

## **Vote 32: Transport**

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## Introduction

As Accounting Officer for Vote 32, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2009 for the salaries and expenses of the Office of the Minister of Transport, 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 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year, and b) provided for capital supply services in 2009 out of unspent 2008 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

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

### Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account, except for the following:

#### Depreciation

The Department's policy is to depreciate assets from the date of purchase up to and including date of disposal.

### Statement on Internal Financial Control

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

**TOM O'MAHONY**  
Accounting Officer  
Department of Transport  
26 March 2010

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Transport for 2009 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Transport. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2009.

Chapter 28 of my annual report refers to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

A handwritten signature in black ink, appearing to read 'John Buckley', with a long horizontal stroke extending to the right.

**JOHN BUCKLEY**  
Comptroller and Auditor General  
7 September 2010

## Vote 32 Department of Transport Appropriation Account 2009

Service	2009 Estimate provision	2009 Outturn	2008 Outturn
€000	€000	€000	€000
<b>Administration</b>			
A.1. Salaries, wages and allowances	34,275	33,679	33,916
A.2. Travel and subsistence	1,757	888	1,323
A.3. Incidental expenses	2,309	1,920	3,255
A.4. Postal and telecommunications	758	625	807
A.5. Office machinery and other office supplies and related services	1,641	1,863	2,297
A.6. Office premises expenses	883	1,167	1,274
A.7. Consultancy services	600	713	1,008
A.8. Value for money and policy reviews	61	19	165
<b>Other Services</b>			
<b>Roads</b>			
B.1. Road improvement/maintenance	1,917,486		
Deferred Surrender	37,000	1,954,486	1,962,986
B.2. Road haulage development	100	73	76
B.3. Road safety agencies and expenses	37,198	37,907	44,222
B.4. Vehicle and driver licencing expenses	22,234	19,377	20,199
B.5. Carbon reduction measures	10,000	7,003	—
<b>Public Transport</b>			
C.1. Public service provision payments		328,292	327,823
C.2. Public transport investment programme	628,044		
Deferred Surrender	40,500	668,544	673,732
C.3. Public transport agencies and expenses		13,659	11,582
<b>Civil Aviation</b>			
D.1. Aircraft accident investigation	595	447	552
D.2. Regional airports	22,926	22,831	27,064
D.3. Payments to the Irish Aviation in respect of exempt services	2,558	3,383	3,003
D.4. Miscellaneous aviation services	123	207	385
- North South Co-operation <sup>a</sup>	—	—	5,060

Service		2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000	€000
<b>Maritime Transport and Safety</b>				
E.1. Maritime safety and Irish Coast Guard	45,492			
	Deferred Surrender	1,000	46,492	45,239
E.2. Seaports and shipping		3,777	2,140	3,475
- Cross border initiatives <sup>b</sup>		—	—	48
<b>Miscellaneous</b>				
F.1. Subscriptions to international organisations		9,237	7,429	7,080
F.2. Miscellaneous services		909	211	1,633
F.3. Cross border initiatives <sup>c</sup>		17,650	11,513	—
<b>Gross Expenditure</b>				
	Current year provision	3,102,564		
	Deferred Surrender	78,500		
		<b>3,181,064</b>	<b>3,174,757</b>	<b>3,719,338</b>
<b>Deduct</b>				
G. Appropriations-in-aid		<b>586,629</b>	<b>582,987</b>	<b>609,587</b>
<b>Net Expenditure</b>				
	Current year provision	2,515,935		
	Deferred Surrender	78,500		
		<b>2,594,435</b>	<b>2,591,770</b>	<b>3,109,751</b>
<b>Surplus for the year</b>			<b>€2,664,822</b>	<b>€116,743,251</b>
<b>Deferred Surrender</b>			—	<b>€ 78,500,000</b>
<b>Surplus to be surrendered</b>			<b>€2,664,822</b>	<b>€ 38,243,251</b>

<sup>a</sup> North South Co-operation subhead D.5 retired in 2009.

<sup>b</sup> Cross border initiatives subhead E.3 retired in 2009.

<sup>c</sup> Cross border initiatives subhead F.3 introduced in 2009.

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			40,874	44,045
Expenditure on services and programmes			3,133,883	3,675,293
<b>Gross expenditure</b>			<b>3,174,757</b>	<b>3,719,338</b>
Deduct				
<b>Appropriations in aid</b>			<b>582,987</b>	<b>609,587</b>
<b>Net expenditure</b>			<b>2,591,770</b>	<b>3,109,751</b>
<b>Changes in capital assets</b>				
Purchases cash		(5,313)		
Depreciation		3,732		
Disposals cash		—		
Loss on disposals		—	(1,581)	(1,806)
<b>Changes in assets under development</b>				
Cash payments			(245)	(183)
<b>Changes in net current assets</b>				
Decrease in closing accruals		(2,241)		
Decrease in stock		327	(1,914)	18,995
<b>Direct expenditure</b>			<b>2,588,030</b>	<b>3,126,757</b>
Net allied services expenditure	1.1		17,361	14,118
Notional rents			1,207	1,250
<b>Total operating cost</b>			<b>2,606,598</b>	<b>3,142,125</b>

#### 1.1 Net Allied Services

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

Vote		2009 €000	2008 €000
7	Superannuation and Retired Allowances	11,329	7,607
10	Office of Public Works	5,737	6,188
20	Garda Síochána	164	191
	Central Fund - Ministerial etc. pensions	131	132
		<b>17,361</b>	<b>14,118</b>

## 2 Statement of Assets and Liabilities as at 31 December 2009

	Note	2009 €000	2008 €000
<b>Capital Assets</b>	2.1	11,865	10,725
<b>Capital Assets under Development</b>	2.2	1,899	1,654
		<b>13,764</b>	<b>12,379</b>
<b>Current Assets</b>			
Stocks	2.4	514	841
Prepayments		299	135
Accrued income		131	121
Other debit balances	2.5	1,905	1,048
<b>Total Current Assets</b>		<b>2,849</b>	<b>2,145</b>
<b>Less Current Liabilities</b>			
Bank and Cash	2.3	64	(79,032)
Accrued expenses		2,327	4,394
Other credit balances	2.6	1,492	859
Net Liability to the Exchequer	2.7	349	79,221
<b>Total Current Liabilities</b>		<b>4,232</b>	<b>5,442</b>
<b>Net Current Liabilities</b>		<b>(1,383)</b>	<b>(3,297)</b>
<b>Net Assets</b>		<b>12,381</b>	<b>9,082</b>

**2.1 Capital Assets**

	Land and Buildings	Office Equipment	Furniture and Fittings	Motor Vehicles	Specialist Equipment	Totals
	€000	€000	€000	€000	€000	€000
<b>Gross assets</b>						
Cost or valuation at 1 January 2009	2,009	13,410	491	5,351	12,394	33,655
Additions	—	1,197	—	118	3,998	5,313
Disposals	—	(22)	—	—	—	(22)
Adjustment	(247)	(347)	(172)	24	235	(507)
Cost or valuation at 31 December 2009	1,762	14,238	319	5,493	16,627	38,439
<b>Accumulated Depreciation</b>						
Opening balance at 1 January 2009	—	9,152	353	4,196	9,229	22,930
Depreciation for the year	—	2,137	30	363	1,202	3,732
Depreciation on disposals	—	(22)	—	—	—	(22)
Adjustment	—	(154)	(152)	4	236	(66)
Cumulative depreciation at 31 December 2009	—	11,113	231	4,563	10,667	26,574
<b>Net Assets at 31 December 2009</b>	1,762	3,125	88	930	5,960	11,865
<b>Net Assets at 31 December 2008</b>	2,009	4,258	138	1,155	3,165	10,725

**Notes:**

1: During 2009, as part of the transfer of the Fixed Asset Register onto the new computerized Financial Management System, the Department reviewed its existing capital base to determine the accuracy of the historic costs and accumulated depreciation carried forward. As a result of this review some of the balances were amended.

**2.2 Capital Assets under Development**

	Information Systems
	€000
Amounts brought forward at 1 January 2009	1,654
Cash payments for the year	245
Transferred to asset register	—
Amounts carried forward at 31 December 2009	1,899

**2.3 Bank and Cash**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Bank balances and cash	195	80,783
Orders outstanding	(259)	(1,751)
	<u>(64)</u>	<u>79,032</u>

**2.4 Stocks**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Stationery and office supplies	40	29
IT consumables, etc.	74	103
Specialised consumables (Irish Coast Guard)	400	709
	<u>514</u>	<u>841</u>

**2.5 Other Debit Balances**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Retirement lump sums	1,125	596
OPW	334	334
Commission for Aviation Regulation	—	118
Other	446	—
	<u>1,905</u>	<u>1,048</u>

**2.6 Other Credit Balances**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
<b>Amounts due to the state</b>		
Income Tax	13	16
Pay Related Social Insurance	(20)	(20)
Professional Services Withholding Tax	153	155
Value Added Tax	355	75
Relevant Contract Tax	330	—
	<u>831</u>	<u>226</u>
Department of Finance	64	64
Pension Charges	372	225
Other	225	344
	<u>1,492</u>	<u>859</u>

**2.7 Net Liability to the Exchequer**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	2,665	38,243
Deferred Surrender	—	78,500
Exchequer Grant Undrawn	(2,316)	(37,522)
Net liability to the Exchequer	<u>349</u>	<u>79,221</u>

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

Bank and cash	(64)	79,032
Debit balances: suspense	1,905	1,048
	<u>1,841</u>	<u>80,080</u>

**Creditors**

Due to State	(831)	(226)
Credit balances: suspense	(661)	(633)
	<u>(1,492)</u>	<u>(859)</u>
	<u>349</u>	<u>79,221</u>

**2.8 Global Commitments**

at 31 December

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
(i) Procurement subheads	54,987	87,321
(ii) Grant subheads	4,897	81,764
Total of legally enforceable commitments	<u>59,884</u>	<u>169,085</u>

**2.9 Matured Liabilities**

The total of matured liabilities at 31 December 2009 was €1.239m.

### 3 Variations in Expenditure

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

Sub-head	Less/(more) than provided €000	Explanation
A.2.	869	Savings arose due to lower than anticipated levels of official travel.
A.6.	(284)	Excess was due to higher than anticipated repair, maintenance and refurbishment costs associated with Department buildings.
B.4.	2,857	Savings arose as a result of technical and administrative efficiencies within the National Vehicle Driver File in Shannon.
B.5.	2,997	Smarter travel projects launched in 2009 took longer to commence than anticipated.
C.3.	2,077	Saving arose as a result of administrative efficiency savings within the Railway Safety Commission and the Railway Procurement Agency.
D.1.	148	The saving arose as a result of achieving the most economical price to provide air accident investigation insurance in the event of a major accident which resulted in a reduced premium.
D.3.	(825)	The level of air traffic which gives rise to expenditure under this subhead is difficult to predict and was greater than expected.
E.2.	1,637	Saving was as a result of remedial work at Baltimore harbour not proceeding in 2009 due to planning delays.
F.1.	1,808	Subscriptions to international organisations were less than anticipated.
F.2.	698	The underspend arises from a decision to change the scope and scale of the Transport 21 information and communications campaign in 2009.
F.3.	6,137	The subhead includes funding for the A5 Aughnacloy to Derry road. Following a Government decision in June 2009 payment made in the final quarter of 2009, in line with payment procedures agreed with the Northern Ireland authorities, was less than originally anticipated.

## 4 Receipts

	2009 Estimated	2009 Realised	2008 Realised
	€000	€000	€000
<b>4.1 Appropriations-in-aid</b>			
1. Recoupment for seconded staff	450	131	652
2. Road Transport licence fees	1,150	604	773
3. Irish Aviation Authority refund of subscriptions to international organisations	7,560	7,227	7,413
4. Irish Aviation Authority recoupment of rents, etc.	305	305	356
5. Irish Aviation Authority associated costs	2,200	2,507	2,797
6. Recoupment of costs of IAA safety audit	1	—	—
7. Miscellaneous receipts	300	262	234
8. Receipts from Local Government Fund	570,424	567,519	567,859
- National Toll Roads <b>a</b>	—	—	28,890
10. Receipts under the Merchant Shipping and Wireless Telegraphy Act.	440	694	613
11. Pension Contribution from the Commission for Taxi Regulation <b>b</b>	645	687	—
12. Pension - related deduction on public service remuneration <b>c</b>	3,154	3,051	—
<b>Total</b>	<b>586,629</b>	<b>582,987</b>	<b>609,587</b>

**a** National Toll Roads subhead G.9 retired in 2009.

**b** Pension Contribution from CTR subhead G.11 introduced in 2009.

**c** Pension Levies subhead G.12 introduced in 2009.

### Explanation of significant variations

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

Heading	Less/(more) than estimated €000	Explanation
1	319	The number of staff on secondment was less than anticipated. It is difficult to estimate the number of staff on secondment in any given year.
2	546	Applications for licences and renewals were less than anticipated.
5	(307)	The Department's administrative costs in overseeing and monitoring the Irish Aviation Authority and for which the Department is re-imbursed, were greater than estimated.
10	(254)	The increase in fees reflects increased level of Mercantile Marine and Marine survey activity during 2009.

**4.2 Extra receipts payable to the Exchequer**

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Pollution Recovery Costs	—	3
Pension charges in respect of seconded staff	—	202
Voluntary surrender of pay	11	—
<b>Total</b>	<b>11</b>	<b>205</b>

**5 Employee Numbers and Pay**

	<b>2009</b>	<b>2008</b>
<b>Number of staff at year end</b> (full time equivalents)	518	559
	<b>€000</b>	<b>€000</b>
Pay	30,177	30,071
Higher, special or additional duties allowances	726	845
Other allowances	811	770
Overtime	466	749
Employer's PRSI	1,499	1,481
<b>Total pay</b>	<b>33,679</b>	<b>33,916</b>

**5.1 Allowances and Overtime Payments**

	<b>Number of recipients</b>	<b>Recipients of of €10,000 or more</b>	<b>Maximum individual payment</b>	<b>Maximum individual payment</b>
			<b>2009</b>	<b>2008</b>
			€	€
Higher, special or additional duties	264	64	64,990	51,974
Other allowances	73	47	16,288	15,893
Overtime	106	10	30,530	30,984

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

**5.2 Other Remuneration Arrangements**

Redundancy payments of €11,520 and €26,130 were paid to two of the Minister of State's drivers.

**6 Miscellaneous Items****6.1 EU Funding**

The outturn shown in Subhead C.2. includes payments in respect of activities which are co-financed from the European Cohesion Fund. Estimates of expenditure and actual outturns were as follows:

<b>Subhead</b>	<b>Description</b>	<b>2009 Estimate</b>	<b>2009 Outturn</b>	<b>2008 Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
	<b>Funding under the European Cohesion Fund</b>			
C.2.3	Public Transport (Iarnrod Eireann)	27,371	12,231	4,188
C.2.2	Public Transport (Railway Procurement Agency)	5,536	4,378	—
		<b>32,907</b>	<b>16,609</b>	<b>4,188</b>

