



Comptroller and Auditor General

General Report

Non-commercial State-sponsored Bodies

Matters arising out of Audit of 1995 Accounts

Baile Átha Cliath
Arna fhoilsiú ag Oifig an tSoláthair

Le ceannach díreach ón
Oifig Dhíolta Foilseachán Rialtais,
Teach Sun Alliance, Sráid Theach Laighean, Baile Átha Cliath 2
nó tríd an bpost ó
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This report was prepared on the basis of information, documentation and explanations obtained from the State-sponsored bodies referred to in the report.

Drafts of relevant segments of the report were sent to the State-sponsored bodies concerned and their comments requested. Where appropriate, these comments were incorporated into the final version of the report.

Report of the Comptroller and Auditor General

Minister for Finance

I have prepared a special report under Section 11 of the Comptroller and Auditor General (Amendment), Act, 1993 on matters arising in relation to audits carried out by me under Section 5 of the Act and other enactments.

I hereby submit the report for presentation to Dáil Éireann pursuant to Section 11 of the said Act.

A handwritten signature in black ink, appearing to read 'John Purcell', with a large, stylized flourish at the end.

John Purcell
Comptroller and Auditor General

26 February 1997

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General Matters

1. Remuneration and Expenses of Chief Executive Officers

In the normal course of audit the remuneration and expenses of Chief Executive Officers are examined. The remuneration paid in the case of all non-commercial State sponsored bodies was based on the recommendations of the Review Body on Higher Remuneration in the Public Sector and in accordance with the approval of the supervising Department.

The expenses of Chief Executives are based on vouched outlay with the exception of four organisations where, in addition to reimbursement of vouched expenses, certain categories of expense are covered by way of

- commuted sums in the case of three of the organisations
- claims without the need for specific receipts in the case of the fourth organisation.

However, in each case, the unvouched expenses were supported by claims which detailed specific dates, functions and events and were approved by the Chairperson of the relevant board.

The categories of expense included outlay on official entertainment by Chief Executives and other representation expenses such as those incurred in respect of functions, taxis and small business gifts.

The net amounts paid to Chief Executives in 1995 under the commuted sum arrangements were

State sponsored body	Amount paid £
Forfás	3,972
IDA Ireland	3,908
Forbairt	3,962

In the case of these payments the amounts stated are net of income tax. The gross amounts were £8,000 in each case. Since expenses are not subject to tax in the normal course, the industrial development agencies will, following clarification recently received from the Revenue authorities, operate a revised arrangement in future years.

In the case of the Chief Executive of An Bord Bia the amount paid in respect of claims processed without the need for specific receipts was £5,181¹.

¹ *The current Chief Operations Officer of An Bord Bia was the former Chief Executive of Coras Beostoic agus Feola. He retained his former conditions of service under Section 47 of the An Bord Bia Act, 1994. In 1995 he received £4,759 in respect of expenses on the same basis as the Chief Executive.*

Agriculture Sector

Moorepark Technology Limited

2. Research Services

Moorepark Technology Ltd. (MTL) provides pilot plant and research services to the food processing industry and commenced trading in August 1993.

Teagasc holds 59% of the issued shares in MTL. The balance of the shareholding is held by Forfás (6%) and commercial companies in the food sector (35%). MTL shares the same campus as Teagasc's National Dairy Products Research Centre, with which it is formally linked through joint management.

The facilities consist of a modern plant covering 2,500 square metres in floor area and containing pilot scale processing equipment. The plant can simulate commercial food processing and has been assembled specifically for research and development and small scale manufacturing in dairy products, powder products, long-life liquid products, food ingredients and formulated foods.

The facilities comprise 8 units which can provide services in the following areas

- Wet Processes
- Evaporation and Drying
- Cheese Making
- Fresh and UHT Products
- Dried Food Ingredients
- Food Technology Ingredient Applications
- Fat Technology
- Special Purposes Unit.

The facilities were funded through grants from State sources and the EU (£2.1m) and an interest-free contribution from commercial shareholders (£1.9m).

The company has been operating since 1993. The Company Business Plan of 1993 set the objective of achieving a profit three years after commencement of operations taking into account IDA and other grants and the resources provided by Teagasc. It has incurred losses in each year of operation with the accumulated losses to 31 December 1995 standing at £278,936. The trading position of the company is summarised in Table 2.1.

Table 2.1
Moorepark Technology Ltd.

	1993	1994	1995
Sales	224,178	317,936	382,237
Profits before interest and depreciation	17,199	49,321	72,053
Depreciation (net of grants amortised)	-	(181,832)	(135,246)
Interest payable	(52,101)	(42,378)	(35,541)
Interest receivable	13,418	-	-
Profit/(Loss)	(21,484)	(174,889)	(98,734)
Accumulated Profit/(Loss)	(5,313)	(180,202)	(278,936)

Over and above the trading losses, Teagasc has contributed £462,654 up to the end of 1995 towards the running costs of the company under the terms of a shareholders' agreement. It also leased the land upon which the facility stands to MTL over 50 years at a nominal rent.

The current staffing of MTL is eight consisting of five operators who can be assigned to work in any unit and three research staff who are assigned to contract research and development work. The utilisation of the plant capacity of MTL was reasonably satisfactory by the first half of 1996 with the exception of plant assigned to the cheese unit which was operating at 40% capacity. The extent of reliance on work from Teagasc was quite high. Table 2.2 sets out the plant utilisation position.

Table 2.2
Plant Utilisation, January-June 1996

Unit	Capacity Utilised	Teagasc Proportion of Total Capacity
	%	%
Wet Processes	95	39
Evaporation and Drying	90	27
Cheese Making	40	27
Applications ^a	94	24

Note: ^a Applications cover the remaining five units.

In 1995 sales to Teagasc amounted to £151,000 - approximately 40% of turnover. The total externally generated sales was accordingly of the order of £231,000 for the year.

In response to my inquiries, MTL informed me that the role of the company in stimulating industrial development and in facilitating Teagasc's public mission was central to its establishment. In a practical way the company is also reducing the cost of State intervention since it centralises certain costs incurred by industry and offers a mechanism in the long-term for funding certain equipment required by Teagasc.

The initial projections and targets established for the company as set out in the Business Plan and in the budgets adopted for 1994 and 1995, the first full years of operation, envisaged a lag period of 3 years before profitability would be reached, in recognition of the fact that MTL was a new concept and would require time to establish its position *vis-a-vis* the food industry's own research and development activities.

The performance in 1994 and 1995 was below expectations and the level of use of the plant by commercial shareholders was disappointing. A major improvement took place in 1996 as a result of a more aggressive budgeting and marketing policy. Rental income from commercial shareholders is projected to rise from the 1994 level of 35% to 41% in 1996.

The company has attributed its difficulty in extending its turnover to the low level² of research and development carried out in the food sector in Ireland and it argues that it requires time to build up that turnover. Its success will depend on its ability to stimulate research and development work which is additional to the in-house research carried out by individual companies.

Teagasc sees benefits accruing from the facility in that

- the facility allowed it to carry out research and development work it was previously not in a position to do
- it also assists Teagasc in its industrial development mission.

Teagasc acknowledged the difficulties the company faced in its initial years and expects performance to improve and a profit to be generated in the future. It has stated that considerable improvement is evident from the management accounts in 1996 and is projecting a positive cash flow of the order of £50,000 for the year.

The Department of Agriculture, Food and Forestry has informed me that the project must be viewed in the light of the recognition in recent years of the need for increased commitment to research and development by the Irish food industry aimed at developing new products and improving our competitive position. This was the rationale behind the setting up of MTL and remains relevant. However, the success, or otherwise, of MTL depends on the degree to which it is used by the industry to carry out research.

A central objective of the dairy sector remains reducing reliance on basic commodity products mainly by increasing cheese and food ingredients output. Research and

² *Estimated at 0.3% of turnover in the sector in the Report of the Science and Technology Innovation Advisory Council.*

development must be an integral part of such diversification policy. Likely changes in the future market environment within which the Irish dairy sector must operate, both within and outside of the EU, make even greater commitment to research and development an imperative.

The Department stated that the results of the initial three years of operation, with attendant start up costs, provide too narrow a basis for making a definite judgment on the viability of MTL. As Teagasc is the major shareholder in MTL, the Department will keep its performance under review.

Recently, the company's facilities have been used in the development of new cheese varieties. It plans to participate in this way in the development of cheeses in two phases

- a pre-commercial stage which is funded from public sector research moneys and involves market testing of the product
- when a cheese is fully developed it will be manufactured under contract to a commercial company.

It is planned to reach the second stage for some varieties by March 1997. MTL sees contract manufacture of this kind as one of its important strategic functions since it eases the path for companies wishing to diversify. However, it is limited in scale and the intention is that each cheese product would be moved to an industrial plant at the earliest opportunity.

An Bord Bia

3. Voluntary Meat Promotion Levy

A meat promotion levy scheme was introduced with effect from 1991 by agreement between the Department of Agriculture, Food and Forestry and the relevant industry associations. It was designed to provide additional funding for promotion and was to be borne by the meat processing sector. The industry contribution was to be funded by a levy on processors equivalent to 50p per head on cattle, 10p on sheep and 10p on pigs and was estimated to make an additional £1.5m per annum available to Coras Beostoic agus Feola (CBF) for meat promotion. The levy on sheep was ultimately implemented at a rate of 7p per head.³ This adjustment was made in the light of market conditions at the time.

³ *An Bord Bia estimates that the reduction from 10p to 7p reduced potential proceeds by a total of £288,000 in the years 1991-1994.*

The scheme was intended to operate in the first instance for the period 1991-1993. The scheme continued in 1994 but in March 1995 An Bord Bia (which replaced CBF with effect from 1 December 1994) decided that in the absence of a new voluntary agreement it would fund future promotions by way of formal legal contracts with exporters under which the exporter would contribute 50% of relevant costs⁴.

Over the period of the voluntary levy the industry contributed £3.67m (46%) towards meat promotion costs of £7.92m (see Table 3.1).

Table 3.1
Industry Contribution and Costs of Meat Promotion 1991-1994

Year	Industry contribution levied £m	Unpaid to date £m	Net proceeds £m	Meat promotion cost £m	Percentage cost recovery %
1991	1.15	(0.12)	1.03	1.99	52
1992	1.12	(0.25)	0.87	1.73	50
1993	1.13	(0.12)	1.01	2.21	46
1994	0.92	(0.16)	0.76	1.99	38
Total	4.32	(0.65)	3.67	7.92	46

An Bord Bia informed me that the amount contributed by the industry over the period represented 85% of the amount levied and CBF had adjusted its planned meat promotion expenditure to broadly maintain the joint funding relationship on meat promotions.

The shortfall in the industry contribution was attributed by An Bord Bia to

- non-participation of certain sectors⁵ and partial participation by other sectors⁶
- enforcement difficulties since the levy was voluntary.

The unpaid amount of £650,000 was fully provided for in the accounts of An Bord Bia and was formally written off in the 1996 accounts.

⁴ Section 38 of the An Bord Bia Act, 1994 provides that a processor may be liable for a portion of the statutory levies.

⁵ The livestock export sector did not participate in the scheme.

⁶ The home trade only partially participated in the scheme and not all companies in the meat export sector participated.

Enterprise and Employment Sector

IDA Ireland, Forfás

4. Textile Plant Rescue

A multinational textile company acquired two plants in Ireland in 1988

- an empty factory of 302,000 square feet in County Clare
- a textile plant employing 350 workers in County Kerry.

By 1993, the plant in Kerry required significant investment and the Industrial Development Authority sought to persuade the company to undertake that investment and thereby save 220 of the existing jobs. The company's position was that the investment would need the support of significant grant assistance. Grant assistance could only be given under the terms of the Industrial Development Act, 1986 in circumstances where

- new employment was provided or existing employment was maintained in the State which would not have been maintained without assistance and
- it would increase output and value added within the economy.

It was decided to effect the injection of funds into the company, with the objective of maintaining an employment level of at least 220, through the purchase of the factory in Clare by the Industrial Development Authority. The company and the Industrial Development Authority agreed to co-operate in identifying a project for the factory and by August 1993 the Authority had commenced negotiations with another major US textile company that was interested in establishing a project in the factory. The Industrial Development Authority agreed to purchase the Clare factory and a price of £5m was settled upon. This was approved by the board of the Industrial Development Authority in December 1993 and confirmed by Government decision. However, subsequent to the purchase of the factory by Forfás in January 1994 the other major US textile company with whom IDA Ireland was negotiating decided, for its own commercial reasons, not to proceed with the project.

The Government decision was conditional on

- the entire £5m being expended on machinery and equipment for the Kerry plant - the machinery to be purchased within 12 months and retained until at least December 1998
- an undertaking that at least 220 jobs would be retained at the Kerry plant until December 1998.

In addition, the Authority was to endeavour to persuade the company to invest a further £3m in the plant.

It was noted in the course of audit that the employment level at the Kerry plant had decreased to 169 by August 1996. It was also noted that the valuation of the Clare factory in the books of Forfás, which, at that time, held all industrial property on behalf of Forbairt and IDA Ireland⁷, was reduced to £3.02m.

I enquired from the Chief Executives of IDA Ireland and Forfás as to

- the total grant and other financial assistance made available in respect of the Kerry plant since its establishment
- how the agency satisfied itself that the £5m investment in machinery and equipment occurred and how much of the additional £3m was invested by the company
- how the employment and other terms of the assistance were monitored and enforced
- the extent of refunds due to the agency as a result of employment reductions
- why the value of the factory had reduced to £3.02m and how it is currently utilised.

The Chief Executive of IDA Ireland has informed me that grant assistance of £984,000 had been made available in respect of the plant since 1988.

In regard to how the agency satisfied itself that the £5m investment was made, he stated that regular and ongoing contacts were maintained between the agency and the local and corporate management of the company. The investment programme was completed by June 1995 and the audited accounts of the company record cumulative expenditure on plant and machinery to that date at £5.44m with an additional £0.78m being incurred on associated building modification. IDA Ireland executives, as part of their regular contact with the company, viewed the new plant and were satisfied that it was compatible with that detailed in the company's investment programme submission.

Employment levels are monitored through

- an annual survey each October by Forfás
- quarterly contacts by IDA Ireland project executives with the company.

⁷ *The responsibility for industrial property was transferred to IDA Ireland with effect from 1 January 1996.*

The agreements with the company were recorded in two documents, both entered into in January 1994

- the terms of the purchase of the factory were set out in an agreement with Forfás
- a further agreement with IDA Ireland stipulated that the company invest £5m in the Kerry plant and maintain employment at 220 jobs.

The latter agreement stipulates that, in respect of any shortfall in investment or jobs, an amount of money based on the actual shortfall would be repaid.

In March 1996 the company formally announced a restructuring programme involving a reduction in employment of 90 people phased over a 5 month period commencing in May 1996. Employment was to reduce from 231 to 141 under this programme. A formal request for repayment was deferred until completion of this programme at which time the exact number of redundancies would be known.

As employment has now reduced to 141, *i.e.* 79 below the base of 220, IDA Ireland, in the normal course of business, is enforcing the clawback condition in relation to jobs. This has resulted in IDA Ireland seeking repayment of £601,427 from the company. This is calculated at £7,613 per job for the 79 jobs.

In regard to the subsequent revaluation of the factory, the Chief Executive of Forfás has explained to me that despite the best efforts of the industrial development agencies it did not prove possible to sell or let this factory as envisaged at the time when the £5m valuation was attached to it. This valuation was based on the fact that the Industrial Development Authority was in substantive discussions with a major US textile company to locate a facility with the potential for 450-700 jobs in the factory. By the end of 1994, negotiations with the US company had terminated following the decision of that company to make an acquisition in France rather than develop the Clare property as a greenfield site for its project.

It was then considered prudent, for accounting purposes, to revalue the building on the balance of probability that it would not be sold as a textile plant. If sold for another purpose it was clear that the building would require substantial refurbishment and upgrading. On the basis of the extensive knowledge and experience of the staff managing the property portfolio it was considered that a more realistic and prudent figure in valuing the property for accounting purposes would be £10 per square foot having regard to size, location and specification of the building. Accordingly, the plant was revalued to £3.02m.

An Foras Áiseanna Saothair (FÁS)

5. Industrial Training Levies

FÁS is empowered, under the Industrial Training Act, 1967 to impose a levy on employers in designated industrial sectors.⁸ At 31 December 1995, the total levy funds on hands amounted to £13.1m with a further £6.2m due for collection. Payments in 1995 totalled £2.2m. The levies ceased from 1994/95 in respect of the sectors covered by the new apprenticeship levy referred to in Paragraph 6.

Funds are disbursed on the approval or recommendation of Industrial Training Committees which have been established within FÁS for each sector.

Money is made available out of levy funds to finance

- training of all levels of staff within companies including management and supervisory grades
- specialist training programmes that relate to needs identified by sectoral studies
- research studies
- production of training materials and videos
- apprenticeship competitions
- programme development and evaluation
- a construction training incentive scheme
- a bursary for women
- purchase of training equipment in the chemical and construction sectors
- placement grants
- undergraduate training
- international study visits
- specialist technical training.

As the amount of the funds on hands or collectable was far in excess of the annual payments out of the funds in recent years, I sought information from the Director General on

- the current function of the funds and proposals for their use
- the extent of annual commitments over the next five years.

The Director General informed me that the function of the funds is to assist the development of each of the industrial sectors by ensuring that the sectors have available to them employees with skill levels compatible with best international practice. Funds

⁸ *The designated sectors are: Construction, Chemicals, Engineering, Textiles, Clothing and Footwear, Food, Drink and Tobacco and Printing and Paper.*

are provided for the development of training programmes, for their certification and provision, and to reduce the cost to companies of having their employees trained. Funds are used in the provision of grants under Section 19 of the Industrial Training Act, 1967 and for meeting expenditure incurred in respect of training or related expenses under Section 21 of that Act.

FÁS sectoral studies have identified key training needs that have to be met in each of the industry sectors. The accumulated funds are being used to assist this process. Table 5.1 gives an indication of the extent to which the accumulated funds will be utilised in the years 1996 onwards.

**Table 5.1
Plans to Utilise Levy Funds 1996 - 2002**

Industrial Sector	Funds on hands at 31 December 1995 ^a	Planned Utilisation					After 1999
		1996	1997	1998	1999	1999	
		£'000	£'000	£'000	£'000	£'000	
Construction	7,555	1,600	1,450	1,400	1,400	1,705	
Chemicals	2,557	57	700	700	300	800	
Engineering	1,816	472	289	255	200	600	
Textiles	218	3	35	36	36	108	
Clothing & Footwear	195	16	54	25	25	75	
Food, Drink & Tobacco	569	33	111	85	85	255	
Printing & Paper	248	-	50	55	40	103	
Total	13,158	2,181	2,689	2,556	2,086	3,646	

Note: ^a In addition a further £6.2m is collectable from firms and should become available for disbursement in the period.

6. Apprenticeship Levy

Provision was made in the Industrial Training (Apprenticeship Levy) Act, 1994 for a levy on employers to part fund a new apprenticeship programme to be run by FÁS. On the implementation of the new levy the existing industrial training levies in the relevant sectors were to cease.

The Minister for Enterprise and Employment designated the following industrial sectors as liable for levy payment

- construction
- engineering
- printing and paper.

The proceeds of the levy could be used by FÁS for

- 'off the job' wages or training allowances of apprentices engaged by employers who were liable for the levy
- costs incurred by apprentices while attending a training establishment approved by FÁS
- the monitoring, assessment and certification costs of the apprenticeship system operated by FÁS
- other expenses agreed after consultation with relevant industry representatives.

Levies collected were to be paid into the Social Insurance Fund and remitted to FÁS.

The function of collecting the levies rested with the Office of the Revenue Commissioners (Revenue). In February 1994, Revenue agreed to use a box on the annual P35 return from employers, previously used for Income Levy purposes, to capture the new levy details. It was also agreed that the P35 information would be processed by September 1995. At that stage a computer tape would be supplied to the Department of Social Welfare in respect of all employers who had recorded payment of the new levy.

However, it transpired that Revenue could not capture the data without major redesign of their systems and at significant cost and identification of the firms and the subsectors of the designated industries proved difficult. As a result, it was impossible to determine how much had been paid under the levy. Estimates based on industry categories by the Department of Social Welfare indicated that at full compliance the potential receipts for the tax year 1994/95 could be of the order of £3.6m. However, subsequent inspection work by the Department of Social Welfare and examinations by Revenue indicated that compliance by employers in the designated sectors was at a level of up to 50 %.

The Department of Social Welfare agreed to make payments to FÁS for the tax year 1994/95 on an estimated basis subject to Revenue confirming the actual levy proceeds in September 1995. However, when it became apparent that Revenue was not in a position to do this, payments ceased.

The Director General of FÁS has informed me that certain interim arrangements have been agreed with a view to progressing matters.

Based on codes⁹ provided by FÁS, Revenue has been able to determine a list of companies in the relevant sectors and the appropriate VAT number. The VAT number will in turn enable Revenue to interrogate their system to establish an accurate estimate of potential levies receivable.

FÁS maintains that a compliance rate of 50% does not necessarily mean that only 50% of the levy is being collected. Rather, it is more likely that the 50% of companies paying the levy include many of the larger employers and accordingly, levy proceeds may be in excess of 50%. Revenue has agreed to re-examine their records on a survey basis to establish if this is the case.

The issue of improving the rate of compliance is also being addressed. FÁS is preparing a mail shot for issue by Revenue in February 1997. The mail shot will be issued to all companies identified by the coding exercise and will remind employers of their obligation to pay the levy.

Following the various exercises undertaken, Revenue will be in a position to estimate the potential levy receivable and re-examine the compliance issue. As soon as this process has been completed, a meeting will be held involving all concerned in order to progress matters further and in particular to review the amount of levy being paid to FÁS.

£3.6m was paid to FÁS in respect of 1994/95. No payments have been made in respect of the 1995/96 collection. The Department of Social Welfare has agreed to recommence payments to FÁS on an estimated basis for the tax year 1996/97. However, the Department will only agree to pay half of the original estimate based on 50% compliance. This amounts to £1.8m in a full year.

7. Community Employment Programme

The Community Employment Programme commenced in April 1994. It replaced the Social Employment Scheme, the Community Enterprise Development Programme and Teamwork. The programme operates throughout the country and provides part time work together with personal and skills development opportunities for the long term unemployed and certain persons who are experiencing social exclusion.

⁹ *FÁS have assigned codes known as NACE codes to sectors of industry liable to pay the levy. While the codes assigned include the electronics sector, as that sector does not have a unique NACE code, FÁS has also provided a list of companies in that sector so that they can be isolated.*

The main objectives of the programme are to

- provide temporary employment opportunities for long-term unemployed and socially excluded persons
- provide opportunities for individual training and personal development
- provide economic and social benefits to communities
- contribute to local strategies contained in the Local, Urban and Rural Development Programmes
- increase participants' subsequent job/income prospects.

The programme operates through sponsors who are given financial support for the employment of participants, the purchase of materials, the employment of a supervisor and the provision of training to participants. Schemes are approved by FÁS on the basis of work plans which may have durations of between one and three years.

The total expenditure on Community Employment in 1995 was £270.6m. This was incurred as set out in Table 7.1.

Table 7.1
Community Employment Expenditure

Expenditure	1995	1994 ^a
	£m	£m
Participants	207.6	152.6
Materials	22.5	14.7
Supervision Grants	25.9	18.3
Public Sector Grants	6.9	9.0
Development	7.7	3.2
Total	270.6	197.8

Note: ^a The 1994 comparative figures include the cost of schemes replaced by Community Employment.

The programme is administered on a regional basis. The total number of participants at 31 December 1995 was 40,304.

The primary responsibility in relation to internal controls within projects rests with the sponsor who acts as the employer. The primary role of FÁS is, therefore, to ensure that sponsor controls are adequate and to monitor and audit these controls.

In the course of audit I examined the internal control over the operation of the programme by

- checking procedures at a number of locations in two regions
- reviewing the findings of the FÁS internal audit unit.

The examination indicated that there were some deficiencies in the monitoring and administration of the programme which the Director General has informed me are being addressed as part of the ongoing process of improving controls and procedures.

He assured me that a range of measures have been introduced which will significantly enhance the quality of monitoring. These may be summarised as follows

- A new application process now requires the submission of a project plan which will subsequently be used for monitoring purposes. The approval of each project will be preceded by the appraisal of plans by FÁS staff against quality criteria. A monitoring report form used by staff will include a requirement to evaluate progress and activity against the project plan. The final audit of a project will be both a qualitative and quantitative audit. A standard file will be maintained on each project so that the monitoring process and issues arising may be recorded and traced.
- Training and development sessions to standardise and improve practice in respect of project monitoring are taking place on an ongoing basis. These sessions include
 - a module provided by FÁS Internal Audit Section to improve sponsor record keeping and improve financial monitoring
 - briefings on operational procedures and policy
 - a module delivered to provide skills to staff in appraisal and monitoring.
- The pending restructuring of FÁS Operations Division will result in staff becoming available for redeployment to this area which will allow for an increased number of monitoring visits.

In regard to administration at scheme level the Director General informed me that the problems noted were not widespread and that FÁS has issued guidance and action has been taken in regard to the instances noted as follows

- a new sponsor manual prohibits the practice of persons acting as both participants and members of sponsoring committees

- sponsors are continuously advised in regard to their responsibility to make prompt payment of tax deductions to the Revenue Commissioners and the position in this respect continues to improve

- the ongoing improvement in the quality of monitoring will address situations where
 - audits of schemes are outstanding
 - insurance cover is not in place
 - jobsearch forms from the Department of Social Welfare are not on file¹⁰
 - separate bank accounts are not maintained in respect of a scheme.

¹⁰ *The jobsearch forms are evidence of entitlement to participate in the Scheme.*

Tourism and Trade Sector

Bord Fáilte

8. Bord Fáilte Restructuring

In 1994 a firm of international consultants examined the functions and structure of Bord Fáilte. The resultant report identified a need to refocus Bord Fáilte on core activities which it identified as

- selling Ireland overseas
- supporting the development of the Irish tourism industry
- providing information for decision makers.

The consultants suggested that certain activities should stop or be transferred to other agencies. These were identified as

- product registration and grading
- product approvals
- management of EU Tourism investment
- domestic marketing and sales
- the Gulliver electronic information and registration system.

In addition, the consultants recommended that consideration be given to the transfer of activities such as the 'Tidy Towns' competition to other organisations.

In regard to human resources, the consultants found that Bord Fáilte employed 288 permanent staff, 26 contract staff and 14 consultants. The report stated that Bord Fáilte had a high and rising cost base which was putting pressure on discretionary spending. This cost base before discretionary spending had risen from £13.4m in 1991 to £17.2m in 1994, an average increase of almost 9% per year. In the same period, discretionary spending remained at £15m per year. Staff turnover was low and the average age was over 45 with many staff having carried out the same function for a number of years. 80% of staff were in the top salary bracket within their grade, limiting the salary incentives available. There had been few young recruits and a lack of trained marketeers, with only 12 people in the organisation having had direct industry experience within the previous 10 years. Skill gaps in senior marketing and development positions were identified.

The consultants recommended a staff structure of approximately 230 full time permanent staff and a reduced number of contract and consultancy staff after taking on about 20 new staff to meet the skills deficiencies identified. The recommendation of the consultants would involve shedding 78 permanent staff. A voluntary early retirement scheme was introduced with a target of 80 staff. 68 staff participated in the scheme.

I asked the Director General about the extent to which activities had been transferred in line with the consultant's recommendations. He informed me that Bord Fáilte had devolved or outsourced

- accommodation and product approvals
- accommodation, registration and grading inspections
- the production of Discover Ireland and Accommodation Guides.

Under the Tourism Traffic Acts, Bord Fáilte retains responsibility for setting standards and for appeals in respect of registered accommodation.

A decision was taken by the Department of Tourism and Trade that Bord Fáilte should retain responsibility for the management of EU Tourism funds. Arrangements for the transfer of the Gulliver system to an outside agency are at an advanced stage. Responsibility for the 'Tidy Towns' competition has since been transferred to the Department of the Environment.

9. Grant Administration

Bord Fáilte made £15.6m grant assistance available to tourism projects in 1995. This assistance was sourced from and applied for the purposes set out in Table 9.1.

Table 9.1
Bord Fáilte Grant Assistance 1995

Source	Capital Grants	Marketing Grants	Total
Oireachtas Grants	1,391,870	-	1,391,870
Operational Programme for Tourism	6,342,143	5,954,028	12,296,171
Interreg Initiatives	1,869,727	63,805	1,933,532
Total	9,603,740	6,017,833	15,621,573

In the case of the Operational Programme for Tourism grants are approved by two autonomous boards

- the Management Board for EU Marketing Grants
- the Management Board for Product Development.

The boards are made up of representatives of the Department of Tourism and Trade, Bord Fáilte and commercial and business interests.

Bord Fáilte is responsible for all other administrative operations.

In the course of audit in March 1996, it was noted that Bord Fáilte had no formal monitoring procedures in place to ensure continued compliance with grant conditions or to confirm that targeted results were being achieved. Bord Fáilte would only institute formal monitoring procedures in cases where projects were in difficulty and otherwise would rely on ad hoc inspections either by its staff or those of Regional Tourism Organisations.

In view of the extent of public investment in tourism projects, I asked the Director General what action he had taken or proposed to take to ensure that

- investment is applied for the purposes intended
- projects continue to comply with grant conditions
- project performance is monitored against targets.

The Director General informed me that in the course of the development of a project there is continuous tracking as the development proceeds, both by Bord Fáilte staff and by independent expert advisers. Grant payments are made only if the development is in accordance with the agreed plan. The requirement for an independent auditor's certificate ensures that grants are only paid out on relevant expenditure.

In regard to post-completion performance and compliance, the Director General assured me that formal monitoring procedures which Bord Fáilte was about to put in place were at an advanced stage. These procedures will ensure that projects continue to comply with grant conditions and that performance is monitored against targets.

He also informed me that, at the request of the Management Board for EU Marketing Grants, Bord Fáilte is reviewing its post-monitoring procedures for marketing grants which, unlike development grants do not have conditions which remain in place for ten years after payment.

10. World Equestrian Games

A bid by an Irish company to host the 1998 World Equestrian Games in Ireland was successful. One of the conditions attaching to the awarding of the games to the company was that the company undertook to pay the Federation Equestre

Internationale (FEI) £4.5m on or before 31 December 1998. The television rights were reserved to FEI.

Grants totalling £0.5m have been paid by Bord Fáilte to the company by 31 December 1995. Bord Fáilte agreed to guarantee payments up to £1.5m to FEI.

In December 1995, arising out of concerns at the manner in which the company was handling the arrangements for the games, Bord Fáilte appointed two directors to its board. In March 1996, following consideration by the Government, the Minister for Tourism and Trade decided to withdraw further financial support from the company.

The withdrawal of support followed a review carried out by the Minister of the State's involvement in the games, the exposure of the Exchequer and the business plan of the company. The review had noted

- that FEI, which retained the TV rights had still to complete negotiations on a TV strategy
- the absence at that stage of any contracts for commercial sponsorship despite repeated indications that negotiations with a potential sponsor were advancing
- growing concerns about the company's budget projections given that in the two years since the successful bid of March 1994, its expenditure projections had increased by 79%, while income projections rose by 35%, almost half of which was accounted for by a higher projection for commercial sponsorship
- a key element of the company's income projections was provision for income from a title sponsor totalling £3m, which appeared to be in excess of anything achieved in the past for a sporting event in Ireland with no credible evidence that it was achievable
- the risk that increases in costs coupled with a serious shortfall on income projections, could leave the games with substantial losses
- the lack of evidence that any Irish or international financial institution or commercial business was prepared to invest its funds in this enterprise.

I asked the Director General

- the extent of all financial commitments of Bord Fáilte or the State to the games
- the position in regard to the hosting of the games and the current exposure of the State in the event of the games not proceeding or being run at a loss.

The Director General has informed me that

- title sponsors have since been found who are providing £2m in sponsorship - £1.35m (net of commissions) in cash and the balance comprising vehicles and marketing support
- new structures have been put in place to ensure the efficient running of the games including a finance committee which will monitor the finances of the company and the implementation of financial controls
- it is the intention of the company to appoint a financial controller in 1997
- a firm of accountants will provide general financial and tax advice as well as acting as auditors to the company.

The Director General also informed me that as a result of the sourcing of a title sponsor the Government has agreed to provide funding totalling £0.5m to be paid in the years 1996 and 1997 which is additional to the £0.5m already paid by Bord Fáilte up to 31 December 1995. Furthermore, a new contract has been agreed with FEI which ensures the gradual reduction of the level of guarantee from £1.5m to £0.75m.

The company is currently projecting a net surplus. The projected income and expenditure assumes sponsorship income of £2.25m. As the title sponsors are providing £1.35m, this means that a balance of £0.9m has yet to be secured.

11. Grant Assistance to Tourism Project

A historical theme project was established in County Waterford as part of an investment plan under the Tourism Operational Programme 1989-1993. The project was part of an initiative aimed at creating weather independent facilities, the lack of which was seen as a longstanding weakness in Ireland's tourism product.

Grants totalling £1.81m had been made available from the Operational Programme through Bord Fáilte towards the capital expenditure. The grants were based on 50% of eligible costs which were agreed maximum amounts on buildings, technical equipment and project fees but excluded any actual or nominal value of the land on which the project was sited. Grant payments were based on certificates of expenditure provided by the auditors of the operating company, certificates of practical completion provided by the project architects and reports on the total project provided by an independent architect engaged by Bord Fáilte. A marketing grant of £30,000 and a further grant of £5,000 under Bord Fáilte's own Capital Development Grants scheme were also made.

The project, which opened in June 1992, experienced financial difficulties early on in its operations and Bord Fáilte commissioned a consultant's study of the project in February 1993. It was the consultant's opinion that the financial and administration procedures of the operating company were deficient in a number of areas, in particular

- the records were inadequate despite a high level of expenditure on bookkeeping
- tax returns had not been correctly compiled
- interim grant claims had been incorrectly compiled and claims (which included VAT) had been accelerated.

To alleviate the project's financial difficulties, Bord Fáilte provided financial assistance in the form of a £313,000 grant paid through the South East Regional Tourism Organisation (SERTO) in 1993. This grant was repayable if the project's finances improved.

The project closed in November 1995. Bord Fáilte attributed the closure to a failure in realising the projected levels of business necessary for survival and profitability and to debt problems.

The property was advertised for sale and a purchase 'subject to contract' was agreed in June 1996 by a property development company for £442,000. No contract has yet been signed. There is a condition in the agreement that the premises will continue to be used for leisure/tourism purposes and on this basis no refund of grant moneys has been sought.

I enquired of the Director General

- how and in what respect the post-construction performance of the operating company was monitored
- the actual performance of the project in terms of visitor numbers or other relevant indicators against that projected
- the book value of the project assets and the reason for the diminution in that value to the £442,000 realised on sale
- the security given by the company for the grants and financial assistance and the likelihood of any recovery
- the action taken or proposed by Bord Fáilte in regard to claim processing in view of the findings of the consultant that claims had been accelerated.

The Director General informed me that between 1992 and 1995, Bord Fáilte had a seat on the board of the company which was the major shareholder in the operating company and which was monitoring the project. In addition, Bord Fáilte staff and a consultant engaged by Bord Fáilte were involved on an ongoing basis with the board and management of the operating company. In regard to the performance of the project, he informed me that while the project traded well in its first season, thereafter, visitor numbers fell off considerably to a low of about 45,000 in 1995. While this level may have been sufficient to operate the project on a break-even basis it was completely insufficient to address any of the debt problems.

The current value of the assets is approximately £442,000, a value that had been established as the market value following an offer for sale by public auction. It reflects the fact that the project has failed and the stipulation that further use be tourism and/or leisure related. The historical cost of the project was approximately £4m including a valuation of £400,000 for the land which was not grant-aided. The historical cost is based on the amount paid by the operating company to its contractors. In the circumstances of the business closing, the open market value of the asset is the most appropriate measure.

He also informed me that Bord Fáilte and SERTO had a joint second charge on the assets of the company and a deed of covenant agreeing the grant conditions. The company's bankers had the first charge. There is no likelihood that Bord Fáilte or SERTO will recover any grants paid. The Bord Fáilte position is that it will continue to receive value for money from the grants if a new tourism project can successfully be put in place as the principal assets which were grant-aided are still in place.

In regard to the impact of claim processing deficiencies, the Director General assured me that only interim payments were accelerated. The final grant claim was correct and no material loss accrued to Bord Fáilte.

An Bord Tráchtála

12. Debtors

The financial statements of An Bord Tráchtála show that the amount owed to it by assisted clients was as set out in Table 12.1.

Table 12.1
An Bord Tráchtála Debtors 1994 and 1995^a

	1994 £'000	1995 £'000
Trade Debtors	1,575	1,937
Sales Performance Incentive Scheme	419	413
Targeted Marketing Consultancy Scheme	915	1,172
Total	2,909	3,522

Note: ^a *Debts in the case of the Sales Performance Incentive Scheme and the Targeted Marketing Consultancy Scheme include only the amounts which had fallen due for collection at the relevant date.*

Trade debtors arise out of agreements with export companies under which the Board provides services which include information, advice, finance and introductions for which it recovers some of its outlay.

The Sales Performance Incentive Scheme was introduced in 1988 and provided assistance to companies by way of repayable incentives to fund sales campaigns overseas. These incentives were repayable in full over an 18 to 36 month period by means of a levy on certified sales achieved. The scheme was terminated in September 1993 and no further incentives were approved after that date although residual payments continued to be made on foot of existing approvals up to 1995.

The Targeted Marketing Consultancy Programme was introduced in 1990 with the objective of encouraging Irish companies to increase their marketing expenditure in order to undertake major sales drives in markets overseas where there is high expectation of good sales returns in the short to medium term. An Bord Tráchtála provides up to two thirds of the cost of an approved marketing campaign. Up to half of the assistance may be provided by way of a repayable incentive which the company repays over a two to five year period as additional sales accrue.

Recoverable incentives of £2m due from companies in the food sector were transferred to An Bord Bia in 1995. While the total debt at 31 December 1995 (£3.5m) had reduced to £2.8m by July 1996 a large portion of the debt was outstanding for considerable periods of time. An aged analysis of the £2.8m is given at Table 12.2.

Table 12.2
Aged Analysis of An Bord Tráchtála Debtors at July 1996

Months outstanding	Amount	Proportion
	£	%
1	476,337	17
2	226,625	8
3	391,084	14
4	241,574	8
5	104,569	4
6	352,808	12
greater than 6	1,035,323	37
Total Debt	2,828,320	100

In response to my inquiries in regard to the cause of delay in the collection of debts the Chief Executive has stated that

- debtors are aware that their debts, in time, will be offset by the Board against grants approved¹¹
- special arrangements are made from time to time with debtors experiencing cash flow difficulties
- debtors occasionally raise queries on accounts and the time spent on investigation and response causes delay
- the Board encourages companies to commit expenditure to overseas investment and within reason does not wish to penalise companies for risk taking.

The Chief Executive stated that the annual write-off of bad debts amounts to approximately 2% of debts outstanding. The high level of recovery is attributable to the Board's credit control policy which has the following features

- the issue of monthly statements and reminders to all debtors
- the practice of offsetting amounts due by debtors against credits in respect of approved grants

¹¹ *It is the practice of An Bord Tráchtála to allow debtors to offset amounts due against more recent grant assistance.*

- the practice of referring overdue accounts to solicitors for collection and seeking judgment against defaulting debtors.

The Chief Executive stated that he believes that credit controls are enforced in accordance with agreed procedures. The Board considers that all debtors must pay their legal debts to the Board and that procedures up to and including the obtaining of judgments against defaulting debtors are strictly followed.

While the Chief Executive considers the present procedures for debt recovery to be appropriate he informed me that the Board plans to reduce the period for which debts are outstanding before being referred to the Board's solicitors for collection.

13. Marketing in the Middle East

Up to 1989, An Bord Tráchtála acted as the agent of certain companies in order to secure sales in Middle East markets. The Board was paid a commission on sales in respect of such services.

In 1989 agreement was sought from client companies which had contracts with the Board to terminate the contracts. One particular company had a contract with the Board which included a condition that termination of the arrangement could only occur with twelve months written notice. The company objected to the notice period of one month proposed by the Board and requested information on alternative options available to it. Alternative arrangements were offered. However, the company did not confirm acceptance of these arrangements or its agreement to the reduced notice period and when the Board attempted to recover the commission debt by legal action, the company instituted legal proceedings in respect of breach of the contract conditions. In 1995, following legal advice, An Bord Tráchtála agreed a settlement with the company costing £81,000¹². The associated cost of fees to legal, accounting and other advisers was £111,000. In the course of audit I asked that details of the settlement and the events leading up to it be brought to the attention of An Bord Tráchtála's board and this has been done.

In response to my inquiries the Chief Executive informed me that in 1989 the Board had contractual arrangements with 19 companies under the scheme. After reviewing the scheme, the Board concluded that it was not a core function of the organisation and that it should be withdrawn.

¹² £48,000 in commission owed to the Board under the contractual arrangement was written off as part of the settlement of £81,000.

In regard to alternative arrangements he informed me that the Board established its Group Marketing Scheme under which export commission agents are provided with assistance towards start-up costs for an initial two-year period to develop export sales on a commission basis with client companies in Ireland. One of these agents was appointed to provide assistance to companies exporting to the Middle East, including the client company in question.

The Board has since established procedures under which all material legal actions must be brought to the attention of its members.

CERT Limited

14. Staffing

In 1992 the staff complement of CERT Limited (CERT) was 116 which was made up of an authorised permanent staffing level of 72 and 44 staff employed on a long term contract basis. The Minister for Labour conveyed sanction in October 1992 for 19 additional permanent staff, increasing the authorised permanent staff level to 91. The sanction also stated that the Minister for Finance had expressed concern that CERT engaged additional staff on a contract basis without authorisation and that such a situation should not recur.

The total staff complement of CERT in 1996 was 113 made up of 108 full time, 2 job sharing and 3 part time staff. 64 of the full time staff were on contracts and the other 44 were permanent employees.

As this was in excess of the level approved I sought the observations of the Chief Executive on

- the reason for the staff complement exceeding the authorised figure
- the steps that have been taken or are being contemplated to regularise the staffing levels at CERT.

The Chief Executive informed me that the unsatisfactory situation with regard to CERT's staffing dated back to 1984, when CERT requested the Department of Labour to sanction an increase in its staffing from the then approved level of 72 permanent posts. When no response was forthcoming, CERT made a formal submission to the Department of Labour and ultimately to the Department of Finance in September 1989 for an increase.

In response to the Government's policy priority to increase the training provision for unemployed adults, CERT established long-term permanent Training Centres in Cork

(1988) and Limerick (1990) and the staff required for these operations were appointed on a long-term contract basis with the knowledge of the parent department.

In January 1990, a tripartite working group, representative of the Departments of Labour, Finance and Transport and Tourism, was established to review CERT's staffing requirements. The group's report was presented to the Minister for Labour in April 1990 and, CERT understands, recommended an increase in staffing.

At a meeting in the Department of Labour in January 1991, CERT was informed that the findings of the inter-departmental review group had not been accepted and that a firm of consultants were being commissioned by the Department of Finance to carry out an independent study of CERT's staffing requirements. At that time CERT was given a commitment that the findings of the study would be implemented in full.

In January 1992 the Council of CERT decided, in the absence of a Departmental decision, to authorise the Chairperson to sign employment contract extensions for the essential additional staff to achieve the training targets as set out in the Operational Programme for Tourism (1989-1993).

A Departmental sanction was finally given in October 1992 for 91 permanent positions, subject to the condition that no additional staff be employed. In effect, CERT's ongoing request for additional staffing resources had been rejected and the commitment to implement the consultant's findings had been set aside.

CERT decided to appeal this outcome and retained the services of consultants to assist it in conducting a further critical review of staffing and training targets, with particular reference to CERT's increased responsibilities under the Operational Programme for Tourism 1994-1999. The resultant report showed that the organisation needed a minimum of 115 permanent posts and an additional 18 contract posts to deliver on the targets of the new Operational Programme for Tourism. The review study was completed and submitted in October 1993.

In early 1993 the Department of Tourism and Trade had become CERT's supervisory department thus increasing its specific remit in the context of Government policy on tourism.

Meanwhile, the unions in CERT continued to express their frustration at the delay in arriving at a final solution and at the perceived inaction in addressing the situation which, at that stage, left the majority of CERT employees engaged on a contract rather than a permanent basis. In August 1995, CERT adopted a Strategic Plan for the period 1995-1999, based on a staffing need of 115.

In January 1996, CERT presented a paper to the Department of Tourism and Trade setting out the application of the existing 115 staff to CERT's Strategic Plan and the potential consequences of reducing the staffing level to 91. Quite apart from

reductions necessary in the level of training, recruitment and placement, projected reduction in the level of resources would, in certain instances, adversely affect CERT's capacity to earn its own income and reduce the drawdown of eligible EU funding. At a further meeting with the Department in May 1996 it became clear that a maximum of only 91 permanent staff was permissible.

CERT has, accordingly, decided to institute a fundamental renewal programme addressing all the organisational and structural consequences including staffing matters. One of the primary aims of the renewal programme is the resolution of all staffing resource matters and professional assistance has been retained for the purpose. The approach to this important exercise will be inclusive and will be done with the involvement of staff and in consultation with the union. The task is expected to be completed by the middle of 1997.

The Chief Executive pointed out that CERT's training remit for tourism had grown since 1984 (as indicated in Table 14.1) and that the demand for training had increased significantly during the period and that CERT had struggled to cope with the increased demands placed upon it by the Government and the Operational Programmes for Tourism.

Table 14.1
CERT Activity Levels

	1984	1995
Total Revenue	£4,117,000	£12,015,000
Full Time Trainees	1,062	2,114
Unemployed Trainees	592	1,627

Arts, Culture and Gaeltacht Sector

National Theatre Society Limited

15. Box Office Sales

In 1995 the Society received £2.49m in financial assistance¹³ from the State and generated box office income of £1.2m. This was a considerable increase on 1994 which recorded box office revenue of £950,000.

The number of seats available in the two theatres run by the Society are as follows

Abbey	628
Peacock	157

The Society achieved an attendance level around 63% in 1995. However, due to discounts, agents' commission and the tendency for the cheaper seats to be sold first the revenue generated represented approximately 50% of potential revenue. The Arts Council has set a target of 60% of potential revenue to be achieved which would involve increasing attendance levels to around 70%. In the period 1984-1995, only 30% of the 79 plays staged have achieved that level.

In response to my enquiries, the Society has informed me that the norm in commercial theatre in Dublin was to budget break-even on 50-55% seat occupancy for an eight week run.

The Society attributes the difficulty in achieving higher box office revenue to a number of factors

- an overcapacity of theatre seats in Dublin in relation to population (with 60,000 seats available per week)
- the exploitation to near exhaustion of the more popular plays on the repertoire
- a demand for novelty or spectacle.

The General Manager has informed me that a tripartite working group comprising representation from the Department of Arts, Culture and the Gaeltacht, the Arts Council and the Society, has recently been established. The group is considering how to determine a formula to be used for arriving at the level of funding appropriate to the National Theatre.

¹³ *The assistance was paid by way of grants from the Arts Council and the Department of Foreign Affairs.*

Marine Sector

Western Regional Fisheries Board

16. Tax Liability

At the end of each of the years 1993, 1994 and 1995 considerable sums of money were owing to the Revenue Commissioners in respect of PAYE and PRSI. The amounts that were payable are set out in Table 16.1.

Table 16.1
Amounts Owing to the Revenue Commissioners

Year ^a	Amount Owing £	Months in Arrears
1993	253,509	13
1994	372,520	16
1995	266,171	11

Note: ^a The figures quoted represent the amounts owing at the end of each year.

By May 1996 the arrears outstanding had been reduced to £200,334. At that point the Board entered into an agreement with the Revenue Commissioners to discharge the arrears together with interest over a 24 month period.

I asked the Manager of the Board why deductions of PAYE and PRSI made by the Board from staff salaries had not been paid promptly each month to the Revenue Commissioners.

The Manager informed me that a combination of administrative difficulties and resource constraints contributed to the non-discharge of the liabilities.

The Board's resources were constrained due to reductions in licence revenue, rates and sales from the Cong Hatchery and Fish Farm.

The Board had been under pressure for a number of years due to problems specific to the Western Region, which had direct financial implications for the Board, and the additional effort needed on the part of management and staff to deal with them strained an already over-loaded administrative system.

In addition, the increasing trend in recent years to rely on contract income, specifically from EU sources put further strain on the Board's cash-flow position. The administrative requirements associated with the processing of proposals, the subsequent application procedures, together with the documentation of claims for reimbursement, caused cash flow difficulties and added to the existing administrative difficulties.

The Manager stated that he was very concerned about the problems these difficulties were causing and raised his concerns on numerous occasions.

One of the solutions was seen to be the computerisation of the accounting system which had been planned as far back as 1990 and which would provide for efficient financial control and compensate, at least in part, for the vastly increased administrative workload in the region. However, the lead-in time towards computerisation had been longer than anticipated, and a major set-back occurred in 1995 when a fault developed in the system which meant that the entire year's work had to scrapped.

Additional administrative support, specifically the appointment of an Assistant Manager, sought for so long, was finally provided in 1994. Because of pressure on the Board to initiate new projects under the Tourism Angling Measure, the new appointee had initially to devote almost all of his time to applications under this measure, in particular the Corrib System Development Project which is the largest project within the measure. The Western Board is the biggest participant in Tourism Angling Measure projects.

While the Board had been through a number of frustrating years, significant progress had been made in 1996 and the problems of the past have been, by and large, resolved by a combination of computerisation, additional staff resources and reorganisation.

The Manager has assured me that the arrangement with the Revenue Commissioners was strictly adhered to and all current deductions are paid promptly.

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