



## **Appropriation Account 2013**

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**Vote 34**

**National Gallery**

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## **Introduction**

As Accounting Officer for Vote 34, 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 2013 for the salaries and expenses of the National Gallery, including grants-in-aid.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €90,358 is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 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.

The unique characteristics of the Gallery collection renders it incapable of meaningful valuation. Therefore no values have been included in this account in respect of the collection.

### **Statement on Internal Financial Control**

#### ***Responsibility for System of Internal Financial Control***

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Gallery.

This responsibility is exercised in the context of the resources available to me and my other obligations as Accounting Officer. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

#### ***Financial Control Environment***

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

**Administrative Controls and Management Reporting**

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Gallery.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Gallery ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. During the year, six contracts with a total value of €270,072 were listed in my annual return in respect of Department of Finance Circular 40/2002. These contracts were awarded on the basis of the experience, knowledge and expertise of the individual contractors. Each of these contracts will be subject to a competitive tendering process in 2014.
- Security procedures for safeguarding the collection are reviewed regularly.

***Internal Audit and Audit Committee***

I confirm that the Gallery has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Gallery is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Séan Rainbird**  
Accounting Officer  
National Gallery

20 February 2014

## **Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas**

### **Vote 34 National Gallery**

I have audited the appropriation account for Vote 34 National Gallery for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

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

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

#### ***Responsibility of the Comptroller and Auditor General***

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

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

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

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

#### ***Scope of audit***

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

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

***Opinion on the appropriation account***

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 34 National Gallery for the year ended 31 December 2013.

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 National Gallery. The appropriation account is in agreement with the books of account.

***Reporting on matters arising from audit***

Chapter 9 of my report on the accounts of the public services for 2013 refers to certain other matters relating to Vote 34.

**Seamus McCarthy**

Comptroller and Auditor General

9 September 2014

## Vote 34 National Gallery

### Appropriation Account 2013

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	National Gallery	7,930	7,843	8,446
<b>Gross expenditure</b>		<b>7,930</b>	<b>7,843</b>	<b>8,446</b>
<i>Deduct</i>				
B	<b>Appropriations-in-aid</b>	<b>253</b>	<b>256</b>	<b>307</b>
<b>Net expenditure</b>		<b>7,677</b>	<b>7,587</b>	<b>8,139</b>

#### Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2013	2012
	€	€
Surplus to be surrendered	90,358	196,295

#### Analysis of administration expenditure

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	4,918	4,836	5,215
ii	Travel and subsistence	32	38	58
iii	Security and incidental expenses	657	597	712
iv	Postal and telecommunications services	108	100	110
v	Office equipment and external IT services	284	230	263
vi	Office premises expenses	694	803	746
vii	Consultancy services and value for money and policy reviews	331	333	322
		<b>7,024</b>	<b>6,937</b>	<b>7,426</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	906	1,020
Pay	4,836	5,215
Non pay	2,101	2,211
<b>Gross expenditure</b>	<b>7,843</b>	<b>8,446</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>256</b>	<b>307</b>
<b>Net expenditure</b>	<b>7,587</b>	<b>8,139</b>
<b>Changes in capital assets</b>		
Purchases cash	(49)	
Depreciation	213	
	164	191
<b>Changes in net current assets</b>		
Decrease in closing accruals	(105)	
Increase in stock	(1)	
	(106)	38
<b>Direct expenditure</b>	<b>7,645</b>	<b>8,368</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	952	966
<b>Net programme cost</b>	<b>8,597</b>	<b>9,334</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 34 borne elsewhere.

	2013	2012
	€000	€000
Vote 12 Superannuation and Retired Allowances	283	277
Vote 13 Office of Public Works	669	689
	952	966

Notional rent is not recorded in respect of Gallery buildings which are in State ownership and maintained by OPW.

## 2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
<b>Capital assets</b>	2.2	518	683
<b>Current assets</b>			
Bank and cash		4,183	3,330
Stocks	2.3	6	5
Prepayments		90	108
Other debit balances	2.4	30	25
Net Exchequer funding due	2.6	823	863
<b>Total current assets</b>		<b>5,132</b>	<b>4,331</b>
<b>Less current liabilities</b>			
Accrued expenses		126	250
Other credit balances	2.5	5,036	4,218
<b>Total current liabilities</b>		<b>5,162</b>	<b>4,468</b>
<b>Net current assets</b>		<b>(30)</b>	<b>(137)</b>
<b>Net assets</b>		<b>488</b>	<b>546</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>488</b>	<b>546</b>

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		546	775
Disbursements from the Vote			
Estimate provision	Account	7,677	
Surplus to be surrendered	Account	(90)	
Net vote		7,587	8,139
Expenditure (cash) borne elsewhere	1	952	966
Net programme cost	1	(8,597)	(9,334)
<b>Balance at 31 December</b>		<b>488</b>	<b>546</b>

**2.2 Capital Assets**

	Office equipment and motor vehicles	Furniture and fittings	Total
	€000	€000	€000
<b>Gross assets</b>			
Cost or valuation at 1 January 2013	2,553	1,765	4,318
Additions	21	27	48
Cost or valuation at 31 December 2013	2,574	1,792	4,366
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2013	2,392	1,243	3,635
Depreciation for the year	113	100	213
Cumulative depreciation at 31 December 2013	2,505	1,343	3,848
<b>Net assets at 31 December 2013</b>	<b>69</b>	<b>449</b>	<b>518</b>
<b>Net assets at 31 December 2012</b>	<b>161</b>	<b>522</b>	<b>683</b>

**2.3 Stocks**

	2013	2012
at 31 December	€000	€000
Stationery	5	2
Cleaning materials	1	3
	6	5

**2.4 Other Debit Balances**

	2013	2012
at 31 December	€000	€000
Redundancy rebates	—	5
Miscellaneous	30	20
	30	25

<b>2.5 Other Credit Balances</b>	<b>2013</b>	<b>2012</b>
at 31 December	€000	€000

Amounts due to the State		
Grant-in-aid fund for acquisitions, refurbishment and conservation	4,841	4,000
National Gallery Jesuit Fellowship grant- in-aid fund	187	207
Value Added Tax	8	11
	<u>5,036</u>	<u>4,218</u>

<b>2.6 Net Exchequer funding due</b>	<b>2013</b>	<b>2012</b>
at 31 December	€000	€000

Surplus to be surrendered	90	196
Exchequer grant undrawn	(913)	(1,059)
Net Exchequer funding due	<u>(823)</u>	<u>(863)</u>

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

Bank and cash	4,183	3,330
Debit balances: suspense	30	25
	<u>4,213</u>	<u>3,355</u>

**Creditors**

Credit balances: suspense	<u>(5,036)</u>	<u>(4,218)</u>
	<u>(823)</u>	<u>(863)</u>

### 3 Programme Expenditure by Subhead

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>A National Gallery</b>			
A.1 Administration - pay	4,918	4,836	5,215
A.2 Administration - non pay	2,106	2,101	2,211
A.3 Grant-in-aid fund for acquisitions, refurbishment and conservation	905	905	1,000
A.4 National Gallery Jesuit Fellowship (grant-in-aid)	1	1	20
	<u>7,930</u>	<u>7,843</u>	<u>8,446</u>

### 4 Receipts

4.1 Appropriations-in-aid	2013		2012
	Estimated	Realised	Realised
	€000	€000	€000
1. Miscellaneous	1	2	31
2. Receipts from pension-related deductions on public service remuneration	252	254	276
	<u>253</u>	<u>256</u>	<u>307</u>

In addition to the funds voted by the Oireachtas, the National Gallery of Ireland generated funds from a variety of activities including exhibitions, donations, royalties, and retail sales and commission. These additional funds are accounted for in the National Gallery financial statements.

## 5 Employee Numbers and Pay

	<b>2013</b>	<b>2012</b>
<b>Number of staff at year end</b> (full time equivalents)	95	108
	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Pay	4,378	4,693
Higher, special or additional duties allowances	10	12
Other allowances	2	3
Overtime	37	64
Employer's PRSI	409	443
<b>Total Pay</b>	<b>4,836</b>	<b>5,215</b>

Certain individuals received extra remuneration in more than one category.

In addition to the employee numbers and pay figures reported above, the National Gallery of Ireland also employed a further 5 staff (3 in 2012) at the year end from its own resources, at a cost of €143,094 in the year (€75,210 in 2012).

### 5.1 Allowances and Overtime Payments

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2013 €</b>	<b>Maximum individual payment 2012 €</b>
Higher, special or additional duties	4	—	3,489	4,912
Other allowances	31	—	220	304
Overtime	37	1	10,451	11,219

### 5.2 Reinstatement of Staff Members

The final stage of payments due to the six employees reinstated on Contracts of Indefinite Duration in 2012 amounting to €15,000 in compensation payments was paid in 2013. Therefore, the total additional pay-related costs in 2012 and 2013 for these staff amounted to €296,426.

## 6 Miscellaneous

### 6.1 Contingent Liabilities

The Gallery is involved in a number of legal challenges which may give rise to financial liabilities depending on their outcome.

### 6.2 Legal Costs

	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Legal costs paid during the year	125	159
Compensation paid during the year	15	—
	<u>140</u>	<u>159</u>

Legal costs mainly comprised legal advice and representation at various industrial hearings in respect of claims taken by several staff members.

### 6.3 Other Expenditure

Due to Government budget cutbacks the Board of Governors and Guardians approved expenditure on operating costs totaling €298,090 in 2013 (2012: €156,500) from Gallery own resources.

## 7 Miscellaneous Accounts

### 7.1 Grant-in-Aid Fund for Acquisitions, Refurbishment and Conservation

	Purchase and repair of pictures	Refurbishment	Conservation of works of art	Purchase of books and journals	2013	2012
	€000	€000	€000	€000	€000	€000
Balance at 1 January	3,003	940	22	35	4,000	3,106
Grant-in-aid (Subhead A3)	-	858	37	10	905	1,000
Expenditure	-	-	(39)	(25)	(64)	(106)
Balance at 31 December	3,003	1,798	20	20	4,841	4,000

This grant-in-aid has been expanded to provide for expenditure on the refurbishment of the Gallery's historic wings under the Master Development Plan. The Master Development Plan is a major refurbishment project comprising the complete renovation of the Gallery's two oldest wings. Phases 2 and 3 of the project commenced in January 2014 and are expected to be completed in Spring 2016.

### 7.2 Grant-in-Aid Fund for the National Gallery Jesuit Fellowship

	2013	2012
	€000	€000
Balance at 1 January	207	211
Grant-in-aid (Subhead A4)	1	20
Expenditure	(21)	(24)
Balance at 31 December	187	207