

Vote 35: Arts, Sport and Tourism

Introduction

As Accounting Officer for Vote 35, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2009 for the salaries and expenses of the Office of the Minister for Arts, Sport & Tourism, including certain services administered by that Office, and for payment of certain subsidies, grants and grants-in-aid.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2009 out of unspent 2008 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

The Statement of Accounting Policies and Principles and notes 1 to 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 with the exception of the following:

Depreciation

Capital assets are depreciated on a straight line basis over their estimated useful life commencing in the month the asset is placed in service.

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 operated in the Department of Arts, Sport & Tourism. Controls, including an inspection process, are in place to ensure that grants awarded under the Sport Capital Programme are used for the purposes intended. In this respect, a report on the use of grant funding paid out in 2006 found that issues have arisen in relation to how capital funding provided to one particular grantee had been applied. A final report by the Internal Audit Unit will be completed by the end of September, 2010.

CON HAUGH

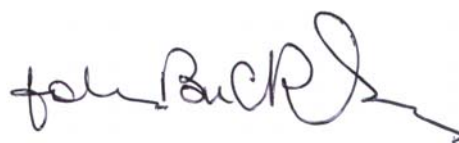
Accounting Officer
Department of Arts, Sport and Tourism
11 June 2010

Certificate of the Comptroller and Auditor General

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

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

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

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

JOHN BUCKLEY
Comptroller and Auditor General
7 September 2010

Vote 35 Department of Arts, Sport and Tourism Appropriation Account 2009

| Service | 2009 Estimate | 2009 Outturn | 2008 Outturn |
|---|------------------|-----------------|-----------------|
| | €000 | €000 | €000 |
| Administration | | | |
| A.1. Salaries, wages and allowances | 10,361 | 10,062 | 10,662 |
| A.2. Travel and subsistence | 316 | 220 | 340 |
| A.3. Incidental expenses | 450 | 178 | 279 |
| A.4. Postal and telecommunications services | 560 | 256 | 420 |
| A.5. Office machinery and other office supplies and related services | 915 | 382 | 443 |
| A.6. Office premises expenses | 609 | 335 | 365 |
| A.7. Consultancy services | 80 | 77 | 224 |
| A.8. Advertising and publicity | 41 | 12 | 64 |
| A.9. Value for money and policy reviews | 10 | 10 | 22 |
| Tourism Services | | | |
| B.1. Fáilte Ireland - (grant-in-aid) | 78,687 | 76,694 | 82,594 |
| B.2. Tourism Ireland Limited - grant for administration and general expenses | 19,400 | 18,970 | 19,954 |
| B.3. Shannon Free Airport Development Company Limited - (tourism development) (grant-in-aid) | 832 | 832 | 865 |
| B.4. Tourism marketing fund (grant-in-aid fund) | 47,250 | 47,250 | 50,000 |
| B.5. Tourism product development (grant-in-aid) | 7,111 | 5,611 | 14,800 |
| Sports and Recreation Services | | | |
| C.1. Grants for sporting bodies and the provision of sports and recreational facilities (part funded by National Lottery) | 56,000 | 58,738 | 60,137 |
| C.2. Grants for provision and renovation of swimming pools | 12,400 | 11,670 | 20,448 |
| C.3. Irish Sports Council (grant-in-aid) (part funded by National Lottery) | 51,689 | 51,677 | 57,182 |
| C.4. National Sports Campus | 4,398 | 6,397 | 6,503 |
| C.5. Lansdowne Road | 1,500 | 1,500 | 115,999 |
| C.6. Horse and Greyhound Racing Fund | 68,128 | 68,128 | 76,286 |
| C.7. Grant to support sport in disadvantaged areas (Dormant Accounts funding) | 1,304 | 1,304 | 874 |

| Service | | 2009 Estimate | 2009 Outturn | 2008 Outturn |
|--|-------------------------------|---------------------|-------------------|-------------------|
| | €000 | €000 | €000 | €000 |
| Arts and Culture | | | | |
| D.1. Payments to match resources generated by the National Archives | | 66 | 52 | 41 |
| D.2. General expenses of the National Archives and National Archives Advisory Council | | 1,821 | 1,813 | 2,153 |
| D.3. General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (grant-in-aid) | | 15,646 | 15,631 | 17,763 |
| D.4. Cultural projects | | 5,320 | 5,317 | 6,974 |
| D.5. Cultural infrastructure | | 19,847 | 17,842 | 32,921 |
| D.6. Culture Ireland | | 4,553 | 4,550 | 4,748 |
| D.7. An Chomhairle Ealaíon (part funded by National Lottery) (grant-in-aid) | | 73,350 | 73,350 | 81,620 |
| D.8. General expenses of the National Museum of Ireland (grant-in-aid) | | 15,415 | 15,415 | 19,017 |
| D.9. General expenses of the National Library of Ireland (grant-in-aid) | | 10,742 | 10,742 | 11,875 |
| D.10. Irish Film Board (grant-in-aid) | | | | |
| | <i>Current year provision</i> | 20,340 | | |
| | <i>Deferred surrender</i> | <u>1,500</u> | | |
| | | 21,840 | 21,840 | 23,189 |
| Gross Expenditure | | | | |
| | <i>Current year provision</i> | 529,141 | | |
| | <i>Deferred surrender</i> | <u>1,500</u> | | |
| | | 530,641 | 526,855 | 718,762 |
| Deduct | | | | |
| E. Appropriations-in-aid | | 5,065 | 4,810 | 1,522 |
| Net Expenditure | | | | |
| | <i>Original</i> | 524,076 | | |
| | <i>Deferred surrender</i> | <u>1,500</u> | | |
| | | 525,576 | 522,045 | 717,240 |
| Surplus for the year | | | €3,531,481 | €3,103,023 |
| Deferred surrender | | | — | €1,500,000 |
| Surplus to be surrendered | | | €3,531,481 | €6,603,023 |

Notes to the Appropriation Account

1 Operating Cost Statement 2009

| | Note | €000 | 2009 €000 | 2008 €000 |
|--|------|-------|----------------|----------------|
| Expenditure on administration | | | 11,532 | 12,819 |
| Expenditure on services and programmes | | | 515,323 | 705,943 |
| Gross expenditure | | | 526,855 | 718,762 |
| Deduct | | | | |
| Appropriations in aid | | | (4,810) | (1,522) |
| Net expenditure | | | 522,045 | 717,240 |
| Changes in capital assets | | | | |
| Purchases Cash | | (683) | | |
| Depreciation | | 597 | | |
| Loss on disposals | | 25 | | |
| | | | (61) | 94 |
| Changes in net current assets | | | | |
| Decrease in closing accruals | | (640) | | (5,048) |
| Decrease in stock | | 10 | | 18 |
| | | | (630) | |
| Direct expenditure | | | 521,354 | 712,304 |
| Net allied services expenditure | 1.1 | | 13,638 | 13,702 |
| Notional rents | | | 6,979 | 6,526 |
| Total operating cost | | | 541,971 | 732,532 |

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 35 borne elsewhere

| Vote | 2009 €000 | 2008 €000 |
|--|---------------|---------------|
| 7. Superannuation and Retired Allowances | 6,400 | 6,620 |
| 10. Office of Public Works | 6,579 | 6,359 |
| 19. Justice, Equality and Law Reform | 388 | 435 |
| 20. Garda Síochána | 171 | 189 |
| Central Fund - Ministerial etc. pensions (No. 38 of 1938, etc) | 100 | 99 |
| | 13,638 | 13,702 |

2 Statement of Assets and Liabilities as at 31 December 2009

| | Note | 2009 €000 | 2008 €000 |
|----------------------------------|------|--------------|--------------|
| Capital assets | 2.1 | 3,187 | 2,733 |
| | | 3,187 | 2,733 |
| Current assets | | | |
| Bank and cash | 2.2 | 1,334 | 2,884 |
| Stocks | 2.3 | 38 | 48 |
| Prepayments | | 79 | 63 |
| Accrued income | | 244 | 52 |
| Other debit balances | 2.4 | 173 | 70 |
| Total current assets | | 1,868 | 3,117 |
| Less current liabilities | | | |
| Accrued expenses | | 239 | 671 |
| Other credit balances | 2.5 | 1,061 | 1,313 |
| Net Liability to the Exchequer | 2.6 | 446 | 1,641 |
| Total Current Liabilities | | 1,746 | 3,625 |
| Net current assets | | 122 | (508) |
| Net assets | | 3,309 | 2,225 |

2.1 Capital assets

| | Office Equipment €000 | Furniture and Fittings €000 | Totals €000 |
|---|-----------------------------|-----------------------------------|----------------|
| Gross assets | | | |
| Cost or valuation at 1 January 2009 | 3,479 | 4,582 | 8,061 |
| Adjustment to 2008 closing figures* | — | 329 | 329 |
| Additions | 245 | 503 | 748 |
| Disposals | (603) | (32) | (635) |
| Cost or valuation at 31 December 2009 | 3,121 | 5,382 | 8,503 |
| Accumulated depreciation | | | |
| Opening balance at 1 January 2009 | 2,505 | 2,823 | 5,328 |
| Adjustment to 2008 closing figures* | — | 1 | 1 |
| Depreciation for the year | 394 | 203 | 597 |
| Depreciation on disposals | (585) | (25) | (610) |
| Cumulative depreciation at 31 December 2009 | 2,314 | 3,002 | 5,316 |
| Net assets at 31 December 2009 | 807 | 2,380 | 3,187 |
| Net assets at 31 December 2008* | 974 | 1,759 | 2,733 |

Note: * The adjustment to the opening balances arise following a review of the Department's asset register.

2.2 Bank and cash

| | 2009 €000 | 2008 €000 |
|-----------------------|--------------|--------------|
| at 31 December | | |
| PMG balances and cash | 1,433 | 3,068 |
| Orders outstanding | (99) | (184) |
| | 1,334 | 2,884 |

2.3 Stocks

| | 2009 €000 | 2008 €000 |
|----------------|--------------|--------------|
| at 31 December | | |
| Stationery | 20 | 28 |
| IT consumables | 18 | 19 |
| Publications | — | 1 |
| | 38 | 48 |

| 2.4 Other debit balances | 2009 | 2008 |
|---|---------------------|---------------------|
| at 31 December | €000 | €000 |
| OPW | — | 21 |
| Other suspense balances | 173 | 49 |
| | <u>173</u> | <u>70</u> |
| | <u><u>173</u></u> | <u><u>70</u></u> |
| 2.5 Other credit balances | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Amounts due to the State | | |
| Income Tax | 177 | 116 |
| Pay Related Social Insurance | 82 | 132 |
| Professional Services Withholding Tax | 21 | 15 |
| Value Added Tax | 45 | 109 |
| Pensions | 10 | 9 |
| | <u>335</u> | <u>381</u> |
| Other Suspense Accounts | 104 | 205 |
| Crowley Bequest Fund | 622 | 727 |
| | <u>1,061</u> | <u>1,313</u> |
| | <u><u>1,061</u></u> | <u><u>1,313</u></u> |
| 2.6 Net liability to the Exchequer | 2009 | 2008 |
| at 31 December | €000 | €000 |
| Surplus to be surrendered | 3,531 | 8,103 |
| Exchequer grant undrawn | (3,085) | (6,462) |
| Net liability to the Exchequer | <u>446</u> | <u>1,641</u> |
| | <u><u>446</u></u> | <u><u>1,641</u></u> |
| Represented by: | | |
| Debtors | | |
| Bank and cash | 1,334 | 2,884 |
| Debit balances: suspense | 173 | 70 |
| | <u>1,507</u> | <u>2,954</u> |
| Creditors | | |
| Due to State | (335) | (381) |
| Credit balances: suspense | (726) | (932) |
| | <u>(1,061)</u> | <u>(1,313)</u> |
| | <u><u>446</u></u> | <u><u>1,641</u></u> |

2.7 Commitments

at 31 December

€000

€000

Global commitments

Commitments likely to materialise in subsequent years for:-

Grants subheads

7,061

1,261

| | Expenditure 2002 - 2008 | Expenditure 2009 | Subsequent years | Total cost |
|--|------------------------------------|-----------------------------|-----------------------------|-------------------|
| Multi-annual capital commitments | | | | |
| Sports & Recreational Facilities Grants | 443,821 | 58,738 | 117,263 | 619,822 |
| Local Authority Swimming Pool Programme | 115,576 | 11,670 | 5,932 | 133,178 |
| ACCESS (cultural development grants) | 48,412 | 12,173 | 29,379 | 89,964 |
| Other Arts Capital projects | 80,368 | 5,122 | 11,761 | 97,251 |
| Lansdowne Road Redevelopment | 184,229 | 1,500 | 4,500 | 190,229 |
| Total of legally enforceable commitments | <u>872,406</u> | <u>89,203</u> | <u>175,896</u> | <u>1,131,705</u> |

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.3. | 272 | The underspend was due to the implementation of a policy to keep such expenditure to a minimum in light of budgetary pressures. In particular there was reduced expenditure on staff training and development. |
| A.4. | 304 | The underspend was due to the implementation of a policy to keep such expenditure to a minimum in light of budgetary pressures and in particular the reduction of telephony service charges negotiated during the year as part of the procurement cycle for such services. |
| A.5. | 533 | The underspend was due to the internalisation of some service contracts and cost reductions associated with an extensive review and re-tendering of other contracts for service provision and support. |
| A.6. | 274 | The underspend was due to the implementation of a policy to keep such expenditure to a minimum in light of budgetary pressures and in particular to reduce expenditure on office service support contracts and building works. |
| B.1. | 1,993 | The saving arose due to the impact of the moratorium on recruitment, the non-replacement of staff on maternity and sick leave, together with the postponement by individual staff of proposed early retirements. |
| B.2. | 430 | The saving arose because in mid - 2009 the Department of Finance and Personnel in Northern Ireland and the Department of Finance agreed a strategy which required all North / South Bodies (including Tourism Ireland) to achieve efficiency savings in 2009 and 2010. The €430,000 saving arose due to the need to achieve this level of reduced spend. The measures introduced to achieve these savings were chosen so as to minimise the reduction in front-line marketing activities. |
| B.5. | 1,500 | The saving arose primarily due to difficulties encountered by promoters in advancing projects (e.g. securing matching funding) in the deteriorating economic circumstances. These difficulties resulted in promoters not being in a position draw to down funding. In addition, the temporary withdrawal of delegated capital sanction by the Department of Finance halted consideration of further funding allocations by Fáilte Ireland. |
| C.1. | (2,738) | Expenditure on this subhead is demand led in respect of capital projects to which grant allocations have been made. The overspend was due to sports capital projects progressing more quickly than was originally anticipated. This overspend was met from savings elsewhere in the Vote. |

| Sub-head | Less/(more) than provided €000 | Explanation |
|----------|-----------------------------------|---|
| C.2. | 730 | The Local Authority Swimming Pool Programme is dependent on Local Authorities progressing with the actual building of the pools with the resultant demand for payment of grants. The spend is profiled in the Department's Estimates in line with the expenditure projections received from the Local Authorities. In 2009 the actual spend was less than that projected due to buildings progressing less quickly than originally expected by the Local Authorities. |
| C.4. | (1,999) | The overspend was primarily due to an additional need for €1.876m to pay specialist design and management team costs for proceeding with, and completing, the planning permission stage in respect of the phase one development of the National Sports Campus. This additional expenditure was met by savings generated elsewhere in the Vote. |
| D.5. | 2,005 | This is a demand led subhead which depends on adequate progress being made with projects funded under the Arts and Culture capital programme so that grant payments can be made. During 2009 insufficient demands for payment were made to draw down the total allocation in the subhead. |

4 Receipts

| 4.1 Appropriations-in-aid | 2009 | 2009 | 2008 |
|---|-------------------|------------------|------------------|
| | Estimated €000 | Realised €000 | Realised €000 |
| 1. National Archives | 66 | 63 | 41 |
| 2. Miscellaneous receipts | 65 | 165 | 332 |
| 3. Dormant Accounts | 1,304 | 1,304 | 875 |
| 4. Tourism Ireland Ltd. pension receipts | 235 | 484 | 274 |
| 5. Receipts from Pension - related Deduction on Public Service Remuneration | | | |
| | 3,395 | 2,794 | — |
| Total | 5,065 | 4,810 | 1,522 |

Explanation of significant variations

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

| Heading | Less/(more) than estimated €000 | Explanation |
|---------|------------------------------------|--|
| 2 | (100) | The surplus is due to the receipt of pension contributions from the Irish Sports Council, that were not included in the estimate |
| 4 | (249) | The variance is explained by a once-off receipt in respect of the State's share of transfer values |
| 5 | 601 | The shortfall is mainly due to the overestimation by the Department of Finance of pension levy receipts |

4.2 Extra receipts payable to the Exchequer

The Department had exchequer extra receipts of €22,442 in respect of the voluntary surrender of pay and €3,485 relating to the proceeds of the sale of miscellaneous excess furniture.

5 Employee Numbers and Pay

| | 2009 | 2008 |
|--|---------------|---------------|
| Average number of staff (full time equivalents) | 159 | 173 |
| | 2009 | 2008 |
| | €000 | €000 |
| Pay | 9,360 | 9,853 |
| Higher, special or additional duties allowances | 58 | 26 |
| Other allowances | 70 | 105 |
| Overtime | 125 | 163 |
| Employer's PRSI | 449 | 515 |
| Total pay | 10,062 | 10,662 |

5.1 Allowances and overtime payments

| | Number of recipients | Recipients of €10,000 or more | Maximum individual payment 2009 | Maximum individual payment 2008 |
|--------------------------------------|----------------------|-------------------------------|---------------------------------|---------------------------------|
| | | | € | € |
| Higher, special or additional duties | 6 | 2 | 18,902 | 6,581 |
| Other allowances | 31 | 2 | 11,488 | 11,249 |
| Overtime | 28 | 3 | 12,782 | 23,882 |

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

5.2 Performance and merit payments

Two awards of €1,000 were made to individual staff under the scheme for recognition of exceptional performance.

6 Miscellaneous Items

6.1 National Lottery funding

Under subheads C.1, C.3 and D.7, total expenditure of €183.765 million was part-funded by the National Lottery. The recipients of the funding, and the amounts paid, are summarised below. A full list is available on the Department's website (www.tcs.gov.ie)

Subheads Part Funded by National Lottery - Payments in the year ended 31 December 2009

| | 2009 | 2008 |
|---|----------------|----------------|
| | €000 | €000 |
| Grants for sporting bodies and the provision of sports and recreational facilities (Subhead C.1.) | 58,738 | 60,137 |
| Irish Sports Council (Grant-in-Aid) (Subhead C.3.) | 51,677 | 57,182 |
| An Comhairle Ealaíon - (Grant-in-Aid) (Subhead D.7.) | 73,350 | 81,620 |
| Total | 183,765 | 198,939 |

6.2 Write-offs

A credit balance of €19,649 in a suspense account that pertained to legacy payments from 2005 and before, was transferred to Appropriations-in-Aid in June 2009.

7 Miscellaneous Accounts

7.1 Payments towards general expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery (Subhead D.3)

| | 2009 | 2008 |
|----------------------------|---------------|---------------|
| €000 | €000 | €000 |
| Payments | | |
| Irish Museum of Modern Art | 7,317 | 8,340 |
| National Concert Hall | 3,478 | 3,918 |
| Chester Beatty Library | 3,083 | 3,488 |
| Crawford Gallery, Cork | 1,753 | 2,017 |
| | <u>15,631</u> | <u>17,763</u> |

7.2 Horse and Greyhound Racing Fund

Account of Receipts and Payments for the year ended 31 December 2009

| | | |
|-----------------------------|-----------------|-----------------|
| Balance on 1 January 2009 | — | — |
| Receipts (Subhead C.6.) | 68,128 | 76,286 |
| Payments | | |
| Horse Racing Ireland | (54,502) | (61,029) |
| Bord na gCon | <u>(13,626)</u> | <u>(15,257)</u> |
| | (68,128) | |
| Balance at 31 December 2009 | <u>—</u> | <u>—</u> |

7.3 The Crowley Bequest Fund

Account of Receipts and Payments for the year ended 31 December 2009

| | | |
|-----------------------------|--------------|-------------|
| Balance on 1 January 2009 | 727 | 757 |
| Payments | <u>(105)</u> | <u>(30)</u> |
| Balance at 31 December 2009 | <u>622</u> | <u>727</u> |