

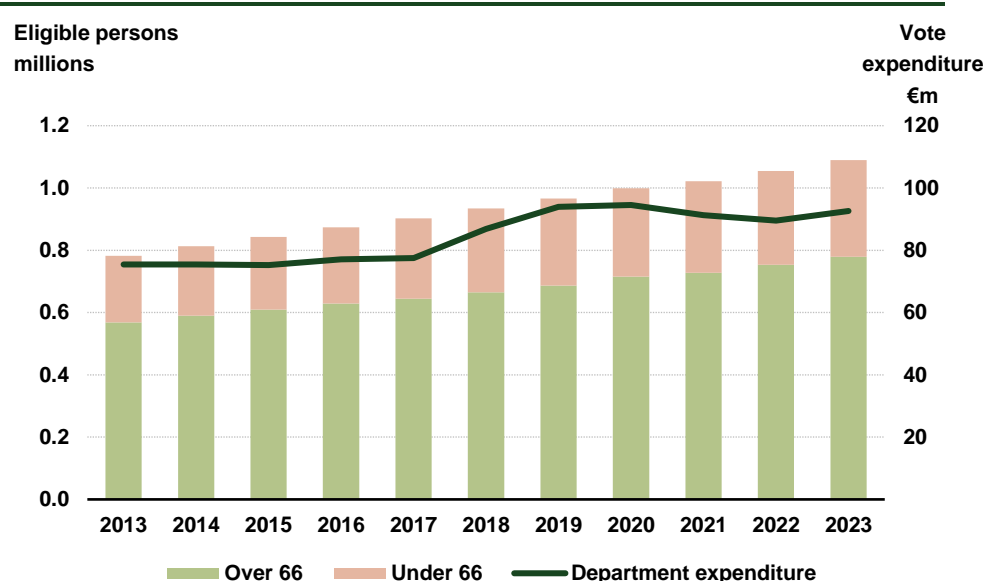
15 Control of the Free Travel scheme

- 15.1** The Department of Social Protection (the Department) is responsible for management of the Free Travel (FT) scheme. FT scheme expenditure totalling €92.6 million was funded through Vote 37 Social Protection in 2023.
- 15.2** The scheme currently provides free travel on most public and on certain private transport services to eligible citizens. All individuals who are aged 66 years or over, and who are legally and permanently residing in the State are eligible for the scheme.¹ Certain persons under the age of 66 are also eligible for the scheme if they are in receipt of a qualifying social welfare payment such as disability allowance or carer's allowance.
- 15.3** This examination was undertaken to assess the Department's controls in place to monitor and appropriately fund the FT scheme.
- 15.4** Controlling the FT scheme and its cost relies on two factors: first, ensuring that only the citizens entitled to free travel have access to the scheme; and second, by having a clear basis of payment that reflects the travel undertaken by eligible persons. Collating and analysing the journeys undertaken by free travel users could be used by the Department to assess the cost of the scheme.
- 15.5** The examination team reviewed key documents and data produced by the Department and the National Transport Authority (NTA), interviewed relevant members of staff, and performed data analysis.

Access to the Free Travel scheme

- 15.6** At 31 December 2023, the Department recorded over one million individuals entitled to a free travel card. The number of overall eligible persons has increased by 39% since 2013. The proportions of those under 66, and 66 and over, have remained relatively consistent (see Figure 15.1).
- 15.7** The number recorded has grown steadily each year. The level of scheme expenditure has also increased, but not at the same pace as the numbers entitled to a travel card.

¹ Free travel cardholders can also travel free of charge on certain cross-border services between Ireland and Northern Ireland. Those 66 years and over can apply for a separate Senior Smart Pass to travel for free within Northern Ireland.

Figure 15.1 Free travel eligible persons and expenditure, at year-end 2013 to 2023^a

Source: [Department of Social Protection — Statistical information on Social Welfare Services 2022 report](#)

Note: a The Department classifies free travel recipients in this report as those eligible for a free travel card rather than the actual number of cardholders.

Enabling free travel

1 The Public Services Card (PSC) is designed to make it easier for providers of public services to verify the identity of customers. The PSC was introduced in 2011 and (in relevant cases) has been free travel enabled since 2013.

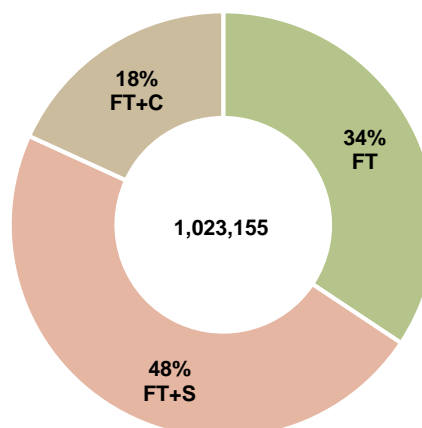
2 The ITS is a ticketing system developed and operated by the NTA to facilitate integrated fare payments across public transport services.

3 The difference (c. 7%) is understood to relate mainly to individuals who are eligible for the scheme and have been awarded their free travel entitlement, either automatically based on a qualifying payment or by completing an application form but who have not completed the Department identity verification process (SAFE 2) to receive a PSC.

4 The Department cross references internal databases to confirm marriage or civil partnership status when issuing the card.

5 If the applicant is under 66, the application is subject to review by the Department's medical assessors.

- 15.8** In order to avail of the FT scheme, an individual must possess a valid free travel card. Historically, the free travel card took the form of a paper pass with signature identification and no pre-determined expiry date. Since 2015, the Department has been phasing out paper passes in favour of a free travel-enabled Public Services Card (PSC FT).¹ The PSC FT has a chip embedded in the card which can facilitate contactless ticketing on Integrated Ticketing System (ITS) enabled transport services.²
- 15.9** PSCs issued prior to November 2018 remain valid for seven years, while those issued since then are valid for ten years. Once a PSC (including PSC FT) card has expired, the cardholder should renew it by attending a PSC centre or online at MyWelfare.ie.
- 15.10** The Department reports the estimated number of persons who are entitled to a FT scheme card, rather than those who hold a valid card. Information on the actual number of free travel cards in circulation is available at a point in time, but the number is not routinely recorded or retained. As at June 2024, there were 1.023 million free travel cards in circulation. This was equivalent to around 93% of the Department's estimate of 1.103 million eligible persons.³
- 15.11** Free travel card holders who are married, cohabiting or in a civil partnership receive a card with an indicator (FT+S) (see Figure 15.2). This entitles their partner to free travel when accompanying the card holder.⁴ If the card holder is unable to travel alone due to a medical condition, they can apply for a companion pass (FT+C) which allows a person over 16 years to accompany them for free.⁵

Figure 15.2 Breakdown of PSC free travel card holders, at June 2024

Source: Department of Social Protection

- 15.12** The examination team noted that the Department does not check whether the spouse of an eligible party has already been awarded their own PSC FT, PSC FT+S or PSC FT+C when issuing the card. As a result, it is difficult to accurately determine the number of persons who can, or do, indirectly access and benefit from the FT scheme.

Paper passes

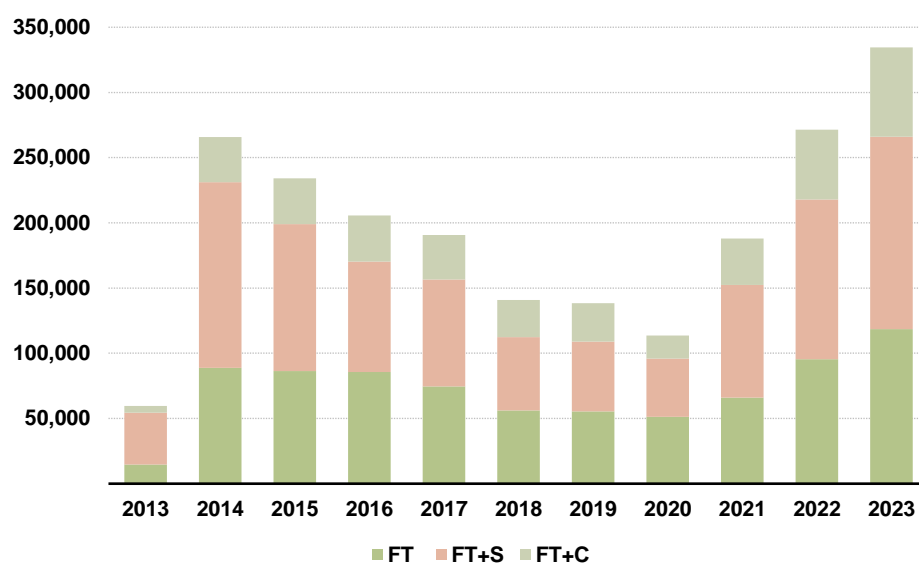
- 15.13** The former paper pass does not contain the same level of information that is available on a PSC FT. In particular, as there is no photo on the paper pass, the identity of the card holder cannot be easily verified. Paper passes also do not have an expiry date.
- 15.14** The Department has stated that existing paper passes remain valid for use and should be accepted by travel operators. In instances where a person presents both a paper pass and a PSC FT, the Department has instructed operators to retain the paper pass. However, no additional guidance has been provided to the operators as to how this control should operate in practice. The Department is relying on an *ad hoc* basis on the operators and on the willingness of the pass holder to surrender paper passes.
- 15.15** The Department has not formalised a process to proactively replace paper passes that remain in use with a PSC FT. Additionally, it does not have a record or an estimate of the number of paper passes still in circulation. However, the Department has stated that it is satisfied that paper passes remain in circulation in only a small number of cases.
- 15.16** The NTA has stated that the continued use of paper passes, which are easy to replicate and transfer between individuals, gives rise to the possibility of fraudulent use resulting in fare revenue loss for the NTA. In response, the Department stated that it will engage with the NTA and other operators to phase out paper passes.

Demand for PSC FT cards

15.17 Since 2020, there has been a rapidly accelerating demand for the PSC FT (see Figure 15.3). The Department stated that the increase in demand is due to

- the increasing number of eligible persons due to population trends
- PSC FT cards issued prior to 2016 reaching the end of their seven-year validity period, and
- PSC FT cards extended during Covid-19 reaching the end of their temporary three-year extension period from 2023 onwards.

Figure 15.3 PSC FT requests, 2013 to 2023



Source: Department of Social Protection

15.18 The recent high demand for the PSC FT has led to some delays in the card renewal process, resulting in a large number of expired cards remaining in circulation.

15.19 During Covid-19, the Department instructed transport service operators to accept expired PSC FT cards, to ensure that card holders continued to have access to the FT scheme. Due to the current backlog in issuing replacement cards, this instruction remains in place. As at 1 June 2024, there were 173,862 expired cards in circulation (almost 17% of all PSC FT cards in circulation).

15.20 The Department stated that in addition to replacing expired cards, from September 2024, it also intends to commence a programme notifying PSC FT card holders to renew their cards in advance of the card's expiry date.

Continued eligibility checks

15.21 The Department monitors continued eligibility of free travel card holders through review work completed by other sections of the Department (e.g. social welfare inspectors) and through reports which notify the free travel unit of free travel card holders who have lost their entitlement to their primary scheme.¹ As the majority (over 70%) of PSC FT card holders are eligible for free travel based on their age, the risk of ineligible access to the scheme is lower for this cohort.

¹ Free travel card holders under the age of 66, who were entitled to free travel due to a qualifying income support payment, have their entitlement to free travel withdrawn if they no longer qualify for their primary scheme.

Free travel operators

- 15.22** Currently, there are nearly 80 public and private transport operators providing FT scheme services. To join the FT scheme, operators submit an application to the Department, with their licence and tax clearance certificate.
- 15.23** Córas Iompar Éireann (CIÉ) is the main provider of free travel services across Ireland, providing access to road and rail services through Bus Éireann, Dublin Bus and Iarnród Éireann. In addition to the services provided by CIÉ, free travel services are also provided by Translink, Transdev, Go-Ahead Ireland and over 70 other licenced private transport operators.¹
- 15.24** Commercial bus operators are required to submit their commercial licences, as granted by the NTA, to the Department. The Department has stated that the NTA notifies it of instances where a FT scheme service operator's licence has been revoked or not renewed.²
- 15.25** In 2023, the Department paid €1.6 million (1.7% of FT scheme expenditure) to 19 ferry operators for the provision of free travel services. The Department of Transport grants passenger licences and safety certificates for ferries.³ The Department of Transport stated that in general, these certificates and licences place no commercially relevant restrictions on the types of service (e.g. ferry, excursion, sea angling etc.) provided by an operator.
- 15.26** The Department of Transport publishes on its website, on a quarterly basis, the names of the currently licenced passenger boats and certificated passenger ships. However, there is no formal process in place whereby the Department is notified of instances where passenger ship certificates or boat licenses granted to vessel operators have been revoked or not renewed.

¹ Translink provides cross border bus and rail services.

² There was only one example of this in 2022. The non-renewal was due to an administrative oversight by the operator.

³ The Department of Transport issues passenger boat licences (for vessels carrying up to 12 passengers) and passenger ship (safety) certificates (for vessels carrying more than 12 passengers).

Contractual agreements

- 15.27** Once a free travel operator meets the eligibility criteria of the scheme, the Department requires them on an annual basis to complete three contract documents: a service level agreement (SLA), a compliance agreement, and a data protection agreement.
- 15.28** The examination team requested copies of these contract documents for review, and found that the Department did not have sets of contracts in place for the most material payments and operators under the FT scheme in 2023 (see Figure 15.4).

Figure 15.4 Free travel contract status, 2023

Payee	Service	Expenditure €m ^a	SLA	Compliance agreement	Data protection agreement
NTA	CIÉ, Local Link, Cross border rail BMO and other PSO routes ^b	54.6	✗	✗	✗
Bus Éireann	Bus Éireann Expressway	16.2	✗	✗	✗
Transdev	Luas	3.9	✗	✗	✗
Translink	Cross border rail	1.4	✗	✗	✗
Commercial operators ^c	Bus, ferry and air travel	16.4	✓	✓	✓

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Expenditure is based on actual amounts paid in the year and may include amounts accrued from 2022.
 - b Bus market opening (BMO) and other public service obligation (PSO) routes are competitive contracts for bus services awarded by the NTA.
 - c Based on a sample of ten, the contract documents appeared to be in line.

Payments made to free travel operators

15.29 The NTA is responsible for operating and maintaining the Integrated Ticketing System for public transport services in Ireland. The Department provides daily instructions to the NTA outlining details of new PSC FT cards issued, their expiry dates and any cards that are deemed no longer eligible. The NTA implements these instructions as required on the Integrated Ticketing System.¹

15.30 The main free travel operators are equipped with Integrated Ticketing System card validators or readers. When a PSC FT card is presented for travel on an enabled service, the card should be validated and where this is the case, the ticket machine or validator will store the journey information.² This data is collated on a centralised database by the NTA where it is retained for 13 months for processing and reporting purposes.³

15.31 The Department paid €92.6 million to free travel operators in 2023. Payments made to free travel operators are either capped at an agreed level, or based on actual or estimated usage (see Figure 15.5).

Usage-based payments

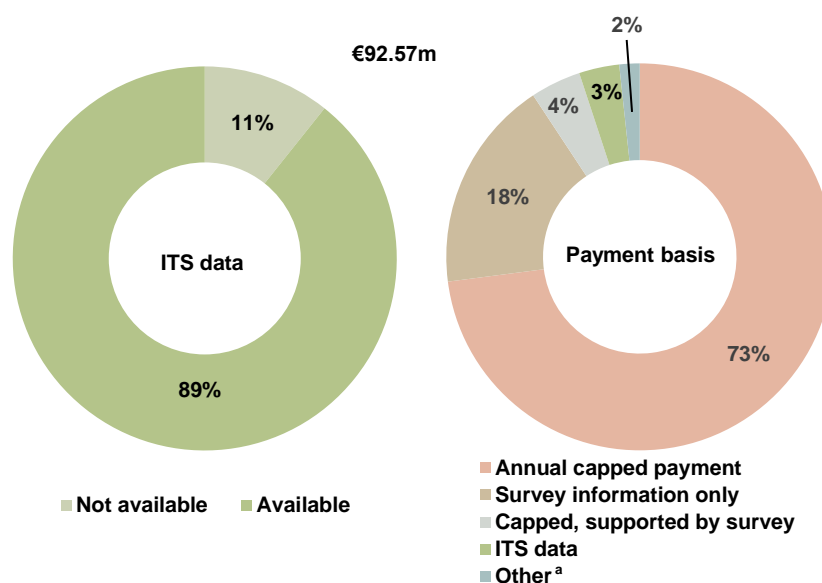
15.32 Bus Market Opening (BMO) is an NTA initiative with contracts in place with Bus Éireann and the private operator Go-Ahead Ireland. Invoices issued to the Department are based on the electronic recording of free travel passes at the point of boarding, with a 40% discount applied. Payments made to the BMO operators equated to €3.12 million or 3.4% of FT scheme expenditure in 2023.

1 The Department has stated that a stop instruction can be placed on a PSC FT for various reasons including, loss of entitlement, lost, stolen, damaged or expired cards or, change of name or entitlement status.

2 Journey information can include details regarding the unique card number, transport operator ID, time and date of travel.

3 The Department receives summary journey information only (e.g. usage volumes) from the NTA. The Department does not receive details of individual journeys from the NTA.

Figure 15.5 Payment basis and availability of Integrated Ticketing System data, free travel operators 2023



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Other relates to payments made to Translink for cross border services (€1.38 million) and the NTA for other routes (€183,138) or for All-Ireland Free Travel (€6,630).

- 15.33** Translink, the bus and rail services across Northern Ireland, is the only other usage-based payment accounting for 1.5% of payments in 2023 (€1.38 million).

Annual capped payments — CIÉ/NTA

1 At the commencement of the FT scheme, the CIÉ payment was linked to survey usage information. However, free travel usage surveys on CIÉ services have not been undertaken since 1973.

- 15.34** Although CIÉ travel operators are Integrated Ticketing System enabled, this usage information does not form the basis of the CIÉ payment. In the past, payment amounts were based on historic rates agreed over 50 years ago, updated for fare increases and extensions to the FT scheme as required.¹ Since 2011, funding allocated to CIÉ has been capped at the 2010 payment rates.

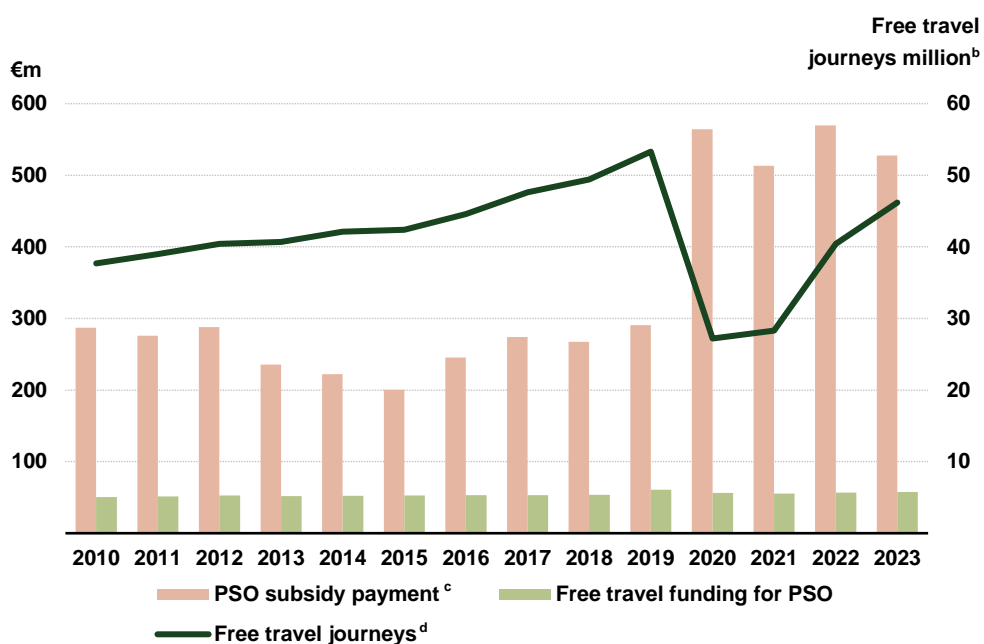
2 In 2018, when Bus Éireann commercialised the Expressway service, the Department split the CIÉ payment into an annual capped payment for public service routes and a separate annual capped payment to Bus Éireann for the Expressway services.

- 15.35** In 2023, the NTA was paid €51.3 million directly by the Department for the provision of CIÉ services (Iarnród Éireann, Dublin Bus, Bus Éireann and cross border rail) and services relating to local links. Separately, Bus Éireann received €16.2 million directly for the provision of expressway services.² Both payments are based on legacy arrangements in place since 1973, and together they represent 73% of scheme expenditure in 2023.

3 Each year, the Department of Transport provides the NTA with funding for PSO. This funding allows the NTA to provide socially necessary but financially unviable public transport services in Ireland.

- 15.36** The main sources of revenue for the NTA for the operation of public transport services are
- fare revenue from passengers
 - free travel funding from the Department, and
 - public service obligation (PSO) funding from the Department of Transport.³

Figure 15.6 Department free travel funding for PSO services, PSO subsidy payments vs free travel journeys, 2010 to 2023^a



Source: [National Transport Authority, Bus and Rail Statistics report 2022](#)

- Notes:
- a As the NTA came into existence in December 2009, the first set of accounts was for 13 months.
 - b Free travel journeys as reported by the NTA relate to journeys on bus, rail and light rail services.
 - c The payments are based on the difference between the cost of operating the service and the fare revenue collected.
 - d NTA estimates the number of free travel journeys undertaken based on ITS data and percentage 'uplifts' applied to account for under-recording of passenger journeys on open or partially open networks.

15.37 The NTA pays free travel operators from pooled free travel fare revenue and PSO funding. While free travel funding has remained at a constant cash level since 2010, PSO funding has fluctuated. In 2023, PSO funding levels were 82% higher than that paid in 2019 (see Figure 15.6). The NTA stated that increased PSO funding was provided in recent years partly as a result of additional and prolonged strain on public transport services caused by Covid-19.¹

15.38 The NTA also stated that

- there is a disparity between the level of free travel funding provided and the number of journeys undertaken by free travel customers and
- this places an additional burden on PSO funding to meet existing and proposed public transport services funding requirements.

¹ Other explanations provided by the NTA included Government decisions to reduce fares by 20% in 2022 as a cost of living measure, and to extend eligibility of Young Adult fares to 25 year olds in 2023.

Capped payments supported by survey — Luas

- 15.39** Luas — the Dublin light rail system — is operated by Transdev. The company is contractually obligated to Transport Infrastructure Ireland (TII) and the NTA under the Luas operating and maintenance contract to administer ‘concessionary schemes’, which includes the FT scheme.¹
- 15.40** TII conducts rolling ticket surveys which provide data on fare evasion and ticket usage on the Luas. These surveys also generate estimates of free travel usage. This information is used to support FT scheme payments to Transdev.
- 15.41** Transdev issues free travel invoices to the Department on behalf of TII and the NTA, and has been paid a capped amount of €3.9 million each year since 2011. The Department stated that future payments for the Luas will be made to the NTA in line with other PSO operators.

Survey based payments — commercial operators

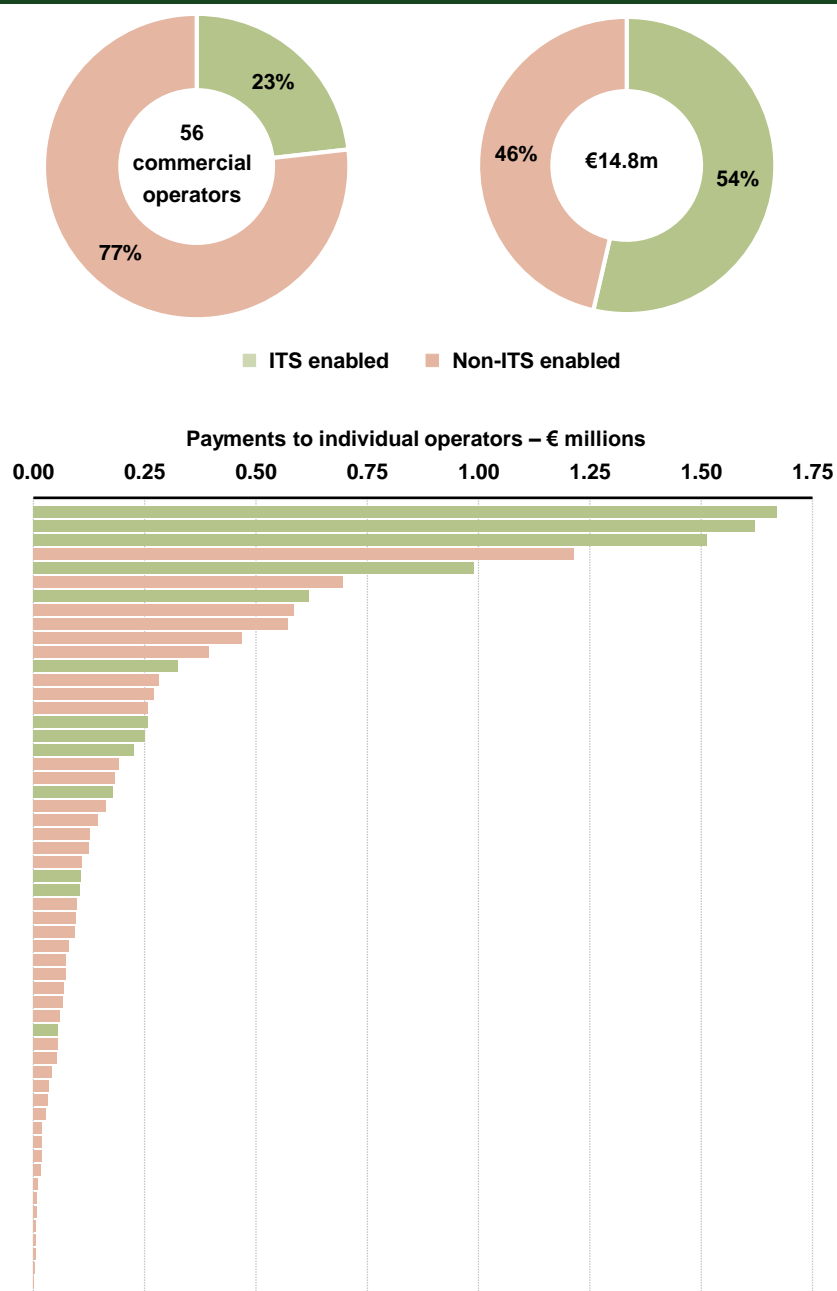
- 15.42** Payments to private commercial operators amounted to €16.4 million in 2023, an increase of 53% from 2018 (€10.8 million). In 2023, €14.8 million was paid to commercial bus operators, and €1.6 million to ferry operators.
- 15.43** The payments to commercial operators are based on estimated usage levels determined by surveys and are not capped. This applies even in cases where Integrated Ticketing System information about actual usage levels is available. The examination team found that, of the 56 private bus operators paid on estimated usage levels, 13 (23%) are in fact enabled with the Integrated Ticketing System. These operators received 54% of the amount paid to commercial bus operators in 2023 (see Figure 15.7).^{2,3}
- 15.44** In the case of private commercial operators, prior to 2024, self-surveys were conducted over a six-month period. The operator records free travel cards presented for travel for one week in each of those months and reports this information to the Department. The results of these surveys are used as the basis of the annual fee agreed between the Department and the operator. The Department pays the operator the agreed fee each year, until a new survey is completed.
- 15.45** Integrated Ticketing System data is a potentially rich source of accurate usage information available to the Department. However, this has yet to be integrated into the Department’s funding agreements with commercial operators.

1 TII is an independent statutory body responsible for the provision of light rail infrastructure with assigned responsibility from the NTA to manage the Luas operations.

2 Not inclusive of payments paid under BMO, to the NTA for other routes (€183,138) or for all-Ireland free travel (€6,630).

3 This excludes payments to operators for air and ferry travel. The total amount paid to commercial operators in 2023 was €16.4 million.

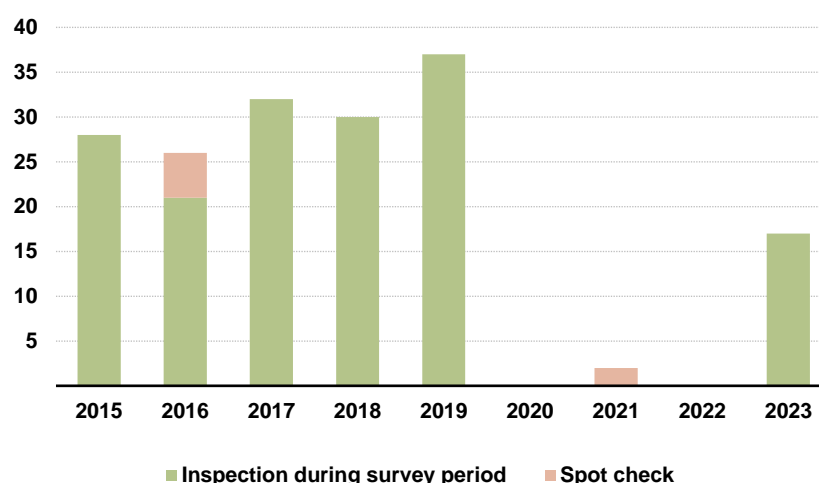
Figure 15.7 Commercial bus operators by free travel payment and Integrated Ticketing System status, 2023



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- 15.46** The Department established a system to verify the free travel passenger numbers reported by the operators, through unannounced inspections (carried out during the survey period) and spot checks (carried out at any stage). Before Covid-19, the combined number of checks each year ranged from around 25 to 38 (see Figure 15.8). The Department outlined that due to Covid-19, no self-surveys were carried out by the operators between 2020 and 2022. The self-surveys were re-introduced in 2023 and verification inspections also resumed. However, only 17 routes were verified in the year — less than half the number completed in 2019.

Figure 15.8 Free travel routes verified, 2015 to 2023



Source: Department of Social Protection

- 15.47** The Department undertook seven spot checks in the last eight years, and none since 2021. Two spot checks were carried out in 2021 on the basis of an anonymous report that two routes were no longer being operated. Payments to the operator in respect of both these routes were ceased following the review, and the operator was removed from the scheme.
- 15.48** The Department was unable to provide any information about the outcomes of unannounced inspections or spot checks completed prior to 2019.
- 15.49** The examination team found that
- prior to 2024, usage data captured by survey was only reflective of a six-month period and may not have captured the fluctuations and trends across the full year
 - due to the delays in the completion of surveys, payments are based on information that may no longer be accurate or relevant, and
 - the absence of regular and random spot checks represents a significant weakness in controls to monitor usage levels reported by free travel operators.
- 15.50** The Department has stated that compliance survey checks have recommenced and a schedule of surveys for operators that have not been surveyed in recent years has been put in place.

Use of the Free Travel scheme

- 15.51** The examination team obtained information from the NTA on PSC FT usage on Integrated Ticketing System enabled services over the period August 2023 to July 2024. The data provided by the NTA outlined that approximately 60% of PSC FT card holders (606,726) used Integrated Ticketing System enabled transport during that 12-month period.
- 15.52** Integrated Ticketing System recorded data does not fully reflect actual usage on Iarnród Éireann or Luas services due to the way access to those services is managed.
- As some Iarnród Éireann commuter and DART stations are unmanned, the onus is on the PSC FT card holder to validate their journey.
 - Similarly, the Luas is an open-gated network, and although PSC FT card holders are asked to validate their cards for each journey, there is no deterrent in place if they do not. The Luas system also cannot record the journey of an accompanying person, so any validated journeys are recorded as a single passenger journey only.
- 15.53** Furthermore, usage information is not collated and recorded in the integrated ticketing database when a PSC FT card or paper pass is presented for travel on a non-integrated service.
- 15.54** To sum up, the Department could not compile complete and accurate data on the actual usage levels of the FT scheme, given the
- gaps noted with usage information from Luas and Iarnród Éireann
 - commercial operators and routes that are not Integrated Ticketing System enabled
 - variances in how spouses or companions are recorded, and
 - existence of expired cards and paper passes.

Free Travel scheme working group

- 15.55** In 2023, the Department, the Department of Transport and the NTA formed a FT scheme working group. The overall objective of this group is to agree an appropriate funding model for the scheme. The Department expects that a draft report on an alternative funding model for free travel will be available before the end of 2024.

Conclusions and recommendations

- 15.56** The number of individuals entitled to free travel has grown steadily in recent years. The Department of Social Protection reports that there were over 1 million PSC FT card holders in 2023. While there are difficulties in estimating the usage levels across free travel services, the number of PSC FT cards in circulation indicates that there is strong uptake of the scheme.

Estimation of scheme usage

- 15.57** The introduction of the PSC FT cards in 2015 provided the Department with an opportunity to improve its monitoring of usage of the scheme. However, accurate usage information is limited to journeys undertaken when a PSC FT is validated for travel on an Integrated Ticketing System enabled service. When the PSC FT is used on open-gated services, or on services that are not enabled with the Integrated Ticketing System, accurate usage information is not captured.

- 15.58** In addition, usage information is not recorded when an expired PSC FT card, or a paper pass is presented for travel. The examination team found that there is a significant backlog in renewing expired cards, and as at 1 June 2024, 17% of the PSC FT cards in circulation had expired. Furthermore, the Department has asked travel operators to honour expired cards for the time being. As a result, complete and accurate usage data for free travel journeys is unavailable.
- 15.59** The basis of funding for the FT scheme varies across categories of operators. In some cases, it is based on legacy arrangements or incomplete, untimely and unverifiable travel data. Only 11% of funding is paid to operators on the FT scheme that are not enabled with the Integrated Ticketing System. For the remaining 89%, either data is available but not used to invoice the Department, or the travel operator does not strictly control the issuing of free travel tickets, or a legacy payment arrangement is in place.
- 15.60** Just under 73% of scheme expenditure in 2023 (€67.5 million) was paid to the NTA and Bus Éireann on the basis of legacy estimated usage levels that no longer have any relevance. In fact, less than 5% of the total scheme expenditure of €92.6 million paid in 2023 was based on actual usage data.

Recommendation 15.1

The Department should work with the FT scheme travel operators in order to move to a payment system for operators which is based on actual journeys undertaken by PSC FT card holders. Those operators receiving the largest payments should be prioritised so that the maximum number of payments per annum are based on actual journeys undertaken by free travel card holders.

Accounting Officer's response

Agreed

The current arrangements, including legacy arrangements, have evolved over a considerable period. The Department agrees that it is timely these arrangements be reviewed with a view to addressing the issue identified. The Department also notes that free travel operators are funded through a combination of the FT scheme payments, the PSO levy and customer fares.

Accordingly, the Department, along with the Department of Transport and the NTA, is exploring future funding models for free travel operators. This includes examining an approach for all services with the Integrated Ticketing System in place, whereby payments could be made based on the monthly summary journey and fare data available from the system.

Timeline for implementation

It is expected that the Working Group's report will be finalised by the end of 2024. The recommendations of the Working Group will be considered at that stage.

Survey-based payments

- 15.61** Prior to 2024, for private commercial travel operators, irrespective of whether they use integrated ticketing or not, self-surveys were conducted for one week each month over a six-month period. Operators report the survey results to the Department and this is used as the basis of the annual fee agreed and paid to the operators.
- 15.62** Due to the delays in the completion of surveys, in the majority of cases, the fees paid to commercial operators are based on outdated usage survey information.

- 15.63** Departmental verification of passenger numbers is achievable through unannounced inspections (carried out during the survey period) and spot checks (carried out at any stage). The Department has completed just two spot checks since 2017, meaning that the Department is effectively placing full reliance on the outdated usage survey information provided by the operators.

Recommendation 15.2

While the Department continues to place reliance on survey information to form the basis of payments made to private operators, it should ensure that surveys are completed in a consistent, frequent and timely manner.

The Department should also re-introduce its programme of spot checks to gain assurance that survey data is a meaningful estimation of usage.

Accounting Officer's response

Agreed

The Department is currently reviewing the existing survey process for private operators to ensure that surveys are completed consistently and in a timely manner. A programme of 'spot checks' will be developed pending the roll-out of the Integrated Ticketing System to all private operators. It should be noted however that unannounced inspections (mostly one per route) are/have been carried out independently by Department staff during the survey period. From 2024, surveys are now conducted over a 12-month period. In addition, compliance survey checks have recommenced and a schedule of surveys for operators that have not been surveyed in recent years is in place.

Timeline for implementation

Q4 2024.

- 15.64** Transdev issues invoices to the Department, in accordance with its contractual obligations to TII and the NTA, as the operator of the Luas. Since 2011, TII conduct rolling ticket surveys which provide data, *inter alia*, on ticket usage on the Luas including estimated free travel usage. These estimates are used by Transdev to support the invoices it submits to the Department in respect of FT scheme travellers. However, payments to the company have been capped at an amount of €3.9 million each year.

Documenting scheme delivery arrangements

- 15.65** The Department has stated that it aims to have in place a number of documents to govern the terms of its relationship with each free travel operator, on an annual basis. The examination team found that there were significant gaps in the documentation in place for 2023, with €76.2 million or over 80% of the 2023 payments paid without a service level agreement, compliance agreement or data protection agreement in place.
- 15.66** Commercial travel operators must also hold a valid operator license to join the FT scheme. Funding for commercial operators has increased by 53% since 2018. In 2023, ferry operators represented 10% of the funding paid to commercial operators. Ferry operators are not subject to the same level of oversight as commercial bus operators.

Recommendation 15.3

The Department should

- ensure that valid and up-to-date contract documentation is in place with all operators and
- review the controls governing acceptance and oversight of ferry operators in relation to the FT scheme.

Accounting Officer's response

Agreed

The Department is currently reviewing the content of the service level agreements and data sharing agreements with travel operators participating in the scheme and with the NTA, and will ensure that valid and current contract documentation is in place for all operators.

A review of the controls governing the eligibility acceptance and oversight of ferry operators will also be undertaken.

Timeline for implementation

Starting immediately — larger operators (CIÉ, Transdev and Translink to be prioritised).

- 15.67** The Department, along with the Department of Transport and the NTA, has established a working group to review alternative funding arrangements for the FT scheme. In order to ensure that free travel funding arrangements are appropriate, improvements to the accuracy and timeliness of usage data collected from free travel operators should be a key feature of the revised funding model.

