

Appropriation Account 2016

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 2016 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:

- (a) granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2016 out of unspent 2015 appropriation, under the deferred surrender arrangements established by Section 91 of the Finance Act 2004.

A surplus of €2.91 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 except for the following;

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

Payroll and human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer for Vote 18 is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by firms of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial Control Environment

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

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 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 2016, the Department incurred expenditure totalling €1,931,328 which were of note and are in accordance with National and EU tender requirements with the exception of 2 cases. The breakdown of these procurements is provided overleaf:

- €1,794,815 related to payments in cases where the procurement is fully compliant albeit it was awarded following a process where there was a sole supplier. These services were necessary and beneficial but are of a specialised nature requiring a high degree of expertise.
- €136,513 related to contracts with 2 suppliers where no competitive process had taken place in recent years. The reasons for this was due to the criticality of one of the contracts to the Department's business needs and the other was a contract inherited from a former Department that transferred functions to the Department of Transport, Tourism and Sport. A new contract will be signed in the coming weeks for one of the services and the other will be considered for tender under the Office of Government Procurement (OGP) framework. It is intended to make use of arrangements, which the OGP have indicated will be in place during 2017, to award in the other case. These 2 cases were not disclosed in the Circular 40/02 annual return.
- In addition, the Finance Division of the Department has been certified as compliant with ISO: 9001:2008 standard and has had certification extended for a further 3 years up to February 2020, with respect to its management procedures.

Significant financial risks

The Department has a risk management policy in place along with a risk register for all strategic and business related risks. The policy defines financial risk as a failure to maintain effective financial management and accountability arrangements in all the Department's activities. Risks are assessed and scored on the basis of impact, likelihood and the effectiveness of the controls in place. At present, the Department has no financial risks rated high. There are a number of strategic risks and business risks identified in the risk register which are classified as financial/corporate governance related. These risks are rated both medium and low given the likelihood of occurrence and the effectiveness of the internal controls in place to mitigate them, in particular the annual application of a detailed procedure for internal financial control at a Divisional level.

Enhancing controls over local and regional roads grant payments

Expenditure under Subhead B3 includes grants of €375 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. Its control procedures included the monitoring of progress on road improvement works by the NRA's engineers and inspectors.

In 2013 TII indicated that it was no longer in a position to undertake this work and 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. Regarding inspections the Department has confirmed that an engineering inspector will take up duty on the 11th October 2017. As part of a future workforce plan, the Department hopes to supplement this resource with a further engineering inspector. This will allow inspections to be undertaken from that date onwards and they will be done on a risk based approach.

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.

Graham Doyle

Accounting Officer

Department of Transport, Tourism and Sport

20 September 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 31 Transport, Tourism and Sport

I have audited the appropriation account for Vote 31 Transport, Tourism and Sport for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

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 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Transport, Tourism and Sport. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

25 September 2017

Vote 31 Transport, Tourism and Sport Appropriation Account 2016

	Estimate provision		2016	2015
			Outturn	Outturn
	€000	€000	€000	€000
Programme expenditure				
A Civil aviation				
<i>Original</i>	26,344			
<i>Deferred surrender</i>	500	26,844	25,783	24,792
B Land transport				
<i>Original</i>	1,368,566			
<i>Supplementary</i>	96,100			
<i>Deferred surrender</i>	5,600	1,470,266	1,466,928	1,391,660
C Maritime transport and safety				
<i>Original</i>	95,142			
<i>Deferred surrender</i>	1,300	96,442	91,300	89,519
D Sports and Recreation Services				
<i>Original</i>	126,588			
<i>Deferred surrender</i>	6,200	132,788	128,771	102,088
E Tourism services				
<i>Original</i>	120,845			
<i>Deferred surrender</i>	2,500	123,345	123,325	120,574
Gross expenditure				
<i>Original</i>	1,737,485			
<i>Supplementary</i>	96,100			
<i>Deferred surrender</i>	16,100			
		1,849,685	1,836,107	1,728,633
<i>Deduct</i>				
F Appropriations-in-aid		383,326	383,627	405,663
Net expenditure				
<i>Original</i>	1,354,159			
<i>Supplementary</i>	96,100			
<i>Deferred surrender</i>	16,100			
		1,466,359	1,452,480	1,322,970

Surplus for surrender

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.

	2016	2015
	€	€
Surplus	13,878,891	22,066,761
Deferred surrender	(10,969,000)	(16,100,000)
Surplus to be surrendered	<u>2,909,891</u>	<u>5,966,761</u>

Analysis of administration expenditure

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,799	26,625	26,770
ii	Travel and subsistence	1,021	1,081	985
iii	Training and development and incidental expenses	2,198	1,597	1,861
iv	Postal and telecommunications services	519	702	373
v	Office equipment and external IT services	1,584	1,611	1,621
vi	Office premises expenses	564	767	594
vii	Consultancy services and value for money and policy reviews	599	282	360
		<u>35,284</u>	<u>32,665</u>	<u>32,564</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	1,803,442	1,696,068
Pay	26,625	26,770
Non pay	6,040	5,795
Gross expenditure	1,836,107	1,728,633
<i>Deduct</i>		
Appropriations-in-aid	383,627	405,663
Net expenditure	1,452,480	1,322,970
Changes in capital assets		
Purchases cash	(4,867)	
Disposals cash	45	
(Profit)/loss on disposals	(45)	
Depreciation	3,338	
	(1,529)	(2,160)
Changes in net current assets		
Increase in closing accruals	113	
Increase in stock	(231)	
	(118)	3,053
Direct expenditure	1,450,833	1,323,863
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	14,585	15,504
Notional rents	4,045	742
Net programme cost	1,469,463	1,340,109

1.1 Net Allied Services Expenditure

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

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 135	105
Vote 12 Superannuation and Retired Allowances	e 9,973	10,102
Vote 13 Office of Public Works	e 4,188	4,812
Vote 18 National Shared Services Office	e 51	39
Central Fund - Ministerial pensions	e 238	446
	14,585	15,504

"e" indicates that the number is an estimate value or an apportioned cost.

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	13,694	12,165
		<u>13,694</u>	<u>12,165</u>
Current assets			
Bank and cash	2.3	11,386	18,774
Stocks	2.4	1,435	1,204
Prepayments		1,057	671
Other debit balances	2.5	240	556
Total current assets		14,118	21,205
Less current liabilities			
Accrued expenses		2,589	2,090
Other credit balances	2.6	555	461
Net liability to the Exchequer	2.7	11,071	18,869
Total current liabilities		14,215	21,420
Net current (liabilities)/assets		(97)	(215)
Net assets		13,597	11,950
Represented by:			
State funding account	2.1	13,597	11,950

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		11,950	12,843
Disbursements from the Vote			
Estimate provision	Account	1,466,359	
Deferred surrender	Account	(10,969)	
Surplus to be surrendered	Account	(2,910)	
Net vote		1,452,480	1,322,970
Expenditure (cash) borne elsewhere	1	14,585	15,504
Non cash expenditure – notional rent	1	4,045	742
Net programme cost	1	(1,469,463)	(1,340,109)
Balance at 31 December		13,597	11,950

2.2 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 2016	2,396	20,684	1,911	13,031	19,739	57,761
Adjustment *	—	(73)	—	—	73	—
Additions	—	1,251	21	1,688	1,907	4,867
Disposals	—	(431)	—	(511)	—	(942)
Cost or valuation at 31 December 2016	2,396	21,431	1,932	14,208	21,719	61,686
Accumulated depreciation						
Opening balance at 1 January 2016	—	17,471	1,370	9,132	17,623	45,596
Depreciation for the year	—	1,083	239	1,329	687	3,338
Disposals	—	(431)	—	(511)	—	(942)
Cumulative depreciation at 31 December 2016	—	18,123	1,609	9,950	18,310	47,992
Net assets at 31 December 2016	2,396	3,308	323	4,258	3,409	13,694
Net assets at 31 December 2015	2,396	3,213	541	3,899	2,116	12,165

* During the course of an internal audit during the year, a number of assets were identified as belonging to different categories.

The Department is in ongoing discussions with OPW with regard to the ownership of certain Coastguard buildings. No depreciation has been charged pending the outcome of such discussions.

2.3 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balances and cash	11,269	18,703
Commercial bank accounts	117	71
	11,386	18,774

2.4 Stocks

	2016	2015
at 31 December	€000	€000
Stationery and office supplies	23	25
IT consumables	51	18
Specialised consumables (Irish Coast Guard)	1,361	1,161
	1,435	1,204

2.5 Other Debit Balances	2016	2015
at 31 December	€000	€000
Retirement lump sums	—	46
OPW agency services	211	418
Other	29	92
	240	556

2.6 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State	—	—
Pay Related Social Insurance	3	2
Professional Services Withholding Tax	13	148
Value Added Tax	278	29
Relevant Contract Tax	227	—
	521	179
Pension charges	31	229
Other	3	53
	555	461

2.7 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	2,910	5,967
Deferred surrender	10,969	16,100
Exchequer grant undrawn	(2,808)	(3,198)
Net liability to the Exchequer	11,071	18,869

Represented by:**Debtors**

Bank	11,386	18,774
Debit balances: suspense	240	556
	11,626	19,330

Creditors

Due to State	(521)	(179)
Credit balances: suspense	(34)	(282)
	(555)	(461)

	11,071	18,869
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2.8 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	350,172	415,570
Capital grant programmes	119,493	142,886
Total of legally enforceable commitments	469,665	558,456

	2016	2015
	€000	€000

b) Commitments under Procurement Subheads

Search and rescue helicopter services	329,864	389,872
Airports	8,357	15,973
Vehicle/driving licencing	7,737	5,872
Sustainable travel	400	800
Air Accident Investigation Unit	257	273
Information technology	273	545
Coast Guard services	3,284	2,235
	350,172	415,570

c) Capital Grant Commitments	2016	2015
	€000	€000

Opening balance	142,866	128,125
Grants paid in year	(53,088)	(46,315)
New grant commitments	40,065	61,523
Grant decommitments	(10,350)	(467)
Closing balance	119,493	142,866

d) Major Capital Commitments

	Cumulative expenditure to 31 December 2015	Expenditure in 2016	Project commitments in subsequent years	Expected total spend lifetime of project 2016	Expected total spend lifetime of project 2015
	€000	€000	€000	€000	€000
Smarter Travel Areas	19,150	2,900	1,200	23,250	23,250
Sports Capital Programme	—	13,087	16,913	30,000	—

2.9 Matured Liabilities

	2016	2015
	€000	€000

Estimate of matured liabilities not discharged at year end	57	31
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3 Programme Expenditure by Subhead

		2016		2015
		Estimate provision		Outturn
		€000	€000	€000
A	Civil aviation			
A.1	Administration - pay		2,879	2,661
A.2	Administration - non pay		667	605
A.3	Regional airports			
	<i>Original</i>	12,600		
	<i>Deferred surrender</i>	500	13,100	13,300
A.4	Miscellaneous aviation services		10,198	9,217
			26,844	25,783
				24,792

Significant variations

Overall, the expenditure in relation to Programme A was €1.061 million lower than estimated (representing a variance of 4%). This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Miscellaneous aviation services	981	The Department pays subscription costs for Eurocontrol and recoups the funding from the Irish Aviation Authority. Such costs were less than anticipated in the year.

	Estimate provision		2016	2015
			Outturn	Outturn
	€000	€000	€000	€000
B Land transport				
B.1 Administration - pay		10,080	10,118	9,295
B.2 Administration - non pay		2,079	2,295	2,003
B.3 Road improvement/maintenance				
<i>Original</i>	720,073			
<i>Supplementary</i>	88,100			
<i>Deferred surrender</i>	4,000	812,173	811,798	764,860
B.4 Road safety agencies and expenses		5,166	4,819	4,504
B.5 Vehicle and driver licencing expenses		15,200	15,712	15,471
B.6 Smarter travel and carbon reduction				
<i>Original</i>	13,555			
<i>Deferred surrender</i>	1,600	15,155	12,116	20,292
B.7 Public service provision payments		250,059	249,804	221,272
B.8 Public transport investment programme				
<i>Original</i>	346,838			
<i>Supplementary</i>	8,000	354,838	354,738	338,974
B.9 Public transport agencies and expenses		5,438	5,438	14,913
B.10 Miscellaneous services		78	90	76
		1,470,266	1,466,928	1,391,660

Significant variations

Overall, the expenditure in relation to Programme B was €3.338 million less than estimated, representing a variance of 0.23%. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Road improvement /maintenance	375	Additional spending of €38.1 million was met by a supplementary estimate to meet costs of severe weather repairs to national, regional and local roads.
Road safety agencies and expenses	347	Funding was provided for the Medical Bureau of Road Safety drug devices as a new requirement under the Road Traffic Act 2016. As the Act had not commenced, full spend of the allocation was not possible. The amount of €347,000 has been carried over to 2017.
Vehicle and driver licencing expenses	(512)	The overspend was as a result of an increase in postage costs in 2016 for the National Vehicle Driver File operation and additional funds required to cover costs of a new IT project (the Master License Record).

Description	Less/ (more) than provided	Explanation
	€000	
Smarter travel and carbon reduction	3,039	The underspend arose from delays in the delivery of certain National Cycle Network projects - the most critical being in Kerry and Galway with land ownership and planning issues in relation to the delivery of National Cycle Network projects. A Tipperary project was delayed due to contractual issues and an Active Travel Town project in Tralee, Kerry was also delayed due to an alternative and better cycle route being identified and acquired but requiring additional time to deliver.

	Estimate provision		2016	2015
			Outturn	Outturn
	€000	€000	€000	€000
C Maritime transport and safety				
C.1 Administration - pay		13,247	11,449	12,119
C.2 Administration - non pay		3,104	2,597	2,429
C.3 Maritime administration and Irish Coast Guard				
	<i>Original</i>	78,705		
	<i>Deferred surrender</i>	1,300	80,005	77,174
C.4 Miscellaneous services		86	80	84
		96,442	91,300	89,519

Significant variations

Overall, the expenditure in relation to Programme C was €5.142 million lower than estimated, representing a variance of 5%. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Maritime administration and Irish Coast Guard	2,831	The variance is mainly due to current and capital savings achieved in Commissioner of Irish Lights (CIL). CIL did not need to drawdown the full 2016 allocation as it was in a position to fund more of its operating costs from its own resources. In addition, there were savings of €172,000 in relation to the Marine Casualty Investigation Board (MCIB).

	2016		2015
	Estimate provision		Outturn
	€000	€000	€000
D Sports and recreation services			
D.1 Administration - pay		1,719	1,598
D.2 Administration - non pay		379	362
D.3 Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)		42,200	39,624
D.4 Grants for provision and renovation of swimming pools		5,600	4,278
D.5 Sport Ireland (part funded by National Lottery)			
	<i>Original</i>	72,190	
	<i>Deferred surrender</i>	6,200	78,390
D. 6 Dormant accounts funding for sports measures		4,500	4,493
		132,788	128,771
			102,088

Significant variations

Overall, the expenditure in relation to Programme D was €4.017 million less than estimated, representing a variance of 3%. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Grants for sporting bodies and provision of sports and recreational facilities (part funded by National Lottery)	2,576	The variance arose due to a carry-over of €3.5 million to 2017 for Kerry Sports Academy, as the project did not proceed as quickly as planned. This was offset by an amount of €925,000 in respect of funding for the redevelopment of Pairc Ui Chaoimh drawn down earlier than anticipated.
Grants for provision and renovation of swimming pools	1,322	The underspend here relates to one project - Dunmanway Swimming Pool – where delays occurred in the finalisation of certain legal issues. The amount due for payment was carried over to 2017.

	2016		2015	
	Estimate provision		Outturn	
	€000	€000	€000	
E	Tourism services			
E.1	Administration - pay	874	799	938
E.2	Administration - non pay	256	181	144
E.3	Fáilte Ireland	57,217	57,347	55,831
E.4	Tourism Ireland Limited - grant for administration and general expenses	14,430	14,430	14,758
E.5	Tourism Marketing Fund	35,053	35,053	34,053
E.6	Tourism Product Development			
	<i>Original</i>	13,015		
	<i>Deferred surrender</i>	2,500	15,515	14,850
		123,345	123,325	120,574

Significant variations

Overall, the expenditure in relation to Programme E was €0.02 million lower than estimated, representing a variance of 0.02 %. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration - non pay	75	The underspend relates to certain consultancy projects and other incidental expenses that did not proceed.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated €000	Realised €000	Realised €000
Administration			
1. Receipts from pension-related deduction on public service remuneration	3,500	3,478	4,387
Civil aviation			
2. Irish Aviation Authority refund of subscriptions to international organisations	7,095	6,238	6,155
3. Irish Aviation Authority recoupment of rents, etc.	394	394	394
4. Irish Aviation Authority payment for associated costs	2,391	2,655	2,132
Land transport			
5. Road transport licence fees	700	1,287	953
6. Receipts from Local Government Fund	361,243	361,243	370,043
7. Miscellaneous land transport receipts	2,488	2,460	16,379
Maritime transport and safety			
8. Receipts under the Merchant Shipping and Wireless Telegraphy Act 1919	450	491	445
Tourism services			
9. Tourism Ireland pension receipts	175	311	280
Sports services			
10. Sport Ireland pension receipts	90	133	412
11. Dormant accounts funding	4,500	4,493	1,942
Miscellaneous receipts			
12. Miscellaneous receipts	300	444	2,141
Total	383,326	383,627	405,663

Explanation of significant variations

Overall, the income received via appropriations-in-aid was €0.3 million higher than estimated, representing a variance of 0.08%. This was mainly due to the following

Description	Less/(more) than provided €000	Explanation
Irish Aviation Authority refund of subscriptions to international organisations	857	The Department pays annual subscription fees to International Organisations e.g. Eurocontrol, ICAO, ECAC and ABIS, and recoups funding from the Irish Aviation Authority. Such costs were less than anticipated in the year, as reflected in Subhead A4, and the amounts recouped were commensurately lower.
Irish Aviation Authority payment for associated costs	(264)	The Department recoups certain costs from Irish Aviation Authority for aviation for insurance, salaries, travel and subsistence etc. where these relate to policy areas such as air navigation policy and air safety policy. By its nature it is difficult to forecast these costs.

Description	Less/(more) than provided	Explanation
€000		
Road transport licence fees	(587)	Due to the upturn in road haulage activity, applications (and associated fees) for licences and renewals were greater than anticipated.
Tourism Ireland pension receipts	(136)	Increased receipts are due to changes in the pension scheme rules increasing the level of pension contributions payable by Tourism Ireland staff.
Miscellaneous receipts	(144)	Increased receipts are due to higher than anticipated HSE refunds for the use of the SAR helicopter and refunds from local authorities for salt supplies.

4.2 Extra Exchequer Receipts

	2016	2015
	€000	€000
Balance at 1 January	—	—
Shannon Development rents ^a	11	10
Sports capital grant refunds ^b	31	12
Medical Bureau of Road Safety refund of unspent grant ^c	292	—
Receipt from Bus Éireann for school transport ^d	247	250
EU receipt for CEF (Connecting Europe Facility) project	—	3,233
Capital sale of assets ^e	10	—
Road Safety Authority pension contributions and notional service ^f	483	509
Voluntary surrender of pay	—	14
Refund of bank balance ^g	38	6
Transferred to the Exchequer	<u>(1,112)</u>	<u>(4,034)</u>
Balance at 31 December	<u>—</u>	<u>—</u>

- a Moneys for rents collected by the Shannon Airport Authority (SAA) on behalf of the Minister.
- b Grant moneys were returned to the Vote because, following an examination by the Department, it concluded that the moneys had been drawn down in contravention of the terms and conditions of the Sports Capital Programme.
- c The Medical Bureau of Road Safety repaid certain unspent grant moneys.
- d Receipt from Bus Éireann for school transport relates to a depreciation charge paid for the use of Bus Éireann vehicles for various routes.
- e Moneys received from the dissolution of Cork Airport Authority and disposal of assets.
- f The Department acts as the intermediary in making the annual pay over of the pension contributions deducted from RSA staff.
- g Refund of moneys from Office of Public Works in connection with office fit out.

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)		
Department	459	428
Agencies		
Commission for Aviation Regulation	20	17
Fáilte Ireland	324	313
Medical Bureau of Road Safety	35	35
National Transport Authority	82	71
Commission for Railway Regulation	14	11
Road Safety Authority	322	312
Tourism Ireland	142	145
Transport Infrastructure Ireland	256	267
Sport Ireland	34	34
	<u>1,688</u>	<u>1,633</u>

Department staff only	2016	2015
	€000	€000
Pay	23,577	23,710
Higher, special or additional duties allowance	416	433
Other allowances	445	539
Overtime	589	625
Employer's PRSI	1,598	1,461
Total pay	<u>26,625</u>	<u>26,768</u>

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment	Maximum individual payment
			2016	2015
			€	€
Higher, special or additional duties	89	44	20,374	21,406
Other allowances	82	1	17,228	22,497
Overtime	93	18	36,510	32,409
Extra remuneration in more than one category	61	58	43,624	40,977

5.2 Other Remuneration Arrangements

Four retired civil servants in receipt of civil service pensions were re-engaged on a fee basis at a total cost of €79,670. Pension abatement rules were applied as appropriate.

5.3 Payroll overpayments

According to the National Shared Services Office (NSSO) which is responsible for processing the Department's payroll, there were 33 cases of overpayments at year-end totalling €64,841 compared with 48 cases in 2015 (totalling €115,337). Of these, there are 13 cases (relating to €14,131) where plans are in place with the individuals involved to recover the overpayments. The Department has been assured by the NSSO that there is a robust mechanism in place to manage the recovery of these overpayments.

6 Miscellaneous

6.1 National Lottery Funding

Total expenditure of €118.04 million (€96.74 million in 2015) 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.

6.2 Legal costs

	Number of cases	Legal costs of the Department €000	Legal costs awarded €000	Compensation awarded €000	2016	2015
					Total	Total
					€000	€000
Claims by members of the public						
State Claims	1	96	—	—	96	87
Agency managed						
Other	3	242	—	70	312	284
		338	—	70	408	371

6.3 Arbitration and Conciliation

There were no payments in 2016 or 2015 to contractors or others to cover costs of conciliation and arbitration proceedings.

6.4 Contingent Liabilities

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

6.5 Commissions and Inquiries

In September 2016 a non-statutory inquiry commenced into the circumstances and facts concerning the reselling of tickets for the Rio Olympic Games. As of 31 December 2016, payments of €9,200 had been made in respect of the costs of the inquiry.

6.6 Carryover to 2017

Under the provision of section 91 of the Finance Act 2004, €10.9 million in unspent allocation in respect of capital elements for subheads B.3, B.4, B.8, D.3, D.4 and D.5 was carried forward to 2017.

