

Appropriation Account 2019

Vote 31

Transport, Tourism and Sport

Introduction

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

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2019 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 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2019 out of unspent 2018 appropriation, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €21.223 million is liable for surrender to the Exchequer.

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

Statement of Accounting Policies and Principles

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

(a) Statement of capital assets: valuation of land and buildings

Land and buildings are valued at cost and are not depreciated.

(b) 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%

Graham Doyle
Accounting Officer
Department of Transport, Tourism and Sport

25 March 2020

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.

Shared services

The Accounting Officer for the National Shared Services Office 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 the National Shared Services Office 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 Services 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
- with respect to its management procedures, the Finance Division of the Department has been certified as compliant with ISO 9001:2015 standard up to February 2023.

Procurement compliance

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 2019, the Department complied with the guidelines with the exception of payments totalling €458,154 which are listed in my annual return in respect of Circular 40/02. Details are as follows:

- One contract with a total value of €332,828 relating to the replacement and maintenance of legacy emergency radio telecommunications equipment was extended beyond the original contract date without a new competitive process having been completed by the year end date.
- One contract with a total value of €95,398 related to the ongoing maintenance and development of the Road Transport Operator Licensing system which is required in order to comply with EU legislation.
- One contract with a total value of €29,928 related to the National Search and Rescue (SAR) Framework Review Group, established to address issues arising from safety recommendations from the Air Accident Investigation Unit and later the Marine Casualty Investigation Board which required immediate and effective follow-up to a tight timeframe. The Group drafted Ireland's National Search and Rescue (SAR) plan and a final report was produced in June 2019.

Attention is also drawn to a prior year procurement regarding vehicles for the Coast Guard fleet. This Department's examination of the matter identified that the procurement process was not robust. The Department is however satisfied that the vehicles purchased have been and continue to be fully utilised by the IRCG in supporting its cliff rescue operations and other search and rescue activities.

An internal audit was completed in 2020 to assess the adequacy of the control framework that supports the procurement and contracting practices within the Coast Guard. There were a number of findings which are being addressed by management within the Coast Guard.

In 2019, the Department carried out a procurement gap analysis to assess procurement capability, activity and compliance in the Department in order to identify gaps in existing current systems and procedures in place and to suggest how these shortcomings should be addressed.

In its conclusion, the gap analysis identified significant scope for better communications, ensuring the availability of training, actively monitoring compliance, assisting divisions in finding value, proactively identifying and addressing procurement breaches, and generally assisting in fulfilling the Department's obligations in relation to the National Public Procurement Policy Framework.

The report, approved by Management Board in early 2020, included a comprehensive suite of recommendations covering:

- Appointment of a procurement officer
- Functions of the procurement officer
- Corporate governance matters
- Measuring and monitoring compliance
- Communications
- Training requirements
- Corporate governance of agencies as regards procurement.

Work has begun on the implementation of the report recommendations and a procurement officer has been in place since the start of this year.

Enhancing controls over local and regional roads grant payments

Expenditure under Subhead B3 includes grants of €484 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 re-instatement of the Road Engineering Inspectorate, 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 also 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.

Enhancing oversight arrangements

Total funding provided to bodies under the aegis of the Department was €2.098 billion in 2019.

The Department monitors its oversight arrangements of its agencies through a framework oversight plan. Some key enhancements introduced under the framework oversight plan are:

- clarification of Departmental roles and responsibilities in relation to agency oversight
- 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 2019 and September 2019, respectively
- improved access to financial expertise in assisting with monitoring and oversight arrangements, provided by a financial advisor seconded to the Department
- dissemination of a standard template to assist line divisions in developing performance delivery agreements (PDAs) and oversight agreements (OS) or shareholder expectation letters with agencies.

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

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 this recommendation, the Department streamlined and amalgamated the recruitment of Board members of CIE and its subsidiaries into one recruitment drive which was managed by the Public Appointments Service.

In quarter two 2019, three directors were appointed to the Board of Bus Átha Cliath; three to the Board of Bus Éireann; and one to the Board of Iarnród Éireann. A further three appointments were subsequently made by the Government to the CIE Board. Following these ten appointments, there are currently no vacancies on the CIE or subsidiary company boards.

Information security arrangements - patching and life cycle management

As part of its audit into information technology security arrangements in 2019, internal audit recommended the Information and Communications Technology (ICT) Refresh Programme should be prioritised to ensure that the ICT estate is brought up to date and maintained going forward. Where there are instances where unsupported or unpatched operating systems remain, short-term mitigation plans should be established and approved to minimise the associated risks.

In quarter four 2019, the Department commenced implementation of an immediate patching regime prior to upgrades and the initiation of a server upgrade programme.

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 the former Secretary General approved. Its work is informed by analysis of the financial risks to which the former Secretary General 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 the former Secretary General 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 the Secretary General and the Audit Committee. Procedures are in place to ensure that the reports of the internal audit function are followed up.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

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

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

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

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2019 that resulted in, or may result in, a material loss.

Ken Spratt
Accounting Officer
Department of Transport, Tourism and Sport

22 September 2020

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 2019 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 2019, and
- 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

24 September 2020

Vote 31 Transport, Tourism and Sport

Appropriation Account 2019

			2019	2018
			Estimate provision	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Civil aviation				
	<i>Original</i>	36,767		
	<i>Deferred surrender</i>	1,000		
			37,767	34,842
				28,142
B Land transport				
	<i>Original</i>	1,907,981		
	<i>Deferred surrender</i>	4,374		
	<i>Supplementary</i>	2,200		
			1,914,555	1,905,825
				1,691,046
C Maritime transport and safety				
	<i>Original</i>	103,068		
	<i>Deferred surrender</i>	3,000		
			106,068	96,278
				90,909
D Sports and recreation services				
	<i>Original</i>	125,362		
	<i>Deferred surrender</i>	5,324		
	<i>Supplementary</i>	800		
			131,486	106,017
				118,558
E Tourism services				
	<i>Original</i>	168,655		
	<i>Deferred surrender</i>	4,668		
	<i>Supplementary</i>	7,000		
			180,323	158,230
				134,270
Gross expenditure				
	<i>Original</i>	2,341,833		
	<i>Deferred surrender</i>	18,366		
	<i>Supplementary</i>	10,000		
			2,370,199	2,301,192
				2,062,925
	<i>Deduct</i>			
F Appropriations-in-aid			24,964	25,791
				26,347
Net expenditure				
	<i>Original</i>	2,316,869		
	<i>Deferred surrender</i>	18,366		
	<i>Supplementary</i>	10,000		
			2,345,235	2,275,401
				2,036,578

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. €48.611 million of unspent allocations in respect of the capital elements of subheads A.3, B.2, B.5, B.8, C.3, D.3, D.4, D.7, E.6 and E.7 was carried forward to 2020.

	2019	2018
	€	€
Surplus	69,833,781	23,179,599
Deferred surrender	(48,611,000)	(18,366,000)
Surplus to be surrendered	<u>21,222,781</u>	<u>4,813,599</u>

Graham Doyle

Accounting Officer
Department of Transport, Tourism and Sport

25 March 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	2,258,833	2,018,315
Pay	33,756	30,726
Non pay	8,603	13,884
Gross expenditure	2,301,192	2,062,925
<i>Deduct</i>		
Appropriations-in-aid	25,791	26,347
Net expenditure	2,275,401	2,036,578
Changes in capital assets		
Purchases cash	(4,638)	
Disposals cash	118	
(Profit)/loss on disposals	(47)	
Depreciation	4,173	
	(394)	(1,016)
Changes in net current assets		
Decrease in closing accruals	(1,680)	
Decrease in stock	48	
	(1,632)	(1,444)
Direct expenditure	2,273,375	2,036,150
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	20,076	18,019
Notional rents	4,005	3,757
Net programme cost	2,297,456	2,057,926

1.1 Net allied services expenditure

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

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	46	148
Vote 12 Superannuation and Retired Allowances	13,190	12,608
Vote 13 Office of Public Works	6,375	4,814
Vote 18 National Shared Services Office	57	52
Central Fund – Ministerial pensions	408	397
	20,076	18,019

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	11,992	11,598
Current assets			
Bank and cash	2.2	66,983	18,819
Stocks	2.3	1,052	1,100
Prepayments		3,456	2,410
Other debit balances	2.4	754	764
Total current assets		<u>72,245</u>	<u>23,093</u>
Less current liabilities			
Accrued expenses		1,934	2,568
Other credit balances	2.5	1,555	1,386
Net Exchequer funding	2.6	66,182	18,197
Total current liabilities		<u>69,671</u>	<u>22,151</u>
Net current assets		<u>2,574</u>	<u>942</u>
Net assets		<u>14,566</u>	<u>12,540</u>
Represented by:			
State funding account	2.7	<u>14,566</u>	<u>12,540</u>

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 2019	840	20,846	480	15,755	25,030	62,951
Additions	740	1,204	66	1,099	1,529	4,638
Disposals	—	(8,101)	(330)	(528)	—	(8,959)
Cost or valuation at 31 December 2019	1,580	13,949	216	16,326	26,559	58,630
Accumulated depreciation						
Opening balance at 1 January 2019	—	18,300	410	12,022	20,621	51,353
Depreciation for the year	—	1,103	43	1,513	1,514	4,173
Disposals	—	(8,101)	(330)	(457)	—	(8,888)
Cumulative depreciation at 31 December 2019	—	11,302	123	13,078	22,135	46,638
Net assets at 31 December 2019	1,580	2,647	93	3,248	4,424	11,992
Net assets at 31 December 2018	840	2,546	70	3,733	4,409	11,598

2.2 Bank and cash

at 31 December	2019 €000	2018 €000
PMG balances	66,878	18,555
Commercial bank accounts	105	264
	66,983	18,819

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. With the exception of funding bank charges, no moneys due to or paid from the Vote are transmitted through this bank account. The amount held at the end of 2019 is €91,343 (2018: €16,784).

2.3 Stocks

at 31 December	2019	2018
	€000	€000
IT consumables	80	84
Specialised consumables (Irish Coast Guard)	972	1,016
	1,052	1,100

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
OPW agency services	587	632
Other	167	132
	754	764

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Income tax and universal social charge	550	478
Pay related social insurance	279	232
Professional services withholding tax	137	87
Value added tax	414	370
Relevant contract tax	63	107
Pension charges	55	49
Extra Exchequer receipts	33	—
	1,531	1,323
Other	24	63
	1,555	1,386

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	21,223	4,814
Deferred surrender	48,611	18,366
Exchequer grant undrawn	(3,652)	(4,983)
Net Exchequer funding	66,182	18,197
Represented by:		
Debtors		
Bank and cash	66,983	18,819
Debit balances: suspense	754	764
	67,737	19,583
Creditors		
Due to State	(1,531)	(1,323)
Credit balances: suspense	(24)	(63)
	(1,555)	(1,386)
	66,182	18,197

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		12,540	13,921
Disbursements from the Vote			
Estimate provision	Account	2,345,235	
Deferred surrender	Account	(48,611)	
Surplus to be surrendered	Account	(21,223)	
Net vote		2,275,401	2,036,578
Expenditure (cash) borne elsewhere	1	20,076	18,019
Non cash expenditure – notional rent	1	4,005	3,757
Capital asset adjustments-land and buildings		—	(1,809)
Net programme cost	1	(2,297,456)	(2,057,926)
Balance at 31 December		14,566	12,540

2.8 Commitments

Global commitments		
at 31 December	2019	2018
	€000	€000
Procurement of goods and services	178,072	246,111
Non capital grant programmes	128	114
Capital grant programmes	168,334	113,664
Total of legally enforceable commitments	346,534	359,889
Commitments under procurement subheads		
	2019	2018
	€000	€000
Search and rescue helicopter services	155,000	212,114
Airports	15,343	22,571
Vehicle/driving licencing	4,847	10,298
Climate Change Unit	50	469
Air Accident Investigation Unit	252	—
Information technology	20	105
Internal audit	25	—
ITF Presidency 2020	22	—
Strategic research	—	67
Coast Guard services	2,513	487
	178,072	246,111
Non-capital grant commitments		
	2019	2018
	€000	€000
Opening balance	114	—
Grants paid in year	(136)	(29)
New grant commitments	150	143
Grants cancelled	—	—
Closing balance	128	114
Capital grant commitments		
	2019	2018
	€000	€000
Opening balance	113,664	148,621
Grants paid in year	(54,493)	(39,976)
New grant commitments	110,404	6,726
Grants cancelled	(1,241)	(1,707)
Closing balance	168,334	113,664

Major capital projects

	Cumulative expenditure to 31 December 2018	Expenditure in 2019	Project commitments in subsequent years	Expected total spend lifetime of project 2019	Expected total spend lifetime of project 2018
	€000	€000	€000	€000	€000
Pairc Uí Chaoimh	28,500	1,500	—	30,000	30,000
	28,500	1,500	—	30,000	30,000

2.9 Matured liabilities

at 31 December	2019	2018
	€000	€000
Estimate of matured liabilities not discharged at year end.	532	188

2.10 Contingent liabilities

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

During 2019, the Department paid final legal settlement costs of €1,195,544 relating to a long running legal case, Smith v Meade. These final settlement costs cover 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

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2019		2018
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
i	Salaries, wages and allowances	35,891	33,756	30,726
ii	Travel and subsistence	1,377	1,474	1,346
iii	Training and development and incidental expenses	2,273	3,196	9,020
iv	Postal and telecommunication services	519	296	360
v	Office equipment and external IT services	2,779	2,182	1,498
vi	Office premises expenses	664	892	579
vii	Consultancy services and value for money and policy reviews	1,399	563	1,081
		44,902	42,359	44,610

Significant variations

The following outlines the reasons for significant variations in administration expenditure (25% and €100,000).

iii Training and development and incidental expenses

Estimate provision: €2.273 million, outturn: €3.196 million

Higher than estimated costs were primarily due to the payment of €1.195 million as part of a legal settlement of a long running legal case (Smith v Meade).

iv Postal and telecommunications services

Estimate provision: €519,000, outturn: €296,000

The decrease of €223,000 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.

vi Office premises expenses

Estimate provision: €664,000, outturn: €892,000

Costs were higher than estimated, primarily due to increased staff hiring by the Department.

vii Consultancy services and value for money and policy reviews

Estimate provision: €1.399 million, outturn: €563,000

Costs were lower than estimated due to fewer consultancy programmes than estimated in the land transport programme as well as unused contingency, which was retained in the case of a hard Brexit requiring urgent activity in key sectoral areas.

Programme A Civil aviation

	Estimate provision		2019	2018
			Outturn	Outturn
	€000	€000	€000	€000
A.1 Administration - pay		3,589	3,376	3,380
A.2 Administration - non pay		1,280	741	795
A.3 Regional airports				
	<i>Original</i>	21,700		
	<i>Deferred surrender</i>	1,000		
		22,700	21,789	15,460
A.4 Miscellaneous aviation services		10,198	8,936	8,507
		37,767	34,842	28,142

Significant variations

The following outlines the reasons for significant variations in programme expenditure (5% and €100,000). Overall, the expenditure in relation to Programme A was €2.925 million lower than originally estimated including the deferred surrender, representing a variance of 8%.

A.2 Administration - non pay

Estimate provision: €1.28 million, outturn: €741,000

The underspend arose primarily due an underspend in the consultancy allocation.

A.4 Miscellaneous aviation services

Estimate provision: €10.198 million, outturn: €8.936 million

Overall the expenditure for miscellaneous aviation services was €1.262 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 2019 of €819,000 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 2019 the variation between estimate and outturn was €259,000. Finally, the cost of an aviation insurance policy was €184,000 less than profiled.

Programme B Land transport

		2019		2018	
		Estimate provision		Outturn	
		€000	€000	€000	
B.1	Administration - pay		13,280	12,152	11,676
B.2	Administration - non pay		3,358	3,862	9,403
B.3	Road improvement/maintenance		1,060,052	1,060,280	930,418
B.4	Road safety agencies and expenses				
	<i>Original</i>	5,365			
	<i>Supplementary</i>	617			
			5,982	5,982	5,216
B.5	Vehicle and driver licencing expenses				
	<i>Original</i>	21,900			
	<i>Deferred surrender</i>	1,870			
			23,770	23,206	19,821
B.6	Smarter travel and carbon reduction				
	<i>Original</i>	7,000			
	<i>Deferred surrender</i>	1,965			
			8,965	5,641	697
B.7	Public service provision payments				
	<i>Original</i>	302,363			
	<i>Deferred surrender</i>	39			
	<i>Supplementary</i>	583			
			302,985	307,985	295,573
B.8	Public and sustainable transport				
	<i>Original</i>	480,755			
	<i>Deferred surrender</i>	500			
			481,255	469,864	408,585
B.9	Public transport agencies and expenses				
	<i>Original</i>	13,830			
	<i>Supplementary</i>	1,000			
			14,830	16,793	9,599
B.10	Miscellaneous services		78	60	58
			1,914,555	1,905,825	1,691,046

Significant variations

The following outlines the reasons for significant variations in programme expenditure (5% and €100,000). Overall, the expenditure in relation to Programme B was €6.53 million less than originally estimated including the deferred surrender, representing a variance of 0.3 %. The variance was mainly due to the following.

B.4 Road safety agencies and expenses

Estimate provision: €5.365 million, outturn: €5.982 million

The variance is a supplementary grant of €617,000 which was approved and sanctioned for the Medical Bureau of Road Safety (MBRS) in 2019 for the purchase of portable breath testing (PBT) devices.

B.6 Smarter travel and carbon reduction

Estimate provision: €8.965 million, outturn: €5.641 million

The Electric Small Public Service Vehicle (eSPSV) Grant Scheme provides grants towards the transition of taxis, hackneys and limousines away from fossil fuels and towards electric vehicles. As this is a relatively new technology in the transport sector, and particularly in the SPSV sector, uptake of the grant scheme was slower than expected in 2019. The level of the grant on offer has increased in 2020, and together with the increased variety of models and increased vehicle range in the EV market, it is expected that a higher number of SPSVs will avail of the Scheme this year.

In addition, due to the difficulty in procuring double deck right hand drive alternatively-fuelled buses, only nine hybrid buses for the Dublin Bus fleet were funded under the Green Public Transport Fund in 2019. It is expected that, in line with the NTA's Medium Term Bus Fleet Technology Pathway, the number of hybrid buses in the urban bus fleet will significantly increase in 2020 with a target of 100 hybrid buses this year.

B.9 Public transport agencies and expenses

Estimate provision: €13.83 million, outturn: €16.793 million

As part of the supplementary estimate process, an additional €1 million was provided to subhead B 9.2 to be utilised by the NTA for the following:

- €100,000 for additional general administrative expenditure;
- €450,000 allocated to the NTA for ICT infrastructure (licensing and system updates);
- €450,000 for rental costs associated with additional accommodation which is required to be paid in advance under the terms of their rental contracts.

An additional €1.963 million was paid in December, to cover a shortfall in the 2019 admin grant.

Programme C Maritime transport and safety

		2019		2018
		Estimate provision		Outturn
		€000	€000	€000
C.1	Administration – pay		15,433	14,515
C.2	Administration - non pay		3,492	3,185
C.3	Maritime administration and Irish Coast Guard			
		<i>Original</i>	84,057	
		<i>Deferred surrender</i>	3,000	
			87,057	78,488
C.4	Miscellaneous services		86	90
			106,068	96,278
				90,909

Significant variations

The following outlines the reasons for significant variations in programme expenditure (5% and €100,000). Overall, the expenditure in relation to Programme C was €9.79 million lower than originally estimated including the deferred surrender, representing a variance of 9%. The variance was mainly due to the following.

C.3 Maritime administration and Irish Coast Guard

Estimate provision: €87.057 million, outturn: €78.488 million

The underspend on capital arose primarily due to building work which did not take place due to delays in planning permission. This was to include both new builds in Greystones and Westport and renovations to Coast Guard Unit buildings around the coast. There was also an underspend regarding the purchase and upgrade of search and rescue related equipment. The tender process for replacing the Coast Guard boats was due to be completed in 2019 but carried over into 2020.

Programme D Sports and recreation services

	Estimate provision		2019	2018
			Outturn	Outturn
	€000	€000	€000	€000
D.1 Administration - pay		2,153	2,025	1,844
D.2 Administration - non pay		528	444	434
D.3 Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)				
	<i>Original</i>	42,580		
	<i>Deferred surrender</i>	2,500		
		45,080	35,080	33,949
D.4 Grants for provision and renovation of swimming pools				
	<i>Original</i>	4,100		
	<i>Deferred surrender</i>	2,824		
		6,924	432	1,377
D.5 Sport Ireland (part funded by National Lottery)				
	<i>Original</i>	62,201		
	<i>Supplementary</i>	800		
		63,001	63,036	75,954
D.6 Dormant accounts funding for sports measures		5,000	5,000	5,000
D.7 Large scale sport infrastructure fund		8,800	—	—
		131,486	106,017	118,558

Significant variations

The following outlines the reasons for significant variations in programme expenditure (5% and €100,000). Overall, the expenditure in relation to Programme D was €24.669 million lower than originally estimated including the deferred surrender, representing a variance of 19%. 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: €45.08 million, outturn: €35.08 million

With over 3,700 separate outstanding grants it is impossible to accurately predict the exact timing of the draw down of Sports Capital Programme grants. Factors such as the weather (affecting construction and pitch drainage works) and the availability of matching funding can affect the speed of progress on projects and the subsequent draw down of grants. In addition, in 2019 other work pressures on the section, including the assessment of 2,337 applications under the 2018 round of the programme, limited the division's ability to chase the draw down of previous grants. Also the fact that the 2018 allocations were not made until close to year end meant that no allocation from that 2018 round could be drawn down in 2019. With €57 million in new grants allocated in 2019 it is expected that all of the available subhead for 2020 will be distributed to clients in the year.

D.4 Grants for provision and renovation of swimming pools

Estimate provision: €6.924 million, outturn: €432,000

Drawdown was less than expected in 2019 due to slow progress in the finalisation of the legal requirements for Lucan and University of Limerick pools. Only one payment in the sum of €431,720 was made for a historical balance and retention to Dun Laoghaire Rathdown County Council for Loughlinstown Pool. It is expected that the available funds of €4.7 million in 2020 will be fully expended to fund retention payments for completed projects (€800,000 Dunmanway, Castlebar, Clara) and to fund payments for projects where the legal requirements are expected to be finalised in 2020 (€3.9 million Lucan Swimming Pool and University of Limerick pools).

D.7 Large scale sport infrastructure fund

Estimate provision: €8.8 million, outturn: €0

The large scale sport infrastructure fund opened for applications on 19 November 2018 and the closing date for receipt of applications was 17 April 2019. Applicants were given an opportunity to provide corrected and amended documentation, where necessary, in support of applications. The detailed evaluation process was completed in early January 2020 when provisional allocations were announced. As no allocations were made in 2019, expenditure was not incurred.

Programme E Tourism services

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration - pay		1,436	1,688
E.2	Administration - non pay		353	370
E.3	Fáilte Ireland			
	<i>Original</i>	68,885		
	<i>Supplementary</i>	1,000		
			69,885	56,985
E.4	Tourism Ireland Limited - grant for administration and general expenses		16,138	16,138
E.5	Tourism Marketing Fund			
	<i>Original</i>	47,583		
	<i>Supplementary</i>	6,000		
			53,583	53,583
E.6	Tourism product development			
	<i>Original</i>	20,960		
	<i>Deferred surrender</i>	4,068		
			25,028	19,067
E.7	Greenways			
	<i>Original</i>	13,300		
	<i>Deferred surrender</i>	600		
			13,900	10,399
			180,323	158,230
				134,270

Significant variations

The following outlines the reasons for significant variations in programme expenditure (5% and €100,000). Overall, the expenditure in relation to Programme E was €15.093 million lower than originally estimated including the deferred surrender, representing a variance of 9%. The variance was mainly due to the following.

E.3 Fáilte Ireland

Estimate provision: €68.885 million, outturn: €56.985 million

Fáilte Ireland did not require the complete drawdown of the 2019 provision due to cash balance on hand at the start of the year.

E.5 Tourism Marketing Fund

Estimate provision: €47.583 million, outturn: €53.583 million

An additional €6 million supplementary funding was allocated to Tourism Ireland in 2019 to deal with difficulties in our source markets caused by Brexit related uncertainty. This funding was fully drawn down in 2019.

E.6 Tourism product development

Estimate provision: €25.028 million, outturn: €19.067 million

In 2019, there was a variation of €5.961 million in programme expenditure an amount for which formal Department of Public Expenditure and Reform sanction has been sought to carry over this amount into 2020. This variation arose due to slower than anticipated progress in certain externally led projects supported by Fáilte Ireland and earmarked for funding drawdowns in 2019. Specifically, there were delays in the progress of several large grants scheme projects due to procurement and planning-related issues, as well as delays in some Fáilte Ireland strategic partnership projects (with Coillte and with the National Parks Wildlife Service) caused by tender process/availability of suitably-qualified quantity surveyors and land ownership issues.

E.7 Greenways

Estimate provision: €13.9 million, outturn: €10.399 million

Funding to a number of greenways under the new strategy for the future development of national and regional greenways was awarded later than originally intended in 2019 and there was consequently a delay in drawdown for a number of projects awarded funding.

Note 4 Receipts

4.1 Appropriations-in-aid

	2019		2018	
	Estimated provision €000	Realised €000	Realised €000	
Administration				
1	Receipts from additional superannuation contributions on public service remuneration ^a	3,220	3,457	3,903
Civil aviation				
2	Irish Aviation Authority refund of subscriptions to international organisations	7,007	6,748	6,285
3	Irish Aviation Authority recoupment of rents, etc.	394	394	394
4	Irish Aviation Authority payment for associated costs	2,760	2,455	2,938
Land transport				
5	Road transport licence fees	800	971	872
6	Miscellaneous land transport receipts	4,688	5,299	5,637
Maritime transport and safety				
7	Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	450	557	580
Tourism services				
8	Tourism Ireland pension receipts	190	298	311
Sports services				
9	Sport Ireland pension receipts	85	88	86
10	Dormant accounts	5,000	5,000	5,000
Miscellaneous receipts				
11	Miscellaneous receipts	370	524	341
Total		24,964	25,791	26,347

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €827,000 higher than the estimate. Explanations for the variances are as follows.

1 Receipts from additional superannuation contributions on public service remuneration

Estimate: €3.22 million, realised: €3.457 million

The increase of €237,000 was due to increased recruitment within the Department which resulted in increased additional superannuation contributions.

4 Irish Aviation Authority payment for associated costs*Estimate: €2.76 million, realised; €2.455 million*

The Department recoups costs from the Irish Aviation Authority for an insurance policy, salaries, travel and subsistence costs etc. where these relate to policy areas such as air navigation policy and air safety policy. While the €305,000 lower than expected outturn reflects the actual amounts due from the IAA, this variance was partly offset by a saving of €184,000 in insurance costs at A.4.1 in the programme allocation.

5 Road transport licence fees*Estimate: €800,000, realised; €971,000*

The amount received in licence fees is affected by the level of activity in the sector and in the economy as a whole. Fees are paid not only for licence applications but also for adding vehicles to existing haulage licences to increase fleets. Fees received in 2018 amounted to €872,000 as against an estimate of €700,000. In that context, it was considered apt to raise the estimate for 2019 to €800,000. In fact, fees received in 2019 exceeded that estimate by €171,000, as activity increased.

6 Miscellaneous land transport receipts*Estimate: €4.688 million, realised; €5.299 million*

Increased receipts were due to the inclusion of the European Regional Development Fund (ERDF) Interreg VA receipts into F7.4 in 2019. The Department contributes to projects (currently two, a multi-modal hub in Derry and three greenways) under the ERDF Interreg VA Programme. The EU subsequently refund up to 85% of the expenditure on these projects, which is now accounted for as appropriations-in-aid under F7.4 ERDF Interreg VA Programme.

7 Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919*Estimate: €450,000, realised; €557,000*

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

8 Tourism Ireland pension receipts*Estimate: €190,000, realised; €298,000*

Tourism Ireland pension receipts figure were up as the pension scheme rules were amended increasing the level of pension contributions payable by Tourism Ireland staff. The Department will work with the Department of Public Expenditure and Reform to reflect a higher appropriations-in-aid in future years.

11 Miscellaneous receipts*Estimate: €370,000, realised; €524,000*

The increase in income is mainly due to the sale and replacement of Irish Coast Guard assets.

4.2 Extra Exchequer receipts

	2019	2018
	€000	€000
Balance at 1 January	31	166
Shannon Development rents ^a	10	11
Sports capital grant refunds ^b	62	31
Receipt from Bus Éireann for school transport	—	156
EU receipt for CCRP (City Centre Re-signalling Project) ^c	1,575	441
Road Safety Authority pension contributions and notional service ^d	472	478
Dividend by Dublin Airport Authority ^e	40,000	37,400
EU receipt for funding of research into Intelligent Transport Systems and Service	—	45
EU receipt for multimodal travel information services	—	72
EU receipt for Connecting Europe Facility programme- Intelligent Transport Systems Forum ^f	60	—
EU receipts for Connecting Europe Facility programme: C - Roads Platform and a C-ITS pilot in Ireland ^g	359	—
NELS project- Loran-C maritime navigation system ^h	87	—
Commission for Railway Regulation ⁱ	18	—
National Transport Authority – Sustainable Transport ^j	13	—
National Transport Authority- Bus Market Opening ^k	8,000	—
Voluntary surrender of pay	24	31
Transferred to the Exchequer	(50,678)	(38,800)
Balance at 31 December	33	31

- Note
- ^a Rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.
 - ^b 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.
 - ^c 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 additional train paths to provide a minimum of 17 trains per hour per direction in the critical city centre area.
 - ^d 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.
 - ^e Dividend received in respect of shareholding in Dublin Airport Authority for the 2018 financial year.

- f This is an interim payment received from the European Commission for the EU Intelligent Transport System (ITS) Platform under its Connecting Europe Facility programme. This platform is a forum where partners from the private and public sector of almost all EU Member States will cooperate in order to foster current and future ITS deployments in Europe in a harmonised way.
- g This is a pre-financing payment received from the European Commission under the Connecting Europe Facility programme, which provides EU co-funding to projects in the transport, energy, and telecommunications sectors. This is a pilot project which will aim at building knowledge in relation to C-ITS Services and also inform all involved stakeholders about a range of C-ITS services. The C-ITS pilot will be deployed on the North Sea–Mediterranean Core Network corridor.
- h This receipt is the final payment under an International Agreement concerning the establishment and operation of the civil Loran-C maritime navigation system in North West Europe and the North Atlantic (the NELLS Agreement).
- i Moneys received from the Commission for Railway Regulation for previously advanced funding for the International Railway Safety Council (IRSC) conference. The initial estimated costs were not incurred.
- j Moneys received from the National Transport Authority (NTA) for unused funding initially provided to Dun Laoghaire Rathdown County Council by the NTA in relation to a sustainable transport measures project, which has since ended.
- k In 2018, the NTA requested funding from the Department to the value of €8 million towards working capital costs to facilitate the expansion of operations for the Bus Market Opening (BMO) in 2019. The working capital requirement for BMO arose from the gross cost contract arrangement with Go Ahead and Bus Éireann for BMO routes whereby the NTA collects all fare revenues and bears the associated revenue risk. The working capital requirement was driven by a combination of the timing difference between the contractual payments to the relevant operators and the subsequent drawdown from the Department and also an amount to mitigate the revenue risk to the NTA of the annual estimated fare revenue in the event that forecasted revenues were lower than expected. These funds were refunded to the Exchequer during 2019.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end		
Department	608	557
Agencies:		
Commission for Aviation Regulation	23	18
Fáilte Ireland	392	341
Medical Bureau of Road Safety	43	37
National Transport Authority	128	97
Commission for Railway Regulation	13	14
Road Safety Authority	417	389
Tourism Ireland	168	160
Transport Infrastructure Ireland	265	254
Sport Ireland	46	40
	2,103	1,907

5.2 Pay – Department and Agency

Remuneration of Department staff	2019	2018
	€000	€000
Pay	29,597	27,022
Higher, special or additional duties allowance	638	535
Other allowances	629	595
Overtime	537	574
Employer's PRSI	2,355	2,000
Total pay	33,756	30,726
Agency remuneration		
	2019	2018
	€000	€000
Pay	81,289	74,548
Higher, special or additional duties allowance	243	203
Other allowances	461	420
Overtime	822	1,096
Employer's PRSI	7,460	6,876
Total pay^a	90,275	83,143

Note ^a The total pay figure is distributed across subheads B.3, B.9, D.5, E.2 and E.4.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Department staff				
Higher, special or additional duties	114	52	37,515	21,805
Other allowances	79	—	9,382	35,422
Overtime	104	14	20,899	21,690
Extra remuneration in more than one category	72	59	40,823	44,574
Agency staff				
Higher, special or additional duties	58	5	46,764	37,749
Other allowances	119	2	15,514	15,559
Overtime	251	12	19,496	27,867
Extra remuneration in more than one category	80	26	24,487	29,745

5.4 Other remuneration arrangements

Three retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €9,261. Pension abatement rules were applied as appropriate.

This account includes expenditure of €408,911 in respect of four officers who were serving outside the Department for all or part of 2019 and whose salaries were paid by the Department.

This account does not include expenditure in respect of four officers who were serving outside the Department for all or part of 2019 in other Government Departments/Offices and whose salaries were not recouped by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2019 €	2018 €
Overpayments	51	97,296	131,814
Recovery plans in place	21	54,816	54,216

Four overpayment recovery plans, in respect of two individuals, to the value of €4,639 were transferred to other Departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

	Number of cases	Legal costs of the Department €000	Legal costs awarded €000	Compensation awarded €000	2019	2018
					Total €000	Total €000
Claims by employees	—	—	—	—	—	116
Claims by members of the public	7	443	1,224	—	1,667	6,696
		443	1,224	—	1,667	6,812

6.2 National Lottery funding

Total expenditure of €98.116 million (€109.9 million in 2018) 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

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	2019	2019	2018
	Estimate €000	Outturn €000	Outturn €000
B.8 Public and sustainable transport	2,536	1,917	420

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

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, at 31 March 2020, 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	2018	3 Apr 2019	9 Jul 2019	19 Jul 2019
Bus Átha Cliath	2018	3 Apr 2019	22 Jul 2019	22 Jul 2019
Commission for Aviation Regulation	2018	28 Jun 2019	26 Jul 2019	8 Oct 2019
Commission for Railway Regulation	2018	4 Dec 2019	28 Jan 2020	5 Feb 2020
Córas Iompair Éireann (CIE)	2018	3 Apr 2019	26 Apr 2019	1 May 2019
Dublin Airport Authority	2018	21 Mar 2019	22 Mar 2019	30 Apr 2019
Dublin Port Company	2018	1 Apr 2019	4 Apr 2019	18 Jul 2019
Galway Harbour Company	2018	11 Mar 2019	20 Mar 2019	18 Jul 2019
Iarnród Éireann	2018	3 Apr 2019	26 Jun 2019	19 Jul 2019
Irish Aviation Authority	2018	3 Apr 2019	3 Apr 2019	16 Apr 2019
Marine Casualty Investigation Board	2018	28 Jun 2019	19 Jul 2019	15 Aug 2019
Medical Bureau of Road Safety	2018	30 Sep 2019	14 Oct 2019	Not yet presented
National Tourism Development Authority – Fáilte Ireland	2018	30 Jun 2019	2 Jul 2019	16 Oct 2019
National Transport Authority	2018	21 Jun 2019	2 Jul 2019	8 Aug 2019
Port of Cork	2018	18 Apr 2019	26 Apr 2019	18 Jul 2019
Port of Waterford Company	2018	28 Mar 2019	8 Apr 2019	18 Jul 2019
Road Safety Authority	2018	27 Jun 2019	22 Aug 2019	Not yet presented
Shannon Foynes Port Company	2018	29 Mar 2019	25 Apr 2019	18 Jul 2019
Shannon Group	2018	22 Mar 2019	27 Mar 2019	29 Apr 2019
Sport Ireland	2018	21 Dec 2018	9 Jan 2019	15 Mar 2019
Tourism Ireland	2018	8 Aug 2019	15 Aug 2019	16 Oct 2019
Transport Infrastructure Ireland	2018	28 Jun 2019	3 Jul 2019	11 Sep 2019