

Appropriation Account 2016

Vote 33

Arts, Heritage, Regional, Rural and Gaeltacht Affairs

Introduction

As Accounting Officer for Vote 33, 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 2016 for the salaries and expenses of the Office of the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, including certain services administered by that Office, and for payment of certain subsidies and grants.

The expenditure outturn is compared with the sums

- a) granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- b) provided for capital supply services in 2016 out of unspent 2015 appropriations, under the deferred surrender arrangement established by section 91 of the Finance Act 2004.

A surplus of €3.12 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and Notes 1 to 7 form part of the account.

Transfer of Functions

The transfer of the Regional Development and Rural Affairs functions from the former Department of Environment, Community and Local Government, came into effect from 9 June 2016. This account has been prepared in accordance with the 2016 Revised Estimate for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, and in line with guidance from Government Accounting on accounting arrangements to apply in respect of expenditure on functions that transfer between departments by transfer of function orders. These arrangements require the full year estimate allocation and outturn for 2016 of the transferred function to be reflected in the appropriation account for Vote 33 Arts, Heritage, Regional, Rural and Gaeltacht Affairs. Accordingly, the 2016 estimate allocations and the 2016 outturns for the Regional Development and Rural Affairs division contained in this account reflect 2016 expenditure for the full year, and therefore includes all expenditure prior to the transfer of functions date.

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

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

Certain historic properties such as national parks, and heritage assets such as artefacts and manuscripts, have not been valued.

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 Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. 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.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between the Department and the Financial Shared Service Centre of the Department of Justice and Equality.

I rely on a letter of assurance from the Accounting Officer for the Justice and Equality Vote and the Accounting Officer for Shared Services that the appropriate controls are exercised in the provision of shared services to my Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

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 and
- 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 Department
- 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 Department 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.

In total, seven supply arrangements were reported under Circular 40/02 in 2016 with a total value of €6,447,128. These are broken down as follows:

- three contracts to a value of €5,138,853 related to contracts where normal tendering procedures were not appropriate as the providers in question were sole suppliers.
- one contract to a value of €77,329 was extended beyond the original contract date to ensure that the full benefit of the extensive working relationships and expertise garnered during the period of the initial contract were available to the Department.
- one contract to a value of €76,976 was extended beyond the original contract date and steps have been taken to ensure that new contracts are put in place in 2017 for these services.
- one contract with a value of €39,725 related to the leveraging of a previously tendered OPW contract.
- the other contract with a value of €1,114,245 relates to interim contracts put in place after the cancellation of a tender process run in conjunction with the OGP with a view to ensuring no disruption in a vital public service during the progression and completion of a re-tender process.

Internal Audit and Audit Committee

I confirm that the Department 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 Department 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.

Katherine Licken

Accounting Officer

Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs

29 March 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 33 Arts, Heritage, Regional, Rural and Gaeltacht Affairs

I have audited the appropriation account for Vote 33 Arts, Heritage, Regional, Rural and Gaeltacht Affairs for the year ended 31 December 2016 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 her control, for the efficiency and economy of administration by her Department 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 33 Arts, Heritage, Regional, Rural and Gaeltacht Affairs for the year ended 31 December 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs. The appropriation account is in agreement with the accounting records.

Non compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2016.

Reporting on matters arising from audit

Chapter 7 of my report on the accounts of the public services for 2016 refers to the dormant account fund. Chapter 15 refers to grant funding of Galway's art house cinema.

Seamus McCarthy
Comptroller and Auditor General

25 September 2017

Vote 33 Arts, Heritage, Regional, Rural and Gaeltacht Affairs

Appropriation Account 2016

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A Arts, Culture and Film			
<i>Current year provision</i>	188,477		
<i>Deferred surrender</i>	<u>6,158</u>	194,635	173,499
B Heritage		44,023	48,049
C Irish language, gaeltacht and islands		51,206	53,346
D North-South co-operation		37,724	41,557
E Regional development and rural affairs		61,219	51,699
Gross expenditure			
<i>Current year provision</i>	382,649		
<i>Deferred surrender</i>	<u>6,158</u>	388,807	368,150
Deduct			
F Appropriations-in-aid		<u>12,609</u>	<u>8,620</u>
Net expenditure			
<i>Current year provision</i>	370,040		
<i>Deferred surrender</i>	<u>6,158</u>	<u>376,198</u>	<u>359,530</u>
		376,198	359,530
			270,149

Surplus for surrender

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2016	2015
	€	€
Surplus	16,667,853	8,895,773
Deferred surrender	(13,548,000)	(6,158,000)
Surplus to be surrendered	<u>3,119,853</u>	<u>2,737,773</u>

Analysis of administration expenditure

		2016	2015
		Estimate	Outturn
		provision	Outturn
		€000	€000
i	Salaries, wages and allowances	32,203	30,076
ii	Travel and subsistence	1,600	1,024
iii	Training and development and incidental expenses	1,103	646
iv	Postal and telecommunications services	703	453
v	Office equipment and external IT services	2,320	1,897
vi	Office premises expenses	846	632
vii	Consultancy services and value for money and policy reviews	107	34
		38,882	36,229
			34,762

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
€000	€000	€000
Programme cost	331,921	242,175
Pay	31,175	30,076
Non pay	5,054	4,686
Gross expenditure	368,150	276,937
<i>Deduct</i>		
Appropriations-in-aid	8,620	6,788
Net expenditure	359,530	270,149
Changes in capital assets		
Purchases cash	(2,853)	
Depreciation	1,418	
Loss on disposals	5	
	(1,430)	(3,135)
Changes in net current assets		
Decrease in closing accruals	(36,986)	
Increase in stock	(29)	
	(37,015)	201
Direct expenditure	321,085	267,215
Expenditure borne elsewhere		
Net allied services expenditure (Note 1.1)	14,980	16,482
Notional rents	733	697
Net programme cost	336,798	284,394

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 33 borne elsewhere.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 30	30
Vote 12 Superannuation and Retired Allowances	e 8,624	8,980
Vote 13 Office of Public Works	e 5,308	6,575
Vote 18 National Shared Service Office	e 100	52
Vote 24 Justice and Equality - Financial Shared Services Centre	e 604	662
Central Fund – Ministerial pensions	e 314	183
	14,980	16,482

"e" indicates that the number is an estimated value or an apportioned cost.

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	56,656	55,166
Current assets			
Bank and cash	2.3	24,668	11,392
Stocks	2.4	327	298
Prepayments		36,837	1,526
Accrued income		29	104
Other debit balances	2.5	1,082	421
Total current assets		62,943	13,741
Less current liabilities			
Accrued expenses		570	2,320
Other credit balances	2.6	5,706	5,265
Net liability to the Exchequer	2.7	20,044	6,548
Total current liabilities		26,320	14,133
Net current assets/ (liabilities)		36,623	(392)
Net assets		93,279	54,774
Represented by:			
State funding account	2.1	93,279	54,774

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		54,774	51,840
Disbursements from the Vote			
Estimate provision	Account	376,198	
Deferred surrender	Account	(13,548)	
Surplus to be surrendered	Account	(3,120)	
Net vote		359,530	270,149
Expenditure (cash) borne elsewhere	1	14,980	16,482
Non- cash expenditure – notional rent	1	733	697
– fixed asset adjustment	2.2	60	
Net programme cost	1	(336,798)	(284,394)
Balance at 31 December		93,279	54,774

2.2 Capital Assets

	Land and buildings	Plant and machinery	Office and IT equipment^a	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Cost or valuation at 1 January 2016	51,794	7,167	9,061	4,120	72,142
Additions	1,641	790	416	6	2,853
Transferred in ^b	—	—	563	60	623
Adjustments	—	(63)	2	50	(11)
Disposals	—	(458)	(14)	(27)	(499)
Cost or valuation at 31 December 2016	53,435	7,436	10,028	4,209	75,108
Accumulated depreciation					
Opening balance at 1 January 2016	749	6,513	7,235	2,479	16,976
Depreciation charge for the year	379	184	747	108	1,418
Depreciation on transfers	—	—	563	34	597
Adjustments	—	(61)	6	10	(45)
Depreciation on disposals	—	(455)	(14)	(25)	(494)
Cumulative depreciation at 31 December 2016	1,128	6,181	8,537	2,606	18,452
Net assets at 31 December 2016	52,307	1,255	1,491	1,603	56,656
Net assets at 31 December 2015	51,045	654	1,826	1,641	55,166

^a The Department of Housing, Planning, Community and Local Government provide an ICT managed service for Heritage Division ICT assets on behalf of the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs. The Department of Housing, Planning, Community and Local Government commenced a process in 2015 to compile an agreed schedule of the assets for use in the event that the terms of the current ICT managed service is altered or ceases in the future and a transfer of assets is required.

^b Assets transferred from the former Department of Environment, Community and Local Government to the Department as a result of a transfer of functions.

2.3 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balances and cash	24,532	11,323
Commercial bank accounts ^a	136	69
	24,668	11,392

^a The commercial bank account balance includes €131,179 in 2016 (2015: €66,591) in respect of a commercial bank account operated by the Department of Justice and Equality – Financial Shared Services.

2.4 Stocks	2016	2015
at 31 December	€000	€000
Building material and small plant	98	66
Fuels and fertilisers	28	27
Stationery	27	20
Equipment consumables	2	8
Janitorial supplies and first aid	25	21
IT consumables	23	48
Miscellaneous	63	56
Livestock	61	52
	<u>327</u>	<u>298</u>

2.5 Other Debit Balances	2016	2015
at 31 December	€000	€000
Environment Fund	618	130
Office of Public Works	427	95
Payroll suspense account (Paypath)	—	48
Other debit suspense items	37	148
	<u>1,082</u>	<u>421</u>

2.6 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State		
Income Tax	612	588
Pay Related Social Insurance	334	303
Professional Services Withholding Tax	207	143
Relevant Contracts Tax	—	13
Value Added Tax	262	133
Pension deductions	11	100
	<u>1,426</u>	<u>1,280</u>
Crowley Bequest Fund (Note 7.2)	377	408
Aran LIFE	247	581
Kerry LIFE	852	941
Raised Bog LIFE project	2,246	1,672
Other	558	383
	<u>5,706</u>	<u>5,265</u>

2.7 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	3,120	2,738
Deferred surrender	13,548	6,158
Exchequer grant undrawn	3,376	(2,348)
Net liability to the Exchequer	<u>20,044</u>	<u>6,548</u>
Represented by:		
Debtors		
Bank and cash	24,668	11,392
Debit balances: suspense	1,082	421
	<u>25,750</u>	<u>11,813</u>
Creditors		
Due to State	(1,426)	(1,280)
Credit balances: suspense	(4,280)	(3,985)
	<u>(5,706)</u>	<u>(5,265)</u>
	<u>20,044</u>	<u>6,548</u>

2.8 Commitments	2016	2015
at 31 December	€000	€000
Leader – Rural Economic Sub Programme ^a	222,573	—
Turf Compensation Scheme	25,209	24,869
Islands	9,619	13,032
Gaeltacht support schemes	4,157	8,589
ACCESS cultural development grants	7,107	5,384
Irish language support schemes	8,819	9,210
Other arts capital projects	2,301	1,617
Decade of Centenaries 1912 – 1922	3,083	10,830
Cork Event Centre	11,000	11,000
Natural heritage (National Parks and Wildlife Service)	2,489	3,119
Other grants and procured services and goods	3,569	3,660
Dormant accounts measures ^a	711	—
Total of legally enforceable commitments	<u>300,637</u>	<u>91,310</u>

^a In line with guidance from Government Accounting on accounting arrangements to apply in respect of expenditure on functions that transfer between departments by transfer of function orders, the prior year-comparative figures for commitments are included in the appropriation account for Vote 34 Housing, Planning, Community and Local Government

Significant Variations

An explanation is provided below where a commitment has increased by more than €500,000 from 2015 to 2016

Subhead	Amount of increase/(Decrease)	Explanation
	€000	
Leader – Rural Economic Sub Programme	222,573	The increase in commitments represents the take on by the Department of the Leader Programme as a result of the transfer of functions in 2016.
Islands	(3,413)	This reduction in the commitments figure reflects ongoing payments to projects to which funds had been committed in prior years.
Gaeltacht support schemes	(4,432)	This reduction in the commitments figure reflects ongoing payments in respect of Gaeltacht Support Schemes to which funds had been committed in prior years.
ACCESS cultural development grants	1,723	This reflects new commitments entered into in 2016. This includes an increase of €1 million in the commitment to Solas Picture Palace Galway, to enable completion of the project and an additional commitment of €0.4 million in respect of Marsh's Library for capital improvements to safeguard and protect the collection.
Other arts capital projects	684	This change reflects the net impact of commitments entered into in 2016, including a commitment of €2 million on a significant project, offset by the removal of one commitment of €1.6 million in 2016 to one project where the terms of the grant offer were not met.
Decade of Centenaries 1912 – 1922	(7,747)	This reduction in the commitments figure reflects payments to projects to which funds had been committed in prior years
Dormant account measures	711	The increase of commitments represents the take on under dormant account measures as a result of the transfer of functions 2016.
2.9 Matured Liabilities	2016	2015
at 31 December	€000	€000
Estimate of matured liabilities not discharged at year end	6	1

3 Programme Expenditure by Subhead

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Arts, Culture and Film			
A.1	Administration – pay	6,098	5,709	5,866
A.2	Administration – non -pay	1,406	1,063	1,030
A.3	Payments to match resources generated by the National Archives	40	40	40
A.4	General expenses of the National Archives and National Archives Advisory Council	1,516	1,274	1,304
A.5	General expenses of the Irish Museum of Modern Art, Chester Beatty Library, National Concert Hall and the Crawford Gallery ^a	10,876	10,876	10,858
A.6	Regional museums, galleries, cultural centres and projects	2,950	2,925	3,143
A.7	Cultural infrastructure and development			
	<i>Original</i>	9,900		
	<i>Deferred surrender</i>	858		
		10,758	15,352	11,475
A.8	Culture Ireland	5,500	5,495	2,500
A.9	An Chomhairle Ealaíon (part funded by National Lottery)	60,120	60,120	58,593
A.10	General expenses of the National Museum of Ireland	12,120	12,120	12,304
A.11	General expenses of the National Library of Ireland	6,944	6,944	7,075
A.12	Irish Film Board	14,471	15,571	14,512
A.13	General expenses of the National Gallery of Ireland	7,636	7,636	7,757
A.14	National City of Culture	—	—	383
A.15	Decade of Centenaries 1912 – 1922			
	<i>Original</i>	43,900		
	<i>Deferred surrender</i>	5,300		
		49,200	28,374	13,405
A.16	Cork Event Centre	5,000	—	1,000
		194,635	173,499	151,245

^a See Note 7.1

Significant variations

Overall, the expenditure in relation to Programme A was €21.14 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration non-pay	343	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored to ensure that costs are minimised.
General expenses of the National Archives of Ireland & National Archives Advisory Council	242	The saving arose as requirements for alternative storage to facilitate the commencement of redevelopment works in the National Archives premises in Bishop Street, Dublin did not arise as anticipated (see explanation under Decade of Centenaries below).
Cultural infrastructure and development	(4,594)	The variation arose primarily due to timing issues on the payment of certain costs relating to the National Gallery of Ireland Master Development Plan project, the acquisition of certain manuscripts by the National Library of Ireland, and an allocation of €1 million to the Irish Arts Center New York. The additional expenditure was approved in accordance with sanction received from the Department of Public Expenditure and Reform.
Irish Film Board	(1,100)	An additional capital allocation of €1.1 million was provided in 2016 to the Irish Film Board to meet demands for support across the Irish Film industry.
Decade of Centenaries 1912 - 1922	20,826	Savings arose due to slower than anticipated progress on a number of projects including the expected expenditure of €8 million on the National Archives redevelopment project as well as the purchase and redevelopment of the national monuments at Moore Street and refurbishment works at the National Concert Hall.
Cork Event Centre	5,000	Owing to possible design changes to provide additional multi-functionality in the centre, the contracting authority was not in a position to progress the project to the point of requiring further capital funding drawdown during the year.

		2016	2015
		Estimate provision	Outturn
		€000	€000
B	Heritage		
B.1	Administration – pay	19,067	19,775
B.2	Administration – non pay	2,734	2,629
B.3	Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)	5,243	4,743
B.4	Built heritage	2,363	2,316
B.5	Natural heritage (National Parks and Wildlife Service)	11,292	13,522
B.6	Irish Heritage Trust	324	324
B.7	Built Heritage Jobs Leverage Scheme	2,000	—
B.8	Peatlands restoration	1,000	520
		44,023	48,049
		44,023	43,829

Significant variations

Overall, the expenditure in relation to Programme B was €4.03 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
€000		
Administration non-pay	1,144	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored to ensure that costs are minimised.
Natural heritage (National Parks and Wildlife Service)	(5,782)	The additional expenditure arose primarily due to costs associated with measures in place to support compliance with the EU habitats directive of €3.4 million, unforeseen capital works relating to flood and other repairs of €1.6 million and the acquisition of lands that became available adjacent to Wicklow National Park at a cost of €0.8 million.
Built Heritage Jobs Leverage Scheme	(102)	An increased allocation of €102,000 was made to meet extra demand in relation to additional projects, across six counties, under the Built Heritage Investment Scheme in 2016. This scheme is for the repair and conservation of structures protected under the Planning and Development Act 2000 (as amended). This scheme supported a significant number (over 300 in 2016) of labour-intensive, small-scale conservation projects.
Peatlands restoration	200	While draft restoration plans for 53 raised bog special areas of conservation (SACs) were completed in 2016, further consultation and survey work was required, leading to a saving on this subhead in 2016. This process commenced on a pilot basis on a number of SACs in 2016.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Irish Language, Gaeltacht and Islands			
C.1	Administration – pay	3,691	2,949	3,286
C.2	Administration – non -pay	1,143	789	613
C.3	Gaeltacht support schemes	7,422	8,292	7,549
C.4	Irish language support schemes (part funded by National Lottery)	3,595	3,594	3,692
C.5	An Coimisinéir Teanga	670	639	669
C.6	Údarás na Gaeltachta - administration	8,823	8,823	8,798
C.7	Údarás na Gaeltachta - current programme expenditure	3,000	3,000	3,000
C.8	Údarás na Gaeltachta - grants for projects and capital expenditure on premises	6,687	9,087	6,687
C.9	Islands	13,275	13,274	6,541
C.10	20 Year Strategy for the Irish Language 2010 – 2030	1,000	999	546
C.11	Decade of Centenaries – Teach an Phiarsaigh	1,900	1,900	1,000
		51,206	53,346	42,381

Significant variations

Overall, the expenditure in relation to Programme C was €2.14 million higher than provided. This was mainly due to the following:

Description	Less/(more) than provided	Explanation
	€000	
Administration non-pay	354	The saving arose from lower than anticipated expenditure in the areas of travel and subsistence, training and IT. Expenditure in these areas is actively monitored across the Vote to ensure that costs are minimised.
Gaeltacht support schemes	(870)	Additional moneys of €0.65 million were provided to Acadamh na hOllscolaíochta Gaeilge in 2016 compared to 2015 to support the Irish language in third level institutions. The additional expenditure was approved in accordance with sanction received from the Department of Public Expenditure and Reform.
Údarás na Gaeltachta - grants for projects and capital expenditure on premises	(2,400)	An additional allocation of €2.4 million was provided to support Údarás na Gaeltachta in sustaining the employment base of predominantly coastal and rural areas and to support growth in that employment base. At the end of 2016, total employment in Údarás client companies stood at 7,963, of which 7,348 are full-time jobs and 615 are part-time jobs.

		2016		2015
		Estimate	Outturn	Outturn
		provision		
	€000	€000	€000	
D	North-South Co-Operation			
D.1	Administration – pay	1,009	1,058	1,149
D.2	Administration – non -pay	715	683	414
D.3	An Foras Teanga	13,201	13,249	13,468
D.4	Waterways Ireland	22,799	26,567	24,451
		37,724	41,557	39,482

Significant variations

Overall, the expenditure in relation to Programme D was €3.833 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Waterways Ireland	(3,768)	Additional funding was allocated to support critical infrastructural works including lock gates (€627,000), jetty refurbishment (€195,000), embankment works (€479,000) and the Royal Canal (€473,000).

		2016		2015
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
E	Regional Development and Rural Affairs			
E.1	Administration – pay	2,338	2,946	—
E.2	Administration – non -pay	681	929	—
E.3	Dormant accounts measures	4,326	432	—
E.4	Western Development Commission	2,488	1,639	—
E.5	National rural development schemes	7,383	24,794	—
E.6	LEADER-Rural Economy Sub Programme	40,000	9,989	—
E.7	Tidy towns competition	1	1	—
E.8	Town and village regeneration	4,000	9,880	—
E.9	Rural broadband, post offices and regional economic development	2	1,089	—
		61,219	51,699	—

Significant variations

Overall, the expenditure in relation to Programme E was €9.52 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration pay	(608)	The Department was subject to a realignment of functions in 2016. Additional staff resources for the Regional Development and Rural Affairs Division were sanctioned by the Department of Public Expenditure and Reform. These were funded through efficiencies across the Vote.
Administration non-pay	(248)	The Department was subject to a realignment of functions in 2016. Additional resources for the Regional Development and Rural Affairs Division were required to facilitate this. These were funded through efficiencies across the Vote.
Dormant accounts measures	3,894	Savings arose due to lower than anticipated expenditure in respect of administration costs, certain capital projects, and some delays arising from the transfer of functions in relation to the social enterprise measure.
Western Development Commission	849	The capital allocation originally proposed for the Western Development Commission was reallocated to measures under the National rural development schemes subhead, E5.
National rural development schemes	(17,411)	During 2016 and as part of the Government's programme to support rural development, a number of schemes were launched including; a €6.1 million phase of the REDZ (Rural Economic Development Zones) initiative; an €8.3 million expansion of the CLÁR scheme; and further funding of €9.7 million for the Rural Recreation Scheme.

Description	Less/ (more) than provided	Explanation
	€000	
LEADER - Rural Economy Sub Programme	30,011	Savings arose due to delays caused by the fact that the operational programme for the Rural Development Programme 2014-2020 was not approved by the European Commission until May 2015. Following the approval, a minimum of 6 months had to be provided to allow potential Leader Local Action Groups (LAGs) to prepare Local Development Strategies. In June 2016, responsibility for this programme transferred to the Department and contracts with LAGs were signed in July 2016. There is a natural lead-in period between signing contracts with LAGs, the development of project applications and the final delivery of approved projects.
Town and village regeneration	(5,880)	Additional funding of €6 million was provided to support the development of rural towns and villages, identified as a key priority for revitalising rural Ireland in the Programme for Partnership Government published in June 2016.
Rural broadband, post offices and regional economic development	(1,087)	Additional funding of €1.09 million was provided to support the roll out of rural broadband, identified as a key priority for revitalising rural Ireland in the Programme for Partnership Government published in June 2016.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. National Archives	40	46	45
2. Miscellaneous receipts	847	1,485	1,573
3. Rents (including receipts from letting of fishing rights etc.)	100	121	148
4. Services and charges at national parks and wildlife sites	440	1,226	1,066
5. Receipts from pension-related deduction on public service remuneration	2,856	3,026	3,942
6. Dormant accounts measures	4,326	432	12
7. LEADER- Rural Economy Sub Programme	4,000	2,284	—
8. HRA salary sacrifice	—	—	2
Total	12,609	8,620	6,788

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%.

Description	(Less)/more than estimated	Explanation
	€000	
Miscellaneous receipts	638	There are a number of components that comprise miscellaneous receipts that are difficult to anticipate including in particular reforms in the UK civil service pension scheme (Hutton Report). In 2016 employee contributions rose from 1.5% to between 3.5% to 7.5% depending on the level of earnings which increased the pension receipts from agencies.
Services and charges at national parks and wildlife sites	786	The variance relates to a higher than anticipated level of receipts in the national parks, reflecting good visitor numbers at these amenities. There are a number of components that comprise services and charges at national parks and wildlife sites that are difficult to anticipate. Projected receipts under this heading will be kept under review.

Description	(Less)/more than estimated €000	Explanation
Receipts from pension-related deduction on public service remuneration	170	The variance relates to higher than anticipated pension related deduction receipts from agencies. Projected receipts under this heading will be kept under review.
Dormant account measures	(3,894)	This shortfall relates to a reduced recoupment from the Dormant Accounts Fund as programme expenditure arising under E.3. (dormant accounts measures) was less than anticipated.
LEADER- Rural Economy Sub Programme	(1,716)	The shortfall was due to the delayed timing of the roll out of the E.6 Rural Economy sub programme.

4.2 Extra Exchequer Receipts

	2016 €000	2015 €000
Balance at 1 January	9	12
Receipts from Gaeltacht loans ^a	4	9
Transferred to Exchequer	(9)	(12)
Balance at 31 December	<u>4</u>	<u>9</u>

^a See Note 7.3

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full-time equivalents)		
Department	608	552
Agencies	1,011	1,008
	<u>1,619</u>	<u>1,560</u>
	2016^a	2015
	€000	€000
Pay	68,652	67,286
Higher, special or additional duties allowance	92	90
Other allowances	1,115	920
Overtime	1,373	1,649
Employer's PRSI	5,944	5,814
Total Pay	<u>77,176</u>	<u>75,759</u>

^a The total pay figure for 2016 includes elements of pay from the following subheads:

A1, A5, A9, A10, A11, A12, A13, B1, B3, C1, C5, C6, D1, D3, D4 E4.

The Exchequer pay figure as disclosed in the Revised Estimates does not represent the totality of pay for the staff numbers disclosed under Note 5. In the case of North/South implementation bodies, expenditure on pay is funded on an agreed pro-rata basis by the sponsoring departments in the two jurisdictions.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment	Maximum individual payment
			2016	2015
			€	€
Higher, special or additional duties	41	1	11,559	12,004
Other allowances	531	17	19,585	20,339
Overtime	513	24	24,234	20,352
Extra remuneration in more than one category.	397	68	28,273	25,706

The details in relation to allowances and overtime payments relating to staff of bodies/ agencies are based solely on returns submitted by those bodies/ agencies.

5.2 Other Remuneration Arrangements

Three retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €5,775. Pension abatement was applied in one case and was not deemed applicable in two cases.

5.3 Payroll Overpayments

Overpayments at the year-end were €16,583 (15 cases) (2015: €11,793, 9 cases). Of this, €10,935 (8 cases) had recovery plans in place at 31 December.

5.4 Severance Payments

Three employees received a total of €79,274 in severance payments in 2016.

6 Miscellaneous

6.1 National Lottery Funding

Sub-head	Description	2016		2015
		Estimate	Outturn	Outturn
		€000	€000	€000
A.9	An Chomhairle Ealaíon (part funded by National Lottery)	60,120	60,120	58,593
B.3	Grant for An Chomhairle Oidhreachta (Heritage Council) (part funded by National Lottery)	5,243	5,243	4,743
C.4	Irish language support schemes (part funded by National Lottery)	3,595	3,594	3,692
		68,958	68,957	67,028

A full list of grantees under subhead C.4 is available on the Department of Culture, Heritage and the Gaeltacht website

http://www.chg.gov.ie/app/uploads/2017/04/national_lottery_funding_2016.pdf

6.2 Legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	2016		2015
				Legal costs awarded €000	Total €000	Total €000
				Claims by		
- employees of the Department	2	2	15	—	17	36
- members of the public	10	54	83	41	178	141
		56	98	41	195	177

6.3 Late Payment Interest

	2016 €000	2015 €000
Total of interest paid	2	3

6.4 Loss of Heritage Assets

The investigation commenced in 2012 by An Garda Síochána in relation to the loss of a number of items held in private storage on behalf of the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs is ongoing. No adjustment has been made to the recorded figures in Note 2.2, pending the completion of the Garda investigation.

6.5 Carryover to 2017

Under section 91 of the Finance Act 2004, €13.548 million in unspent allocation in respect of capital elements for subheads A15 (€8.8 million), A16 (€2.5 million), B8 (€0.2 million), C3 (€0.5 million) and E6 (€1.548 million) was carried forward to 2017.

6.6 EU Funding

The outturn shown in subhead E.6. includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development. Estimates of expenditure and actual outturns were as follows

Sub-head	Description	2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.6	LEADER -Rural Economy Sub Programme	—	613	28,487

6.7 Regional Development and Rural Affairs Expenditure

The table below shows the full year expenditure for all Regional Development and Rural Affairs for 2016 and the comparative figures for 2015 for this programme, which formed part of (then) Vote 34 Environment, Community and Local Government.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration – pay	2,338	2,946	1,885
E.2	Administration – non pay	681	929	404
E.3	Dormant accounts measures	4,326	432	2,166
E.4	Western Development Commission	2,488	1,639	1,283
E.5	National rural development schemes	7,383	24,794	3,945
E.6	LEADER -Rural Economy Sub Programme	40,000	9,989	35,268
E.7	Tidy towns competition	1	1	1
E.8	Town and village regeneration	4,000	9,880	—
E.9	Rural broadband, Post Offices and regional economic development	2	1,089	—
		61,219	51,699	44,952

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 A.5).

	2016	2015
	€000	€000
Payments		
Irish Museum of Modern Art	4,813	4,807
Chester Beatty Library	2,404	2,400
National Concert Hall	2,425	2,400
Crawford Gallery, Cork	1,234	1,251
	<u>10,876</u>	<u>10,858</u>

7.2 The Crowley Bequest Fund

The bequest was accepted by the State in 1997, to be used to undertake a project involving the listing, microfilming and publishing of records of the Chief Secretary's Office for the period 1815–1853. The charge on the fund represents conservation and salary costs associated with this project.

Accounts of receipts and payments for year ended 31 December 2016

	2016	2015
	€000	€000
Balance on 1 January	408	409
Receipts	50	75
Payments	(81)	(76)
Balance at 31 December	<u>377</u>	<u>408</u>

7.3 Statement of Loans for Gaeltacht Housing

Loans issued towards Gaeltacht housing under the Housing (Gaeltacht) Acts 1929 to 2001 and repayments thereof:

	2016	2015
	€000	€000
Opening balance on 1 January	183	189
Annual penal interest accrued	5	4
Interest written off	(1)	(1)
Repayments		
Principal	(3)	
Interest	(1)	(9)
Closing balance on 31 December	<u>183</u>	<u>183</u>

Appendix

State-owned lands and buildings controlled or managed by the Department which do not have valuations

The Department currently manages six National Park locations, namely

- 1 Ballycroy National Park
- 2 The Burren National Park
- 3 Connemara National Park
- 4 Glenveagh National Park
- 5 Killarney National Park
- 6 Wicklow Mountains National Park

In 2013, the Department commenced a long-term project aimed at developing an electronic property information database for land and buildings acquired by the Department. This work continued in 2016.