

Vote 27: Community, Rural and Gaeltacht Affairs

Introduction

As Accounting Officer for Vote 27, 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 Community, Rural and Gaeltacht Affairs, for certain services administered by that Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums 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.

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.

Statement on Internal Financial Control

A statement on internal financial controls in the standard format for the year ended 31 December 2009 has accompanied the submission of this account to the Comptroller and Auditor General. The steps that have been taken, or are planned, to enhance the Department's system of internal financial controls include the following:

1. The Department, through the implementation of the Performance Management Development System, provides access to, and encourages staff to avail of, training in a wide range of programmes, financial and otherwise. In 2009, training in the Department's Financial Management System (FMS) was made available to staff on an individual and group basis, as appropriate. Additionally, managers and other key users were provided with training and support in the use of a management tool to facilitate interrogation of the Department's FMS.
2. Through the IT Steering Committee, chaired at Assistant Secretary level, the Department reviews and oversees the enhancement of its ICT infrastructure and systems. Significant steps taken in 2009 included a programme of replacement of servers and PCs, and the installation of new IT network links between the Department's main offices.
3. The Department's Risk Steering Committee, chaired at Assistant Secretary level, maintained an overview of risk management across the Department - including reporting arrangements on the high-level risks facing the Department, and related mitigation strategies and associated measures. In addition, through the Business Planning process, line managers are required to link risk management to the achievement of objectives.

4. A number of mechanisms are in place to review and evaluate the Department's financial management and control systems on an ongoing basis. These include a Senior Financial Management Group, the Expenditure Committee, Inspection Services, the Gaeltacht Inspectorate and the Internal Audit Unit. In addition, the Department's independent Audit Committee (which has three external members, including the Chairperson) reviews the work of the Internal Audit Unit, with particular reference to the over-arching focus on controls. The Department's Accreditation Review Group also supports EU accreditation and control requirements arising in respect of the EU co-funded rural development programme.

SEOSAMH Ó HAGHMAILL

Accounting Officer
Department of Community, Rural and Gaeltacht Affairs
31 March 2010

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Office of the Minister for Community, Rural and Gaeltacht Affairs 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 Office of the Minister for Community, Rural and Gaeltacht Affairs. 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 period ended 31 December 2009.

Chapter 24 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 long horizontal stroke extending to the right.

JOHN BUCKLEY
Comptroller and Auditor General
7 September 2010

Vote 27 Community, Rural and Gaeltacht Affairs

Appropriation Account 2009

Service	2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	14,723	14,514	14,840
A.2. Travel and subsistence	645	457	873
A.3. Incidental expenses	1,224	644	1,174
A.4. Postal and telecommunications	423	429	487
A.5. Office machinery and other office supplies and related services	1,283	992	1,794
A.6. Office premises expenses	342	291	595
A.7. Consultancy services	209	135	273
A.8. Value for money and policy reviews	108	3	198
Developing Communities			
B.1. Supports for Community and Voluntary Sector (part funded by National Lottery)	15,600	15,836	18,875
B.2. Community Services Programme	50,650	50,394	47,233
B.3. Local and Community Development Programmes (part funded by National Lottery)	74,640	73,393	84,859
B.4. Charities Regulation	200	181	76
B.5. RAPID	7,490	10,406	9,578
B.6. Dormant Accounts - Administration	1,786	1,717	2,000
B.7. Initiatives Tackling Economic and Social Disadvantage (Dormant Accounts funded)	12,950	8,916	8,521
Tackling Drugs Misuse			
C. Drugs Initiative	40,611	39,377	65,207
Rural Development			
D.1. Western Development Commission	2,246	2,158	2,516
D.2. Western Investment Fund	2,300	2,300	3,995
D.3. Rural Recreation and Rural Development Schemes	5,615	5,335	5,241
D.4. Rural Social Scheme	49,401	48,344	33,311
	<i>Original</i> 49,401		
	<i>Supplementary</i> (1,000)	48,401	33,311
D.5. LEADER - Rural Economy Sub-Programme 2007 - 2013	27,000	20,943	1,351
- Rural Social Scheme (Dormant Accounts Funded)	—	—	16,000

Service	2009 Estimate €000	2009 Outturn €000	2008 Outturn €000
D.6. Ceantair Laga Árd-Riachtanais (CLÁR) - LEADER/National Rural Development	16,860 —	13,598 —	24,179 10,518
Gaeltacht and Islands Development			
E.1. Gaeltacht Housing - Grants under the Housing (Gaeltacht) Acts 1929 to 2001	2,950	4,954	5,000
E.2. Gaeltacht Cultural and Social Schemes	8,900	9,900	12,664
E.3. Gaeltacht Community and Recreational Facilities	4,800	4,660	4,867
E.4. Gaeltacht Improvement Schemes	4,200	4,200	6,633
E.5. Islands - Transport and Other Services	5,700	5,664	5,100
E.6. Islands - Infrastructure	23,732	19,732	32,978
E.7. Údarás na Gaeltachta - Administration	11,800	11,800	13,881
E.8. Údarás na Gaeltachta - Current Programme Expenditure	4,185	4,185	4,673
E.9. Údarás na Gaeltachta - Grants for Projects and Capital Expenditure on Premises	19,650	21,650	25,500
E.10. Údarás na Gaeltachta - Election	1	—	—
Promotion and maintenance of the Irish language			
F.1. Payments to Ciste na Gaeilge (part funded by National Lottery)	<i>Original</i> 6,470 <i>Supplementary</i> (299)	6,171	5,837
F.2. An Coimisinéir Teanga	960	831	831
F.3. Advanced Irish language skills initiative	<i>Original</i> 944 <i>Supplementary</i> 1,300	2,244	2,234
North-South Co-Operation			
G.1. An Foras Teanga	16,830	16,216	18,670
G.2. Waterways Ireland	36,500	34,504	38,140
G.3. Programme for Peace and Reconciliation/INTERREG	1,772	1,956	11,201
Gross Expenditure			
	<i>Original</i> 475,700 <i>Supplementary</i> 1	475,701	458,686
Deduct:			
H. Appropriations-in-aid		31,828	18,234
Net Expenditure			
	<i>Original</i> 443,872 <i>Supplementary</i> 1	443,873	440,452
Surplus for the year		€3,420,487	€18,114,898
- Subhead retired in 2009			

Notes to the Appropriation Account

1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			17,465	20,234
Expenditure on services and programmes			441,221	520,187
Gross expenditure			458,686	540,421
Deduct				
Appropriations in aid			18,234	49,941
Net expenditure			440,452	490,480
Changes in capital assets				
Purchases Cash		(342)		
Disposals Cash		1		
Depreciation		977		
Loss on Disposals		23	659	(120)
Changes in assets under development				
Cash payments			(868)	(5,076)
Changes in net current assets				
Decrease in closing accruals		(2,873)		
Increase in stock		(8)		
			(2,881)	(3,901)
Direct expenditure			437,362	481,383
Net allied services expenditure	1.1		6,341	8,398
Notional rents			612	649
Total operating cost			444,315	490,430

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 27 borne elsewhere

Vote		2009 €000	2008 €000
7	Superannuation and Retired Allowances	4,170	3,491
10	Office of Public Works	1,931	4,652
20	Garda Síochána	182	197
	Central Fund - Ministerial etc. pensions	58	58
		6,341	8,398

2 Statement of Assets and Liabilities as at 31 December 2009

	Note	2009 €000	2008 €000
Capital Assets	2.1	1,418	2,067
Capital Assets under Development	2.2	7,830	6,962
		9,248	9,029
Current Assets			
PMG Balance and Cash	2.3	(1,767)	(5,348)
Orders Outstanding	2.3	(78)	(260)
Stocks	2.4	57	49
Loans Outstanding	7.0	276	233
Prepayments		298	384
Accrued income		11,230	8,342
Other debit balances	2.5	2,791	5,790
Total Current Assets		12,807	9,190
Less Current Liabilities			
Accrued expenses		75	137
Other credit balances	2.6	18	11
Net Liability to the Exchequer	2.7	928	171
Total Current Liabilities		1,021	319
Net Current Assets		11,786	8,871
Net Assets		21,034	17,900

2.1 Statement of Capital Assets

	Plant and Machinery €000	Furniture and Fittings €000	Office Equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2009	99	748	6,466	7,313
Transfers	—	—	—	—
Additions	—	22	329	351
Disposals	(58)	(37)	(656)	(751)
Cost or valuation at 31 December 2009	<u>41</u>	<u>733</u>	<u>6,139</u>	<u>6,913</u>
Accumulated Depreciation				
Opening balance at 1 January 2009	62	394	4,790	5,246
Depreciation on transfers	—	—	—	—
Depreciation for the year	4	68	905	977
Depreciation on disposals	(58)	(25)	(645)	(728)
Cumulative depreciation at 31 December 2009	<u>8</u>	<u>437</u>	<u>5,050</u>	<u>5,495</u>
Net Assets at 31 December 2009	<u><u>33</u></u>	<u><u>296</u></u>	<u><u>1,089</u></u>	<u><u>1,418</u></u>
Net Assets at 31 December 2008	<u><u>37</u></u>	<u><u>354</u></u>	<u><u>1,676</u></u>	<u><u>2,067</u></u>

2.2 Statement of Capital Assets under Development

	Development of Projects €000
Amounts brought forward at 1 January 2009	6,962
Cash payments for the year	868
Transferred to asset register	—
Amounts carried forward at 31 December 2009	<u><u>7,830</u></u>

2.3 Bank and Cash

	2009 €000	2008 €000
at 31 December		
PMG balances and cash	(1,767)	(5,348)
Orders outstanding	(78)	(260)
	<u><u>(1,845)</u></u>	<u><u>(5,608)</u></u>

2.4 Stocks	2009	2008
at 31 December	€000	€000
Stationery and miscellaneous items	22	26
IT consumables	35	23
	<u>57</u>	<u>49</u>
	<u><u>57</u></u>	<u><u>49</u></u>
2.5 Other Debit Balances	2009	2008
at 31 December	€000	€000
Advances to Pobal	2,343	5,697
Advances to Drugs Task Forces	178	—
Advances to An Foras Teanga	205	—
Advances to An Coimisinéir Teanga	34	—
Other debit suspense items	31	93
	<u>2,791</u>	<u>5,790</u>
	<u><u>2,791</u></u>	<u><u>5,790</u></u>
2.6 Other Credit Balances	2009	2008
at 31 December	€000	€000
Amounts due to the state		
Due to the State (PAYE, PRSI, Income Levy & VAT)	14	—
Exchequer Extra Receipts	—	11
	<u>14</u>	<u>11</u>
	<u><u>14</u></u>	<u><u>11</u></u>
Payroll deductions held in suspense	4	—
Other credit suspense items	—	—
	<u>4</u>	<u>—</u>
	<u><u>4</u></u>	<u><u>—</u></u>
	<u>18</u>	<u>11</u>
	<u><u>18</u></u>	<u><u>11</u></u>

2.7 Net Liability to the Exchequer	2009	2008
at 31 December	€000	€000
Surplus to be surrendered	3,421	18,115
Exchequer grant undrawn	(2,493)	(17,944)
Net liability to the Exchequer	<u>928</u>	<u>171</u>
Represented by:		
Debtors		
Debit balances: suspense	2,791	5,790
Net PMG position and cash	(1,845)	(5,608)
	<u>946</u>	<u>182</u>
Creditors		
Due to State	(14)	(11)
Credit balances: suspense	(4)	—
	<u>(18)</u>	<u>(11)</u>
	<u>928</u>	<u>171</u>

2.8 Commitments	2009	2008
at 31 December	€000	€000

(A) Global Commitments	241,047	209,123
-------------------------------	---------	---------

The figure for non-capital commitments likely to arise in 2010 and subsequent years is estimated to be €241,046,694.

(B) Multi-annual Capital Commitments

The following table details expenditure in 2009 and commitments to be met in subsequent years on foot of capital projects where legally enforceable contracts were in place at 31 December 2009:

	2009	2008
	€000	€000
Expenditure	89,306	115,336
Commitments to be met in subsequent years	106,165	174,825

(C) Major Capital Projects

Expenditure was incurred on three projects during 2009 where the total estimated cost of each project will exceed €6.5 million. Particulars of the projects are:

Project	Cumulative Expenditure to 31 December 2008 €000	Prior Year Expenditure Adjustment €000	Expenditure in 2009 €000	Subsequent years €000	Total €000	Expenditure in 2008 €000
Cill Ronáin Pier	17,450	—	14,096	9,339	40,885	17,386
Caladh Mór Pier ¹	13,411	380	—	180	13,971	5,684
Inishboffin Coastal Protection	6,658	—	485	1	7,144	922

¹ Following a review of expenditure on Caladh Mór Pier, the total commitment amount has increased by €204,046, within the terms of Department of Finance sanction.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, after any supplementary estimate adjustments, 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.2.	188	Savings arose primarily due to a reduction in rates payable for travel and subsistence effective from March 2009 and from measures taken to reduce the Department's levels of official travel.
A.3.	580	The savings arose mainly from the continuation of measures adopted on foot of a Government Decision in July 2008 to achieve Departmental administration savings.
A.8.	105	The savings arose mainly from the continuation of measures adopted on foot of a Government Decision in July 2008 to achieve Departmental administration savings and as a result of changes introduced by the Department of Finance on the procedures for conducting VFM Reviews.
B.5.	(2,916)	A number of liabilities under certain measures - relating mainly to Sports Capital Grants, Playgrounds and Small-Scale Grants for Schools - matured earlier than had been expected.
B.7.	4,034	Savings arose due to a delay in the commencement of certain projects under the Flagship and RAPID Additionality Measures.
D.3.	280	Savings arose during the year as some Rural Recreation projects were either delayed or did not come on stream as planned.
D.5.	6,057	Savings arose due to unanticipated delays in the finalisation of the cohesion process for the Local Action Groups which deliver the Programme. In addition, certain projects of a capital nature required a significant lead-in time.
D.6.	3,262	There was a slower than anticipated drawdown from other Government Departments, local authorities and agencies, which resulted in lower expenditure under CLÁR.
E.1.	(2,004)	While the scheme was suspended in April 2009, the necessity for additional payments arose from the processing of arrears cases.
E.2.	(1,000)	Expenditure was greater than anticipated under some of the demand-led schemes for which it is not possible to estimate the uptake accurately in advance, notably Scéim na bhFoghlaimoirí Gaeilge.
E.6.	4,000	Savings arose due to delays in construction works at Clifden Airstrip on foot of an appeal to An Bord Pleanála and at Cill Rónáin Harbour because of the need for additional blasting works.
E.9.	(2,000)	Extra funding was allocated to meet capital liabilities, primarily on foot of a shortfall in projected income to Údarás na Gaeltachta from sale of assets.
F.1.	334	Savings arose during the year as some projects did not come on stream as early as had been expected.
F.2.	129	Savings arose primarily due to measures taken to reduce administrative costs.
G.2.	1,996	Savings arose due to administrative efficiency measures adopted by Waterways Ireland and from suspension of work on certain capital projects because of high water levels.
G.3.	(184)	A change in the programme period from 7 years to 5 years resulted in the need for increased funding to meet expenditure requirements.

4 Receipts

4.1 Appropriations-in-aid	2009	2009	2008
	Estimated €000	Realised €000	Realised €000
1. Miscellaneous Receipts Pay	289	856	692
2. Miscellaneous Receipts Non-Pay	1,170	56	42
3. Programme for Peace and Reconciliation	3,000	—	5,331
4. Rural Development Schemes	—	—	—
5. LEADER, INTERREG and Peace Programme	—	744	7,990
6. Dormant Accounts - Administration	1,786	1,718	2,000
7. Dormant Accounts - Programme Expenditure	12,950	7,739	9,698
8. Transfer from Dormant Accounts Fund for Rural Social Scheme	—	—	16,000
9. LEADER Rural Economy Sub-Programme 2007 - 2013	11,000	5,401	8,190
10. Receipts from Pension-related Deduction on Public Service Remuneration	1,633	1,720	—
Total	31,828	18,234	49,943

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 adjustments, by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
1	(567)	The variation is due principally to adjustments under the Waterways Ireland Pensions Scheme, as a result of a review of the scheme carried out in 2009.
2	1,114	Anticipated receipts on foot of co-funded health-related schemes did not materialise.
3	3,000	Receipts expected from the Programme's paying authority in Northern Ireland did not materialise.
5	(744)	A payment expected in 2010 from the EU in relation to the LEADER+ programme was received earlier than anticipated.
7	5,211	The shortfall in receipts arose due to a delay in the commencement of certain projects and a timing issue in relation to a drawdown from the Dormant Accounts Fund.
9	5,599	The lower than expected receipts from the EU were due to unanticipated delays in the finalisation of the cohesion process for the Local Action Groups, while significant lead-in times were required for certain projects of a capital nature.

4.2 Extra receipts payable to the Exchequer

	2009 €000	2008 €000
Prior Year Refunded Grants	273	654
Miscellaneous	60	10
	333	664

5 Employee Numbers and Pay

	2009	2008
Number of staff at year end (full time equivalents)	251	275
	2009	2008
	€000	€000
Pay	14,413	14,498
Higher, special or additional duties allowances	233	295
Other allowances	39	94
Overtime	73	142
Employer's PRSI	646	699
Total pay	15,404	15,728

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	48	6	30,920	25,142
Other allowances	21	2	12,804	15,160
Overtime	15	3	14,140	13,631

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

6 Miscellaneous Items

6.1 National Lottery Funding

Under subheads F.1., B.1. and B.3., a total of €38.901 million, which was part funded by the National Lottery, was paid to promoters under certain programmes. The programme areas in question and the amounts paid are summarised below. A full list is available on the Department's website (www.pobail.ie).

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

Subhead	2009	2008
	€000	€000
F.1. Payments to Ciste na Gaeilge	5,837	5,184
B.1. Grants for Community and Voluntary Services	11,220	12,229
B.3. Local and Community Development Programmes	21,844	25,863
	38,901	43,276

6.2 Write-offs

An amount of €22,059 was written-off as ineligible project expenditure under the Peace II Programme. Appropriate sanction was received from the Department of Finance.

6.3 EU Funding

The 2009 outturns for subheads D.5., E.7., E.9. and G.3. include expenditure in respect of activities co-financed from EU funds.

Estimates of expenditure and actual outturns were as follows:

Subhead Description	2009	2009	2008
	Estimate	Outturn	Outturn
	€000	€000	€000
D.5. LEADER - Rural Economy Sub-Programme(2007 - 2013)	27,000	20,943	1,351
- LEADER/National Rural Development Programme 2000 - 2006	—	—	10,518
E.7. Údarás na Gaeltachta - Administration	11,800	11,800	13,881
E.9. Údarás na Gaeltachta - Grants for projects and capital expenditure on premises	19,650	21,650	25,500
G.3. Programme for Peace and Reconciliation/INTERREG	1,772	1,956	11,201
	60,222	56,349	62,451

- Subhead retired in 2009.

6.4 Other

This Account includes a severance payment of €54,952 arising from the incorporation of the functions of the National Drugs Strategy Team into the Office of the Minister for Drugs. This payment was made within the terms of a Department of Finance sanction.

As agreed with the Department of Finance under the Delegated Administrative Budget Scheme, a carry over of €200,000 is included in the Estimate for 2010.

7 Statement of Loans for Gaeltacht Housing

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

	2009	2008
	€000	€000
Opening Balance at 1 January		
	233	252
Prior Year Adjustments ¹	64	8
Annual Penal Interest Accrued	4	—
	<hr/>	<hr/>
Write-off of Loans ²	(6)	(1)
	<hr/>	<hr/>
	295	259
Repayments		
Principal	(12)	(16)
Interest	(6)	(9)
Penal Interest	(1)	
	<hr/>	<hr/>
	(19)	(1)
Closing Balance at 31 December	<hr/>	<hr/>
	276	233

¹ Accrued Penal Interest of €64,000 calculated as at 31/12/2008.

² Relating to loans written-off within the terms of a Department of Finance sanction.