      | <i>Original</i>                        | 2,532              |                  |                  |
|      | <i>Supplementary</i>                   | <u>7,000</u>       |                  |                  |
|      |  |                    | 9,532            | 9,403            |
| B.3  | Road improvement/maintenance           |                    |                  | 2,449            |
|      | <i>Original</i>                        | 908,853            |                  |                  |
|      | <i>Supplementary</i>                   | <u>18,730</u>      |                  |                  |
|      |  |                    | 927,583          | 930,418          |
| B.4  | Road safety agencies and expenses      |                    | 5,116            | 5,216            |
| B.5  | Vehicle and driver licencing expenses  |                    | 19,400           | 19,821           |
| B.6  | Smarter travel and carbon reduction    |                    | 5,500            | 697              |
| B.7  | Public service provision payments      |                    |                  | —                |
|      | <i>Original</i>                        | 300,363            |                  |                  |
|      | <i>Deferred surrender</i>              | 100                |                  |                  |
|      | <i>Supplementary</i>                   | <u>3,000</u>       |                  |                  |
|      |  |                    | 303,463          | 295,573          |
| B.8  | Public and sustainable transport       |                    |                  | 278,648          |
|      | <i>Original</i>                        | 400,545            |                  |                  |
|      | <i>Deferred surrender</i>              | 1,545              |                  |                  |
|      | <i>Supplementary</i>                   | <u>5,600</u>       |                  |                  |
|      |  |                    | 407,690          | 408,585          |
| B.9  | Public transport agencies and expenses |                    | 5,660            | 9,599            |
| B.10 | Miscellaneous services                 |                    | 78               | 58               |
|      |  |                    | <u>1,696,482</u> | <u>1,691,046</u> |
|      |  |                    |                  | <u>1,475,083</u> |

**Significant variations**

Overall, the expenditure in relation to Programme B was €28.894 million higher than originally estimated including the deferred surrender, representing a variance of 1.7%. The variance was mainly due to the following.

**B.2 Administration - non pay**

Estimate provision: €2.532 million, outturn: €9.403 million

The outturn in 2018 was significantly higher than the original estimate and the 2017 outturn due to the inclusion of the costs of a legal settlement of €6,656,720. The settlement related to a long running legal case (Smith v Meade). These costs were provided for by way of a supplementary estimate during 2018.

**B.3 Road improvement/maintenance**

Estimate provision: €908.853 million, outturn: €930.418 million

Grants are provided under Subhead B.3 to Transport Infrastructure Ireland (TII) for the construction, operation and maintenance of national roads and to local authorities for the maintenance, renewal and improvement of regional and local roads. Grants are also provided for TII's administration and general expenses. Due to the impact on the national, regional and local road network of a series of severe weather events, additional funding was allocated by way of supplementary estimate to TII and local authorities to assist with necessary repairs and winter operations; funding was also made available to facilitate the restocking of central salt stocks after exceptional demand due to severe weather.

**B.6 Smarter travel and carbon reduction**

Estimate provision: €5.5 million, outturn: €697,000

This subhead funds a number of specific measures that support research into carbon-reduction possibilities in transport, trial new technologies in the area, or promote the uptake of lower-emitting transport options. The Carbon Reduction Programme involves a small, specialised set of initiatives, it complements the broader effort to mitigate/reduce national green-house gas emissions through the considerable multi-annual Exchequer support for expanding and sustaining public transport capacity by investing in infrastructure and subventing public transport services. The Carbon Reduction Programme involves measures that are typically innovative and associated with emerging technologies and research which can take time to develop, establish and gain acceptance. Despite steady progress in 2018 in developing or introducing a number of new measures under the Programme, the drawdown of funding in the year was low at €697,000. This was largely attributable to timing factors associated with longer roll-out or slower take-up of some measures than was initially expected. These measures are now progressing in 2019. €2.2 million was vired to D5 for construction of Phase 2 of the National Indoor Arena, to facilitate completion of the project ahead of schedule.

**B.9 Public transport agencies and expenses**

Estimate provision: €5.66 million, outturn: €9.599 million

The €3.939 million increased expenditure in 2018 supported the NTA in meeting its increased administration costs at a time when its programme of work has grown as a result of the substantial expansion of public transport infrastructure investment that is planned under Project Ireland 2040, and enabled the Authority to break-even in the year.

**Programme C Maritime transport and safety**

|     |   | 2018               |               | 2017          |
|-----|---|--------------------|---------------|---------------|
|     |   | Estimate provision |               | Outturn       |
|     |   | €000               | €000          | €000          |
| C.1 | Administration – pay                          |                    | 12,900        | 12,291        |
| C.2 | Administration - non pay                      |                    | 2,738         | 2,891         |
| C.3 | Maritime administration and Irish Coast Guard |                    |               |               |
|     | <i>Original</i>                               | 80,242             |               |               |
|     | <i>Deferred surrender</i>                     | 1,100              |               |               |
|     | <i>Supplementary</i>                          | 1,700              |               |               |
|     |   |                    | 83,042        | 75,638        |
| C.4 | Miscellaneous services                        |                    | 86            | 89            |
|     |   |                    | <b>98,766</b> | <b>90,909</b> |
|     |   |                    |               | <b>87,286</b> |

**Significant variations**

Overall, the expenditure in relation to Programme C was €6.157 million lower than originally estimated including the deferred surrender, representing a variance of 6%. The variance was mainly due to the following.

**C.3 Maritime administration and Irish Coast Guard**

Estimate provision: €81.342 million, outturn: €75.638 million

Overall, the expenditure for Maritime administration and Irish Coast Guard was €5.704 million lower than provided because of a number of issues. There was a less than anticipated increase in the monthly standing and flying hour charges in the Search and Rescue helicopter contract leading to an underspend of €800,000. The Commissioner of Irish Lights contingency of €2.4 million was not required. Planning delays on the building programme of Coast Guard stations (primarily the new builds of Westport and Greystones) mean that €3 million capital will be carried into 2019. In addition to the under spend, there was an excess spend on Irish Coast Guard operational costs of €500,000.

**Programme D Sports and recreation services**

|     |  | 2018               |                | 2017           |                |
|-----|--|--------------------|----------------|----------------|----------------|
|     |  | Estimate provision |                | Outturn        |                |
|     |  | €000               | €000           | €000           |                |
| D.1 | Administration - pay   |                    | 1,947          | 1,844          | 1,688          |
| D.2 | Administration - non pay   |                    | 397            | 434            | 387            |
| D.3 | Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery) |                    |                |                |                |
|     | <i>Original</i>  | 41,510             |                |                |                |
|     | <i>Deferred surrender</i>  | 7,500              | 49,010         | 33,949         | 33,775         |
| D.4 | Grants for provision and renovation of swimming pools  |                    | 4,200          | 1,377          | 5,522          |
| D.5 | Sport Ireland (part funded by National Lottery)  |                    |                |                |                |
|     | <i>Original</i>  | 58,326             |                |                |                |
|     | <i>Supplementary</i>   | 2,620              | 60,946         | 75,954         | 61,840         |
| D.6 | Dormant accounts funding for sports measures   |                    | 5,000          | 5,000          | 4,550          |
|     |  |                    | <b>121,500</b> | <b>118,558</b> | <b>107,762</b> |

**Significant variations**

Overall, the expenditure in relation to Programme D was €322,000 lower than originally estimated including the deferred surrender, representing a variance of 0.3%. The variance was mainly due to the following.

*D.3 Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)*

Estimate provision: €49.01 million, outturn: €33.949 million

The shortfall of €15.061 million was due to the fact that general drawdowns under the Sport Capital Programme were significantly behind schedule as drawdowns are demand led and difficult to profile. This is because of delays by sporting bodies in finalising the legalities required to protect the State's investment; delays by sporting bodies in obtaining full planning permission; capacity issues in the construction industry and in specialist sports construction sectors, and challenges in raising the required own funding to make up the difference between the grant allocated and the total project costs. €12 million was vired to D5 for construction of Phase 2 of the National Indoor Arena, to facilitate completion of the project ahead of schedule and €2.5 million capital will be carried into 2019.

*D.4 Grants for provision and renovation of swimming pools*

Estimate provision: €4.2 million, outturn: €1.377 million

The shortfall of €2.823 million arose as there was a delay with retention drawdown for Loughlinstown. Construction and completion works at Lucan, Buncrana and Edenderry are still ongoing.

*D.5 Sport Ireland (part funded by National Lottery)*

Estimate provision: €58.326 million, outturn: €75.954 million

Part of the increase of €17.628 million relates to a €14.2 million capital virement (€2.2 million and €12 million from subheads B.6 and D.3 respectively) for construction of Phase 2 of the National Indoor Arena. The €14.2 million of planned investment was brought forward to facilitate completion of the project ahead of schedule. €2.62 million was provided to Sport Ireland as a supplementary estimate for high performance sport and other programme expenditure. An additional €1.3 million was provided to Sport Ireland in 2018 to ease current expenditure pressures in 2019, including support for National Governing Bodies' high performance programmes, participation programmes, field sport programmes and events.

**Programme E Tourism services**

|     |   | 2018               |                | 2017           |
|-----|---|--------------------|----------------|----------------|
|     |   | Estimate provision | Outturn        | Outturn        |
|     |   | €000               | €000           | €000           |
| E.1 | Administration - pay  |                    | 1,602          | 1,536          |
| E.2 | Administration - non pay  |                    | 317            | 361            |
| E.3 | Fáilte Ireland  |                    |                |                |
|     | <i>Original</i>   | 62,117             |                |                |
|     | <i>Supplementary</i>  | 850                |                |                |
|     |   |                    | 62,967         | 62,616         |
| E.4 | Tourism Ireland Limited - grant for administration and general expenses |                    | 14,786         | 15,301         |
| E.5 | Tourism Marketing Fund  |                    |                |                |
|     | <i>Original</i>   | 37,853             |                |                |
|     | <i>Supplementary</i>  | 2,500              |                |                |
|     |   |                    | 40,353         | 41,788         |
| E.6 | Tourism product development   |                    | 13,480         | 9,413          |
| E.7 | Greenways   |                    |                |                |
|     | <i>Original</i>   | 3,650              |                |                |
|     | <i>Deferred surrender</i>   | 705                |                |                |
|     |   |                    | 4,355          | 3,255          |
|     |   |                    | <b>137,860</b> | <b>134,270</b> |
|     |   |                    |                | <b>123,692</b> |

**Significant variations**

Overall, the expenditure in relation to Programme E was €240,000 lower than originally estimated including the deferred surrender, representing a variance of 0.2%. The variance was mainly due to the following.

**E.5 Tourism marketing fund**

Estimate provision: €37.853 million, outturn: €41.788 million

The outturn in 2018 was significantly higher than the original estimate due to the funding of extra marketing campaigns to give a solid foundation in delivering growth in Tourism in 2019. The main marketing campaigns funded were 'Call of the Wild' campaign, Data-driven Digital Marketing, Ireland's Ancient East 'Vikings' campaign and Tourism Marketing Fund. These costs were covered by way of a Supplementary estimate and a virement during 2018.

*E.6 Tourism product development*

Estimate provision: €13.48 million, outturn: €9.413 million

The funding in this subhead supports tourism product development through targeted capital investment in attractions and other tourism infrastructure. By providing the type and quality of experience that our visitors are seeking, this investment improves the international competitiveness of our overall tourism offering and helps support and grow tourism in a sustainable manner. Fáilte Ireland makes this investment through a combination of large and small grants schemes, direct investment and strategic partnerships with other public bodies. With regard to the latter, such partnerships include but are not limited to support for improvements to outdoor activity infrastructure and investment in assets of the OPW and the National Parks and Wildlife Service. Although some investments planned for 2018 were commenced and substantial progress made, not all projects progressed to the point that the entire budget for the project was needed in the year of account. Fáilte Ireland will continue to work on those projects in 2019 with their key partners. Given that these programmes and projects are progressing and will require the full allocation on completion during 2019, a capital carryover of €4.1 million has been approved for that purpose

*E.7 Greenways*

Estimate provision: €4.355 million, outturn: €3.255 million

Overall the expenditure was €1.1 million lower than provided. The shortfall of €1.1 million was due to planning issues on a section of the Galway to Dublin greenway, therefore spend was lower than anticipated. Waterford and Tipperary were reallocated funds which were not drawn down by year end but will be carried into 2019 to complete that investment.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

|                                      |   | 2018               |               | 2017           |
|--------------------------------------|---|--------------------|---------------|----------------|
|                                      |   | Estimate provision | Realised      | Realised       |
|                                      |   | €000               | €000          | €000           |
| <b>Administration</b>                |   |                    |               |                |
| 1                                    | Receipts from pension-related deduction on public service remuneration          | 3,694              | 3,903         | 3,548          |
| <b>Civil aviation</b>                |   |                    |               |                |
| 2                                    | Irish Aviation Authority refund of subscriptions to international organisations | 7,095              | 6,285         | 5,911          |
| 3                                    | Irish Aviation Authority recoupment of rents, etc.                              | 394                | 394           | 394            |
| 4                                    | Irish Aviation Authority payment for associated costs                           | 2,391              | 2,938         | 2,036          |
| <b>Land transport</b>                |   |                    |               |                |
| 5                                    | Road transport licence fees   | 700                | 872           | 1,140          |
| 6                                    | Receipts from Local Government Fund   | —                  | —             | 345,500        |
| 7                                    | Miscellaneous land transport receipts   | 4,688              | 5,637         | 14,970         |
| <b>Maritime transport and safety</b> |   |                    |               |                |
| 8                                    | Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919           | 450                | 580           | 537            |
| <b>Tourism services</b>              |   |                    |               |                |
| 9                                    | Tourism Ireland pension receipts  | 175                | 311           | 257            |
| <b>Sports services</b>               |   |                    |               |                |
| 10                                   | Sport Ireland pension receipts  | 90                 | 86            | 91             |
| 11                                   | Dormant accounts  | 4,500              | 5,000         | 4,551          |
| <b>Miscellaneous receipts</b>        |   |                    |               |                |
| 12                                   | Miscellaneous receipts  | 300                | 341           | 308            |
| <b>Total</b>                         |   | <b>24,477</b>      | <b>26,347</b> | <b>379,243</b> |

#### Significant variations

Overall, appropriations-in-aid were €1.87 million higher than the estimate. Explanations for the variances are as follows.

- Receipts from pension-related deduction on public service remuneration*  
 Estimate provision: €3.694 million, outturn: €3.903 million  
 The increase of €209,000 was due to increased recruitment within the Department which resulted in increased pension related deductions.
- Irish Aviation Authority refund of subscriptions to international organisations*  
 Estimate provision: €7.095 million, outturn: €6.285 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: €2.391 million, outturn: €2.938 million  
The Department recoups 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. The increase of €547,000 was due to the upward revision of the amount requested from the IAA for 2018 and recoupment of an additional €350,000 received in 2018 in respect of 2017 costs. The Department will work with the Department of Public Expenditure and Reform to reflect a higher expected receipts in future years.
- 5 *Road Transport licence fees*  
Estimate provision: €700,000, outturn: €872,000  
Due to the upturn in the economy, applications and associated fees for licences and renewals were greater than anticipated.
- 7 *Miscellaneous land transport receipts*  
Estimate provision: €4.688 million, outturn: €5.637 million  
Miscellaneous land transport receipts include €935,000 from the Special EU Programmes Body for ERDF funding in respect of projects funded under the Interreg VA Programme, Measure 3.1.
- 9 *Tourism Ireland pension receipts*  
Estimate provision: €175,000, outturn: €311,000  
Tourism Ireland pension receipts were up as the pension scheme rules were amended increasing the level of pension contributions payable by Tourism Ireland staff.
- 11 *Dormant accounts*  
Estimate provision: €4.5 million, outturn: €5 million  
Reimbursement by the National Treasury Management Agency from the Dormant Accounts Fund in respect of sports measures paid from the expenditure provision under Subhead D6.

**4.2 Extra Exchequer receipts**

|  | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|
|  | <b>€000</b> | <b>€000</b> |
| Balance at 1 January   | 166         | —           |
| Shannon Development rents <sup>a</sup>   | 11          | 11          |
| Sports capital grant refunds <sup>b</sup>  | 31          | 31          |
| Receipt from Bus Éireann for school transport <sup>c</sup>                                     | 156         | 166         |
| EU receipt for CCRP (City Centre Re-signalling Project) <sup>d</sup>                           | 441         | 2,565       |
| Road Safety Authority pension contributions and notional service <sup>e</sup>                  | 478         | 467         |
| Dividend by Dublin Airport Authority <sup>f</sup>  | 37,400      | 29,100      |
| EU receipt for funding of research into Intelligent Transport Systems and Service <sup>g</sup> | 45          | —           |
| EU receipt for multimodal travel information services <sup>h</sup>                             | 72          | —           |
| Transferred to the Exchequer   | (38,800)    | (32,174)    |
| <b>Balance at 31 December</b>  | <b>—</b>    | <b>166</b>  |

- Notes
- <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 was 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 and 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 2017 financial year.
  - <sup>g</sup> EU receipt for funding of research into Intelligent Transport Systems (ITS) and Service as part of the TN-ITS GO project. This ITS project aims to develop software which can pick up changes in road attributes which will be delivered to digital mappers. The purpose of the programme is to lead to having real time traffic information for all those involved in traffic management including satnav providers and road users.
  - <sup>h</sup> The money received is to support a project undertaken by the NTA as part of a programme support action for the implementation of Union-wide multimodal travel information services on the TEN-T network. The purpose of the project is to enable Ireland as a member state of the EU to provide data for all public transport in the NeTEx specification through the national access point at [www.data.gov.ie](http://www.data.gov.ie)

## 5 Staffing and Remuneration

### 5.1 Employee numbers (full time equivalents)

|                                    | 2018         | 2017         |
|------------------------------------|--------------|--------------|
| <b>Number of staff at year end</b> |              |              |
| <b>Department</b>                  | 557          | 486          |
| <b>Agencies</b>                    |              |              |
| Commission for Aviation Regulation | 18           | 18           |
| Fáilte Ireland                     | 341          | 339          |
| Medical Bureau of Road Safety      | 37           | 34           |
| National Transport Authority       | 97           | 83           |
| Commission for Railway Regulation  | 14           | 15           |
| Road Safety Authority              | 389          | 326          |
| Tourism Ireland                    | 160          | 146          |
| Transport Infrastructure Ireland   | 254          | 255          |
| Sport Ireland                      | 40           | 36           |
|                                    | <b>1,907</b> | <b>1,738</b> |

### 5.2 Pay

| <b>Department staff only</b>                   | <b>2018</b>   | <b>2017</b>   |
|--|---------------|---------------|
|  | <b>€000</b>   | <b>€000</b>   |
| Pay  | 27,022        | 24,782        |
| Higher, special or additional duties allowance | 535           | 475           |
| Other allowances                               | 595           | 552           |
| Overtime                                       | 574           | 554           |
| Employer's PRSI                                | 2,000         | 1,770         |
| <b>Total pay<sup>a</sup></b>                   | <b>30,726</b> | <b>28,133</b> |

Note <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

|  | Number of recipients | Recipients of €10,000 or more | Highest individual payment |        |
|--|----------------------|-------------------------------|----------------------------|--------|
|  |                      |                               | 2018                       | 2017   |
|  |                      |                               | €                          | €      |
| Higher, special or additional duties         | 110                  | 49                            | 21,805                     | 26,374 |
| Other allowances                             | 82                   | 1                             | 35,422                     | 25,083 |
| Overtime                                     | 101                  | 15                            | 21,690                     | 21,378 |
| Extra remuneration in more than one category | 56                   | 45                            | 44,574                     | 41,505 |

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

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One retired civil servant in receipt of a civil service pension was re-engaged on a fee basis at a total cost of €35,230. Pension abatement rules were applied as appropriate.

#### **5.5 Payroll overpayments**

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There were 45 individual overpayments at the year-end totalling €54,215 compared with 78 individual overpayments in 2017 (totalling €56,982). Recovery plans are in place for all of the €54,215 overpayments.

Two overpayment recovery plans, in respect of two individuals, to the value of €2,533 were transferred to the Department in the year.

## 6. Miscellaneous

### 6.1 Compensation and legal costs

|                       | Number of cases | Legal costs of the Department<br>€000 | Legal costs awarded<br>€000 | Compensation awarded<br>€000 | 2018         | 2017       |
|-----------------------|-----------------|---------------------------------------|-----------------------------|------------------------------|--------------|------------|
|                       |                 |                                       |                             |                              | Total        | Total      |
|                       |                 |                                       |                             |                              | €000         | €000       |
| <b>Claims by :</b>    |                 |                                       |                             |                              |              |            |
| Employees             | 1               | —                                     | 70                          | 46                           | 116          | —          |
| Members of the public | 3               | —                                     | 1,720                       | 4,976                        | 6,696        | 398        |
|                       |                 | <b>—</b>                              | <b>1,790</b>                | <b>5,022</b>                 | <b>6,812</b> | <b>398</b> |

### 6.2 National Lottery funding

Total expenditure of €109.9 million (€95.6 million in 2017) 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)

### 6.3 EU funding

The outturn shown in subhead B.8 Public and sustainable transport includes payment in respect of activities which are co-financed from the ERDF. Estimates of expenditure and actual outturns are as follows

| Subhead description                  | 2018     |         | 2017    |
|--------------------------------------|----------|---------|---------|
|                                      | Estimate | Outturn | Outturn |
|                                      | €000     | €000    | €000    |
| B.8 Public and sustainable transport | 2,261    | 420     | —       |

### 6.4 Pensions recoverable

At 31 December 2017, the vote ledger included a debit balance of €790,000 in other debit balances as the amount recoverable in respect of pension payments made by the Department and not yet recouped from Vote 12 for the period 2002 to 2014. Post 2014, a process change resulted in all pension payments being made through Vote 12 thus nullifying any requirement for recoupments.

An extensive examination of the €790,000 balance has resulted in the compilation of detailed supporting evidence in respect of €568,000, being an amount that could have been refunded from Vote 12 in 2015. A further €41,000 was identified as a mis-posting. The origin of the balance of €181,000 cannot be readily identified due to the passage of time. The balances of €568,000 and €181,000 have now been eliminated via a charge to the Administration – non pay subhead in 2018.

## 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 the account signing date, 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 Éireann   | 2017                   | 4 Apr 2018           | 11 Apr 2018                           | 5 Sep 2018                       |
| Bus Átha Cliath   | 2017                   | 4 Apr 2018           | 11 Apr 2018                           | 5 Sep 2018                       |
| CIE Tours International                                 | 2016                   | 30 Jun 2017          | 9 Jan 2018                            | 5 Sep 2018                       |
| Commission for Aviation Regulation                      | 2017                   | 6 Jul 2018           | 25 Jul 2018                           | 4 Sep 2018                       |
| Commission for Railway Regulation                       | 2017                   | 21 Dec 2018          | 2 Jan 2019                            | 15 Mar 2019                      |
| Coras Iompair Éireann (CIE)                             | 2017                   | 4 Apr 2018           | 10 Apr 2018                           | 27 Apr 2018                      |
| Dublin Airport Authority                                | 2017                   | 28 Mar 2018          | 5 Apr 2018                            | 25 Apr 2018                      |
| Dublin Port Company                                     | 2017                   | 29 Mar 2018          | 6 Apr 2018                            | 26 Jul 2018                      |
| Galway Harbour Company                                  | 2017                   | 4 May 2018           | 5 May 2018                            | 26 Jul 2018                      |
| Iarnrod Éireann   | 2017                   | 4 Apr 2018           | 26 Jun 2019                           | 8 Jul 2019                       |
| Irish Aviation Authority                                | 2017                   | 23 Mar 2018          | 26 Mar 2018                           | 17 Apr 2018                      |
| Marine Casualty Investigation Board                     | 2017                   | 29 Jun 2018          | 19 Jul 2018                           | 21 Nov 2018                      |
| Medical Bureau of Road Safety                           | 2017                   | 12 Dec 2018          | 8 Jan 2019                            | 28 Mar 2019                      |
| National Tourism Development Authority – Fáilte Ireland | 2017                   | 29 Jun 2018          | 10 Jul 2018                           | 3 Oct 2018                       |
| National Transport Authority                            | 2017                   | 22 Jun 2018          | 2 Jul 2018                            | 4 Sep 2018                       |
| New Ross Port Company                                   | 2017                   | 9 Aug 2018           | 9 Aug 2018                            | 4 Oct 2018                       |
| Port of Cork  | 2017                   | 19 Apr 2018          | 20 Apr 2018                           | 26 Jul 2018                      |
| Port of Waterford Company                               | 2017                   | 12 Mar 2018          | 9 Apr 2018                            | 26 Jul 2018                      |
| Road Safety Authority                                   | 2017                   | 30 Jul 2018          | 4 Dec 2018                            | 17 Jan 2019                      |
| Shannon Foynes Port Company                             | 2017                   | 5 Apr 2018           | 20 Apr 2018                           | 26 Jul 2018                      |
| Shannon Group   | 2017                   | 28 Mar 2018          | 9 Apr 2018                            | 26 Apr 2018                      |
| Sport Ireland   | 2017                   | 21 Dec 2018          | 9 Jan 2019                            | 15 Mar 2019                      |
| Tourism Ireland   | 2017                   | 13 Jul 2018          | 30 Jul 2018                           | 3 Oct 2018                       |
| Transport Infrastructure Ireland                        | 2017                   | 28 Jun 2018          | 1 Aug 2018                            | 10 Oct 2018                      |