

## **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 2010 for the salaries and expenses of the Office of the Minister for 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 granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

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 at the following annual rates:

Land and Buildings - No depreciation

Furniture and Fittings - 10%

Office Equipment - 20%

Motor Vehicles - 20%

Specialist Equipment - 20%

### 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  
29 March 2011

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 32: Transport for 2010 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 2010.

Chapters 18 and 27 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 stylized flourish at the end.

**JOHN BUCKLEY**  
Comptroller and Auditor General  
29 July 2011

## Vote 32 Department of Transport Appropriation Account 2010

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
Administration	€000	€000	€000	€000
A.1. Salaries, wages and allowances		29,414	29,405	33,679
A.2. Travel and subsistence		1,057	931	888
A.3. Incidental expenses		2,094	1,973	1,920
A.4. Postal and telecommunications		752	510	625
A.5. Office machinery and other office supplies and related services		1,634	1,565	1,863
A.6. Office premises expenses		977	1,078	1,167
A.7. Consultancy services		600	452	713
A.8. Value for money and policy reviews		61	—	19
<b>Other Services</b>				
<b>Roads</b>				
B.1. Road improvement/maintenance				
	<i>Original</i>	1,636,324		
	<i>Supplementary</i>	(864)	1,635,460	1,635,455
		<u>                    </u>		1,962,986
B.2. Road haulage development programme		—	—	73
B.3. Road safety agencies and expenses				
	<i>Original</i>	33,303		
	<i>Supplementary</i>	(1,400)	31,903	29,163
		<u>                    </u>	18,779	15,155
B.4. Vehicle and driver licencing expenses				19,377
B.5. Smarter travel and carbon reduction measures				
	<i>Original</i>	23,000		
	<i>Supplementary</i>	(12,682)	10,318	8,898
		<u>                    </u>		7,003
<b>Public Transport</b>				
C.1. Public service provision payments				
	<i>Original</i>	289,189		
	<i>Supplementary</i>	(331)	288,858	288,852
		<u>                    </u>	614,988	614,341
C.2. Public transport investment programme				673,732
C.3. Public transport agencies and expenses				
	<i>Original</i>	11,660		
	<i>Supplementary</i>	3,196	14,856	13,821
		<u>                    </u>		11,582
<b>Civil Aviation</b>				
D.1. Aircraft accident investigation insurance				
		595	476	447
D.2. Regional airports				
	<i>Original</i>	19,926		
	<i>Supplementary</i>	4,000	23,926	21,193
		<u>                    </u>		22,831

Service			2010	2010	2009
			Estimate provision	Outturn	Outturn
			€000	€000	€000
D.3. Payments to the Irish Aviation in respect of exempt services			2,558	2,809	3,383
D.4. Miscellaneous aviation services			123	76	207
<b>Maritime Transport and Safety</b>					
E.1. Maritime safety and Irish Coast					
	<i>Original</i>	52,058			
	<i>Supplementary</i>	<u>14,193</u>	66,251	65,125	45,239
E.2. Seaports and Shipping <sup>a</sup>			—	—	2,140
<b>Miscellaneous</b>					
F.1. Subscriptions to international organisations			8,337	7,664	7,429
F.2. Miscellaneous services			343	42	211
F.3. Cross border initiatives			—	—	11,513
	<i>Original</i>	10,274			
	<i>Supplementary</i>	<u>(6,111)</u>	4,163	134	—
<b>Gross Expenditure</b>					
	<i>Original</i>	2,758,046			
	<i>Supplementary</i>	<u>1</u>	<b>2,758,047</b>	<b>2,739,118</b>	<b>3,174,757</b>
<b>Deduct</b>					
G. Appropriations-in-aid			<b>446,536</b>	<b>441,977</b>	<b>582,987</b>
<b>Net Expenditure</b>					
	<i>Original</i>	2,311,510			
	<i>Supplementary</i>	<u>1</u>	<b>2,311,511</b>	<b>2,297,141</b>	<b>2,591,770</b>
<b>Surplus to be surrendered</b>			<b>€14,369,986</b>	<b>€2,664,822</b>	

<sup>a</sup> Subhead E.2 Seaports and Shipping is now included in subhead E.1

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2010

	Note	€000	2010 €000	2009 €000
Expenditure on administration			35,914	40,874
Expenditure on services and programmes			2,703,204	3,133,883
<b>Gross expenditure</b>			<u>2,739,118</u>	<u>3,174,757</u>
Deduct				
<b>Appropriations-in-aid</b>			441,977	582,987
<b>Net expenditure</b>			<u>2,297,141</u>	<u>2,591,770</u>
<b>Changes in capital assets</b>				
Purchases cash		(14,358)		
Depreciation		5,366	(8,992)	(1,581)
<b>Changes in assets under development</b>				
Cash payments			(2,507)	(245)
<b>Changes in net current assets</b>				
Decrease in closing accruals		(204)		
Increase in stock		(161)	(365)	(1,914)
<b>Direct expenditure</b>			<u>2,285,277</u>	<u>2,588,030</u>
Net allied services expenditure	1.1		13,460	17,361
Notional rents			978	1,207
<b>Total operating cost</b>			<u><u>2,299,715</u></u>	<u><u>2,606,598</u></u>

#### 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		2010 €000	2009 €000
7	Superannuation and Retired Allowances	7,621	11,329
10	Office of Public Works	5,522	5,737
20	Garda Síochána	206	164
	Central Fund - Ministerial etc. pensions	111	131
		<u>13,460</u>	<u>17,361</u>

## 2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
<b>Capital Assets</b>	2.1	19,543	11,865
<b>Capital Assets under Development</b>	2.2	2,752	1,899
		<b>22,295</b>	<b>13,764</b>
<b>Current Assets</b>			
Bank and Cash	2.3	738	(64)
Stocks	2.4	675	514
Prepayments		443	299
Accrued income		79	131
Other debit balances	2.5	1,476	1,905
<b>Total Current Assets</b>		<b>3,411</b>	<b>2,785</b>
<b>Less Current Liabilities</b>			
Accrued expenses		2,215	2,327
Other credit balances	2.6	1,840	1,492
Net Liability to the Exchequer	2.7	374	349
<b>Total Current Liabilities</b>		<b>4,429</b>	<b>4,168</b>
<b>Net Current Liabilities</b>		<b>(1,018)</b>	<b>(1,383)</b>
<b>Net Assets</b>		<b>21,277</b>	<b>12,381</b>

**2.1 Capital Assets**

	Land and Buildings €000	Office Equipment €000	Furniture and Fittings €000	Motor Vehicles €000	Specialist Equipment €000	Totals €000
<b>Gross assets</b>						
Cost or valuation at 1 January 2010	1,762	14,238	319	5,493	16,627	38,439
Additions	170	3,186	2	1,661	9,339	14,358
Disposals	—	(389)	—	—	—	(389)
Adjustment <sup>1</sup>	—	—	—	(54)	(1,260)	(1,314)
Cost or valuation at 31 December 2010	1,932	17,035	321	7,100	24,706	51,094
<b>Accumulated Depreciation</b>						
Opening balance at 1 January 2010	—	11,113	231	4,563	10,667	26,574
Depreciation for the year	—	3,070	28	337	1,931	5,366
Depreciation on disposals	—	(389)	—	—	—	(389)
Cumulative depreciation at 31 December 2010	—	13,794	259	4,900	12,598	31,551
<b>Net Assets at 31 December 2010</b>	1,932	3,241	62	2,200	12,108	19,543
<b>Net Assets at 31 December 2009</b>	1,762	3,125	88	930	5,960	11,865

<sup>1</sup> In order to correctly reflect the most accurate valuation of assets on the Financial Management System, an adjustment was required to two assets to reconcile with the 2010 opening balances.

**2.2 Capital Assets under Development**

	Information Systems €000
Amounts brought forward at 1 January 2010	1,899
Cash payments for the year	2,507
Write off <sup>1</sup>	(1,654)
Amounts carried forward at 31 December 2010	2,752

<sup>1</sup> This represents expenditure incurred in the period 2005-8 on a change of vehicle ownership project. It is now being written off because the nature of the expenditure related to support and service expenses which should not be capitalised.

<b>2.3 Bank and Cash</b>	<b>2010</b>	<b>2009</b>
at 31 December	€000	€000
PMG balances and cash	960	195
Orders outstanding	(222)	(259)
	<u>738</u>	<u>(64)</u>

<b>2.4 Stocks</b>	<b>2010</b>	<b>2009</b>
at 31 December	€000	€000
Stationery and office supplies	58	40
IT consumables, etc.	19	74
Specialised consumables (Irish Coast Guard)	598	400
	<u>675</u>	<u>514</u>

<b>2.5 Other Debit Balances</b>	<b>2010</b>	<b>2009</b>
at 31 December	€000	€000
Retirement lump sums	985	1,125
OPW	—	334
Other	491	446
	<u>1,476</u>	<u>1,905</u>

<b>2.6 Other Credit Balances</b>	<b>2010</b>	<b>2009</b>
at 31 December	€000	€000
<b>Amounts due to the state</b>		
Income Tax	10	13
Pay Related Social Insurance	(20)	(20)
Professional Services Withholding Tax	62	153
Value Added Tax	125	355
Relevant Contract Tax	113	330
	<u>290</u>	<u>831</u>
Department of Finance	—	64
Pension Charges	497	372
Other	1,053	225
	<u>1,840</u>	<u>1,492</u>

**2.7 Net Liability to the Exchequer**

at 31 December

	<b>2010</b>	<b>2009</b>
	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	14,370	2,665
Exchequer Grant Undrawn	(13,996)	(2,316)
Net liability to the Exchequer	<u>374</u>	<u>349</u>

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

Bank and cash	738	(64)
Debit balances: suspense	1,476	1,905
	<u>2,214</u>	<u>1,841</u>

**Creditors**

Due to State	(290)	(831)
Credit balances: suspense	(1,550)	(661)
	<u>(1,840)</u>	<u>(1,492)</u>

	<u>374</u>	<u>349</u>
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**2.8 Global Commitments**

at 31 December

	<b>2010</b>	<b>2009</b>
	<b>€000</b>	<b>€000</b>
(i) Procurement subheads	639,511	54,987
(ii) Grant subheads	17,177	4,897
Total of legally enforceable commitments	<u>656,688</u>	<u>59,884</u>

**2.9 Matured Liabilities**

The total of matured liabilities at 31 December 2010 was €46K.

### 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.4.	242	Expenditure was less than estimated in 2010 due to the implementation of a project to improve the efficiency of the Department's communications network.
B.3.	2,740	In line with the Memorandum of Understanding between the Department and the RSA, it was agreed that if the fees reached the Capital Reserved amount of €14.7m, the RSA would reduce the monthly exchequer drawdown by the excess amount.
B.4.	3,624	Reductions secured in a number of National Vehicle Driver File technical support contracts in accordance with D/Finance guidelines as well as introduction of efficiencies in this area.
B.5.	1,420	Savings arose principally due to the fact that initiation of some 30 Smarter Travel Demonstration projects took a number of weeks longer than expected; there has also been an unforeseen delay in the announcement of successful applicants under the Smarter Travel Areas Competition.
C.3.	1,035	The RPA variance is mainly due to efficiencies in legal and professional fees, non-payroll staff costs, fixed assets and establishment and maintenance costs.
D.1.	119	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.2.	2,733	The variance is due to a combination of delays in the drawdown of capital expenditure grants and a reduced requirement for operational subvention to the regional airports together with the early withdrawal by Ryanair from the Kerry/Dublin PSO air services contract.
D.3.	(251)	The variance was caused by the under-estimation of global traffic and the amounts paid to the Irish Aviation Authority (IAA) being dependent on traffic levels.
F.1.	673	The variance is due to the amount of subscriptions being determined by the Organisations themselves.
F.2.	301	Expenditure on advertising on Transport 21 was reduced in line with overall Government policy.
F.3.	4,029	Savings relate to funding for the A5 Derry to Aughnacloy roads project which were not drawn down in 2010.

## 4 Receipts

4.1 Appropriations-in-aid	2010	2010	2009
	Estimated	Realised	Realised
	€000	€000	€000
1. Recoupment for seconded staff	450	—	131
2. Road Transport licence fees	1,150	800	604
3. Irish Aviation Authority refund of subscriptions to international organisations	7,560	7,489	7,227
4. Irish Aviation Authority recoupment of rents, etc.	305	533	305
5. Irish Aviation Authority associated costs	2,200	2,361	2,507
6. Recoupment of costs of IAA safety audit	—	—	—
7. Miscellaneous receipts	300	370	262
8. Receipts from Local Government Fund	431,000	426,263	567,519
10. Receipts under the Merchant Shipping and Wireless Telegraphy Act	440	531	694
11. Pension Contribution from the Commission for Taxi Regulation	—	25	687
12. Receipts from pension - related deduction on public service remuneration	3,131	3,605	3,051
<b>Total</b>	<b>446,536</b>	<b>441,977</b>	<b>582,987</b>

### 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	450	In 2010, recoupment of staff costs was credited to A.1 and not to G.1 as in previous years.
2	350	Applications for licences and renewals were less than anticipated.
4	(228)	Since the Authority was established in 1994, it has paid rent for land and properties owned by the Minister and occupied by the Authority. The recoupment is determined by the Authority themselves.
5	(161)	The Department recoups costs incurred by it in areas of work associated with the IAA. This includes costs of salaries, T&S costs etc. in related policy areas such as air navigation policy and air safety policy. The recoupment is determined by the Authority themselves.
12	(474)	The surplus was due to under estimation.

4.2 Extra Exchequer Receipts	2010	2009
	€000	€000
Recoupment of costs incurred by the Irish Coastguard	35	—
Voluntary surrender of pay	—	11
<b>Total</b>	<b>35</b>	<b>11</b>

## 5 Employee Numbers and Pay

	2010	2009
<b>Number of staff at year end</b> (full time equivalents)	496	518
	<b>€000</b>	<b>€000</b>
Pay	26,128	30,177
Higher, special or additional duties allowances	699	726
Other allowances	743	811
Overtime	480	466
Employer's PRSI	1,355	1,499
<b>Total pay</b>	<b>29,405</b>	<b>33,679</b>

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment  2010 €	Maximum individual payment  2009 €
Higher, special or additional duties	263	58	54,222	64,990
Other allowances	66	47	15,321	16,288
Overtime	95	14	30,844	30,530

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

### 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 €28,155.

## 6 Miscellaneous Items

Compensation and associated legal and miscellaneous costs totalling €690,229 and ranging from €1,500 to €212,967 were paid in twelve cases taken against the Minister.

