

PUBLIC ACCOUNTS COMMITTEE

19th June, 2014

ADVANCE BRIEFING FOR COMMITTEE MEMBERS

CONSIDERATION OF 2012 ESTIMATES

VOTE 32: Department of Transport, Tourism and Sport

2012 Annual Report of the C&AG and Appropriation Accounts

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1. Overview of the DTTAS Vote

The Gross Expenditure outturn for the Department of Transport, Tourism and Sport for 2012 was €2.050bn, a decrease of under €300m (14%) on 2011 outturn. Appropriations in Aid represented a significant contribution to the Vote at €450m or 22%, which is derived primarily from the Local Government Fund. The net outturn was €1.600bn, down €300m on 2012. This outturn represented an underspend of over €4m (or 0.19%) on the original Estimate allocation.

The Department's Vote is divided between 5 main expenditure programmes and the administrative budget. Almost **84%** of the budget allocation (or €1.73bn in 2012) went towards the Land Transport programme. The main sub-programmes here include roads improvement and maintenance (€1.1bn), public transport investment (€254m) and public service provision payments (€290m).

The next largest programme is the Tourism Services Programme, which accounted for almost **7%** (or €143m in 2012) of the DTTAS vote. This comprises the programme and administrative spend of the two tourism agencies - Fáilte Ireland (€65m) and Tourism Ireland (€16.5m) as well as the Tourism Marketing Fund (€39m) and the Tourism Product Development programme (€20m).

The Sports and Recreation Services programme accounted for almost **4%**, or €80m, of the DTTAS Vote in 2012. The programme supports pay, non-pay and programme costs of the Irish Sports Council and National Sports Campus (€50m), and the grants paid under the Sports Capital programme (€19.8m) and Swimming Pools programme (€7.7m).

The Maritime Transport and Safety programme accounted for **3%**, or €70m, of the DTTAS Vote in 2012. The main sub-programme is the Irish Coast Guard (€55m).

The Civil Aviation programme accounted for **1.3%** (€28m) of the Vote in 2012, primarily relating to the regional airports programme (€13.5m), and a range of costs which relate in particular to our various international obligations in relation to aviation.

The DTTAS administrative budget in 2012 was €34m in 2012, or less than 2% of the gross allocation. Most of this relates to pay (€28.6m).

The Department receives a significant portion of its budget in Appropriations in Aid (€450m in 2012), the largest of which is the Local Government Fund (€418m in 2012).

The final outturn on the Vote for 2012 is set out below, with a breakdown of the administrative budget. The brief also contains explanations on the more significant variances between Estimate and outturn and more detailed descriptions of each subhead showing the respective estimate and outturn for 2012. Separate notes are provided on the two other agenda items for hearing – Management of the Fixed Charge Notice System and RSA Cash Balances.

PROGRAMME EXPENDITURE 2012	Outturn €000
A CIVIL AVIATION	27,923
B LAND TRANSPORT	1,729,201
C MARITIME TRANSPORT	70,618
D SPORTS AND RECREATION SERVICES	79,597
E TOURISM SERVICES	143,144
Gross Total	2,050,483
I (APPROPRIATIONS IN AID)	450,541
Net Total	1,599,942

The Department's Administration costs are broken out by programme and are shown under each programme as the first two Subheads dealing respectively with Administration Pay and Administration Non Pay.

The Administrative Budget provides funds for the general costs and overheads of the Department. Items included are:

- Staff salaries and official travel,
- Travel and Subsistence
- Training and Development
- Postal and communications services,
- Information technology,
- Office expenses,
- General Consultancy services and value for money reviews.

ADMINISTRATION	Outturn €000
(i) SALARIES WAGES AND ALLOWANCES	28,674
(ii) TRAVEL AND SUBSISTANCE	1,068
(iii) TRAINING AND DEVELOPMENT AND INCIDENTAL EXPENSES	1,647
(iv) POSTAL AND TELECOMMUNICATIONS SERVICES	465
(v) OFFICE EQUIPMENT AND EXTERNAL IT SERVICES	1,240
(vi) OFFICE PREMISES EXPENSES	875
(vii) CONSULTANCY SERVICES AND VALUE FOR MONEY AND POLICY REVIEWS	568
Total	34,537

2. **Significant variances within overall Vote in 2012**

The main variance in 2012 arose following the decision of the Government to provide additional PSO funding of €36 million to CIE to deal with serious financial difficulties which arose during the year. This brought the total subvention to CIE for this year to €278 million.

This €36m was addressed in a Supplementary Estimate which reallocated €32m from other programmes within the Department's Vote and provided an additional €4m which equated to the dividend in respect of the Aer Lingus shareholding that had been paid to the Exchequer.

The following is a breakdown of the sources of the €32m reallocated within the Department's Vote.

Land Transport (€18.2m)

- National Transport Authority Administration
- Medical Bureau of Road Safety
- Smarter Travel and Carbon Reduction
- Public Transport Investment Programme

Maritime Transport and Safety (€6.7m)

- Irish Coast Guard
- Grants for Improvements of harbours

Sports and Recreation Services (€6.1m)

- National Sports Campus
- Grants for Sporting Bodies

Tourism Services (€1m)

- Tourism Product Development

3. Expenditure Programmes in 2012 – detailed explanation by subhead

REGIONAL AIRPORTS (SUBHEAD A.3)

Purpose of Subhead

This subhead makes provision for

- (a) capital and non-capital support for regional airports, and
- (b) non-capital support for regional air services.

The primary objectives of the subhead are to facilitate continued safe and viable operations at the regional airports and to maintain and improve air access to the regions in the interests of facilitating balanced regional development.

€000	2012
Estimate provision	16,100
Outturn	13,521

MISCELLANEOUS AVIATION SERVICES (SUBHEAD A.4)-

Purpose of Subhead

To provide for the cost of two aviation insurance policies:-

- To indemnify the Minister and the Irish Aviation Authority (IAA) against the cost of claims by third parties for damages arising from aviation related incidents deemed attributable to negligence on the part of the Minister or the Authority in the exercise of their aviation related functions (These costs are refunded by the IAA – see G.5: Appropriations in Aid) and
- Indemnify the Minister against costs incurred in the investigation of major public transport aircraft accidents.
- To reimburse the Irish Aviation Authority (IAA), as provided for in the Irish Aviation Act 1993, for the cost of aeronautical communication services and air navigation services provided by the Authority to certain specified classes of airspace users (e.g. military aircraft, State aircraft).
- To provide for the subscription to Eurocontrol This particular subscription accounts for about (80%) of the total cost incurred by the Department's membership of four international aviation organisations (see A.4.4. for the other three)
- to provide for subscriptions to three international aviation organisations by the Department – ICAO, ECAC and ABIS.
- To provide for any aviation related consultancies.

€000	2012
Estimate provision	12,513
Outturn	10,500

ROAD IMPROVEMENT & MAINTENANCE (SUBHEAD B.3)

Purpose of Subhead

To provide (i) a block grant to the National Roads Authority (NRA) to fund the construction, improvement and maintenance of national roads; (ii) grants to the local authorities to fund the improvement and maintenance of regional and local roads and (iii) grants to meet the operational payments under PPP contracts. It also includes grants to the NRA for administration and general expenses.

The subhead consists of five subhead items: B.3.1 (Improvement of national roads), B.3.2 (Maintenance of National Roads), B.3.3 (NRA Administration), B.3.4 (PPP Operational Payments) and B.3.5 (Regional and Local Roads Grants).

€000	2012
Estimate provision	1,110,973
Outturn	1,111,973

ROAD SAFETY AGENCIES AND EXPENSES (SUBHEAD B.4)

Purpose of Subhead

This subhead provides funding for the road safety agencies i.e. the Medical Bureau of Road Safety (MBRS) and the Road Safety Authority (RSA).

€000	2012
Estimate provision	18,182
Outturn	18,182

VEHICLE AND DRIVING LICENSING EXPENSES (SUBHEAD B.5)

Purpose of Subhead:

The subhead provides for the maintenance and support of the National Vehicle and Driver File (NVDF) and expenses associated with a range of activities arising from the regulation of motor vehicles and drivers including the collection of motor tax (€1.1 billion) and penalty points. The expenditure is recouped from the Local Government Fund.

€000	2012
Estimate provision	14,750
Outturn	14,191

SMARTER TRAVEL & CARBON REDUCTION (SUBHEAD B.6)-**Purpose of Subhead**

This subhead was first instituted in 2009 to support Smarter Travel Policy measures, principally investment in exemplary cycling and walking infrastructure, Smarter Travel Areas and soft measures to support sustainable transport and travel such as mobility management initiatives and Bike Week.

€000	2012
Estimate provision	13,500
Outturn	12,137

PUBLIC SERVICE PROVISION PAYMENTS (SUBHEAD B.7)**Purpose of Subhead**

To provide for the payment of an annual subvention to CIE in respect of the provision by the transport companies of socially necessary but non-commercial transport services.

This Subhead also provides for the Rural Transport and Green Schools Programmes.

€000	2012
Estimate provision	289,995
Outturn	289,865

PUBLIC TRANSPORT INVESTMENT PROGRAMME (SUBHEAD B.8)

Purpose of Subhead This subhead provides funding for the development of public transport infrastructure and the maintenance and renewal of the heavy rail network. . The subhead is made up of 3 budget lines: Public Transport Projects: This covers three areas (1) Accessibility (2) Regional Cities Programmes for the Regional Cities of Cork, Galway, Limerick & Waterford and (3) Technical Assistance relating to the Department's capital envelope. Public Transport Safety & Development: This funds the Railway Safety Programme and Bus & Rail projects outside the GDA. Public Transport Infrastructure – NTA: This is capital funding provided to the NTA for Luas/Metro, bus and rail in the GDA, Leap Card Scheme, RTPI in the GDA & regional cities, GDA traffic management and sustainable transport measures.	
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€000	2012
Estimate provision	246,703
Outturn	254,231

PUBLIC TRANSPORT AGENCIES AND EXPENSES (SUBHEAD B.9)

Purpose of Subhead This Subhead provides for expenses associated with the following agencies, Railway Safety Commission (RSC), Railway Procurement Agency (RPA) and the National Transport Authority (NTA).	
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€000	2012
Estimate provision	12,577
Outturn	12,577

MISCELLANEOUS LAND TRANSPORT (SUBHEAD B.10)

Purpose of Subhead To provide for the payment of CIE Redundancy Compensation and to provide funding for cross-border capital projects, in the interests of enhancing North/South Co-operation generally - Roads A5 Motorway	
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€000	2012
Estimate provision	3,680
Outturn	3,678

MARITIME ADMINISTRATION AND IRISH COAST GUARD (SUBHEAD C.3)

Purpose of Subhead

The subhead provides for the expenditure of the Irish Coast Guard (IRCG), the Maritime Safety Policy Division (MSPD), the Marine Survey Office (MSO), the Mercantile Marine Office (MMO) and the Marine Radio Affairs Unit (MRAU).

The subhead also provides for the administration of capital grant payments to harbour authorities operating under the Harbours Act 1946. Also included are payments of ex-gratia pensions and awards to former Irish Shipping pensioners and employees. It also includes payments to World War II pensioners and small grants to four Organisations.

€000	2012
Estimate provision	57,402
Outturn	55,225

MISCELLANEOUS MARITIME SERVICES (SUBHEAD C.4)

Purpose of Subhead

The purpose of this subhead is to provide for subscriptions to international organisations by the Department in relation to Maritime Organisations such as the International Maritime Organisation (IMO), the International Hydrographic Organisation (IHO) and Paris MoU.

€000	2012
Estimate provision	151
Outturn	84

GRANTS FOR SPORTING BODIES AND THE PROVISION OF SPORTS AND RECREATIONAL FACILITIES (Part Funded by National Lottery) (SUBHEAD D.3)

Purpose of Subhead

This Subhead provides for payments of sports capital grants towards the provision of sports facilities to sports clubs and organisations and to voluntary and community organisations throughout the country. The Subhead is part funded by the proceeds of the National Lottery.

€000	2012
Estimate provision	21,600
Outturn	19,812

GRANTS FOR PROVISION AND RENOVATION OF SWIMMING POOLS (SUBHEAD D.4)

Purpose of Subhead

This Subhead provides funds for grant aiding the provision of new and the refurbishment of local authority swimming pools.

€000	2012
Estimate provision	6,900
Outturn	7,687

IRISH SPORTS COUNCIL/NATIONAL SPORTS CAMPUS (Grant-in-Aid) (Part funded by National Lottery) (SUBHEAD D.5)

Purpose of Subhead

Provides for expenditure on sports programmes, including grants to National Governing Bodies of Sport; Local Sports Partnerships; International Carding Scheme; and support for other sporting bodies and institutions (Institute of Sport, Olympic Council of Ireland, etc.)

It also provides for expenditure on specific Council programmes such as High Performance Strategy; Anti-Doping Programme; Buntús Programme; Women in Sport Initiative; Go for Life; Irish Trails Strategy; Code of Ethics; and Research.

The subhead also provides for administration costs, including staff costs, and other general expenses incurred by it in discharging its statutory role.

€000	2012
Estimate provision	50,193
Outturn	50,193

FÁILTE IRELAND – (Grant-in-Aid) (SUBHEAD E.3)

Purpose of Subhead

The purpose of this Grant-in-aid is to cover the general operating and administration expenses of Fáilte Ireland in promoting and supporting the development of competitive Irish tourism businesses capability to grow overseas visitors to Ireland under the following broad headings:

- Delivering great **Irish tourism experiences** through developing large iconic signature programmes such as the Wild Atlantic Way.
- Promotion of **events based tourism** by growing Business Tourism through increased lead generation capability, investing in Festivals and cultural events, and supporting specific sporting events with high associated overseas bed nights
- Maintaining an appropriate investment in a **Home Holidays Campaign**
- Provision of **business and management supports** for tourism enterprises which support continuous business improvement and education and training of the tourism workforce
- Facilitating **sustainable International sales**
- Supporting the development of a world class **tourism digital presence** among Irish trade
- Provision of **Tourism information** through a variety of mediums, Tourist Information Offices, electronically, and through third parties.
- Pay for Fáilte Ireland staff and pensions for Fáilte Ireland pensioners
- Administrative costs including overheads such as rent, heating, electricity, IT and equipment costs.
- Capital allocation provides for the upkeep of the Tourist office network, other building's maintenance and development and smaller items such as IT equipment.

The allocation under subhead E3 in 2012 included €5 million specifically earmarked to fund set up costs associated with the Gathering Ireland 2013. The allocation was primarily used for marketing the event internationally and domestically, community engagement and initial event funding.

€000	2012
Estimate provision	65,291
Outturn	65,291

**TOURISM IRELAND LIMITED – GRANT FOR ADMINISTRATION AND GENERAL EXPENSES
(SUBHEAD E.4)**

Purpose of Subhead

To provide funding towards Tourism Ireland Ltd's administration and general expenses.

€000	2012
Estimate provision	16,496
Outturn	16,496

**SHANNON FREE AIRPORT DEVELOPMENT COMPANY LIMITED (TOURISM Development)
(GRANT –IN-AID) (SUBHEAD E.5)**

Purpose of Subhead

This subhead provided for the general administration costs of Shannon Development in relation to its tourism activities in the Mid-West Region. The subhead has been discontinued for 2013 and subsequent years.

Shannon Development reported to the Department of Transport, Tourism & Sport insofar as its tourism development function was concerned up to 31st December 2012. It derives its main income from its tourism commercial activities and, in particular, from its industrial property portfolios. Shannon Development had a total of 23 (WTE) staff directly involved in supporting tourism development at 31st December 2012.

€000	2012
Estimate provision	746
Outturn	746

TOURISM MARKETING FUND (GRANT-IN-AID FUND) (SUBHEAD E.6)**Purpose of Subhead**

To provide funding for overseas tourism marketing efforts. The bulk of the funding (€28.445m) forms the State's share of the agreed North/South co-funding of Tourism Ireland's destination marketing of the island of Ireland overseas. As Tourism Ireland is a north/south body it also receives funding from the Northern Ireland exchequer for its core overseas marketing activity (the agreed ratio for marketing activity is 2:1 south/north).

The remainder (€8.8m) is used to support niche, product and regional marketing, which is led by Fáilte Ireland.

€000	2012
Estimate provision	39,354
Outturn	39,354

TOURISM PRODUCT DEVELOPMENT (GRANT-IN-AID FUND) (SUBHEAD E.7)**Purpose of Subhead**

To provide for the support of tourism product development, in the form of capital grants administered by Fáilte Ireland.

€000	2012
Estimate provision	20,200
Outturn	20,200

AinA Receipts 2012

Subhead		2012 Allocation €000	2012 Outturn €000	Variance	2013 Allocation €000
F.1	Recoupment for Seconded Staff	€0	€0	-	€0
F.2	Receipts from Pension Related Deduction on Public Service Remuneration	4,631	4,958	327	4,631
F.3	Irish Aviation Authority (IAA) Refund of Subscriptions to International Organisations	6,865	7,048	183	6,970
F.4	IAA Recoupment of Rents, etc.	415	748	333	415
F.5	IAA Associated Costs	2,391	2,391	-	2,391
F.6	IAA Refund of Subscriptions to Eurocontrol	0	0	-	0
F.7	Road Transport Licence Fees	801	848	47	573
F.8	Receipts from Local Government Fund	419,274	418,475	-799	422,589
F.9	Miscellaneous Land Transport Receipts	14,433	15,152	719	€0
F.10	Receipts under the Merchant Shipping and Wireless Telegraphy Act	480	500	20	400
F.11	Tourism Ireland Pension Receipts	200	183	-17	200
F.12	Irish Sports Council Receipts	58	61	3	58
F.13	Miscellaneous Receipts	260	177	-83	340
TOTAL		449,808	450,541		438,567

4. Management of the Fixed Charge Notice System: Chapter 7 of the C&AG Annual Report 2012

Summary of Chapter 7

The Comptroller & Auditor General had a concern that the controls in place in relation to the operation of the fixed charge notice system might be inadequate, or might not be operated as intended. An examination of the fixed charge notice system was initiated to address the following questions:

- What is the extent to which fixed charge notices are cancelled, or otherwise do not result in enforcement of the penalties associated with detected fixed charge notice offences?
- Are the controls in place in relation to processing of fixed charge notice cases adequate, and are they enforced effectively?
- Is there a material financial loss to the Exchequer as a result of non-enforcement of fixed charge notices?

The examination was confined to the operation of the system within An Garda Síochána.

Recommendation 7.6

The Chapter contains 6 recommendations, all of which relate to the Gardaí. Recommendation 7.6 also relates to the Department of Tourism and Sport. The Review noted the particular difficulties regarding the assigning of penalty points to drivers who had committed road traffic offences while driving company cars.

The report recommended that An Garda Síochána and this Department should review on a regular basis the level of driver licence mismatches between the Garda file and the National Vehicle and Driver File (NVDF) and multiple termination cases to determine whether any individual or system responses should be undertaken. Garda management should also review offences becoming statute barred to determine the responses to be taken.

Department's Response

The Department discussed the matter with the forum of NVDF stakeholders involving An Garda Síochána, the Courts Service and others which considers matters relating to the use and application of NVDF data.

The Department regards the NVDF as the central 'record of fact' since it is the basis for issuance of the driving licence itself. An Garda Síochána are provided with a copy of the NVDF driver extract on a weekly basis to facilitate validation of Irish driver number and licence holder details at the time of payment of the fines associated with the fixed charge notices. Consequently, if this verification process is properly applied, there should not be

any mis-matches arising from the file submitted to the Department for penalty points processing.

Section 103 of the Road Traffic Act 1961, as amended, provides that the registered owner of a vehicle, served with a fixed charge notice, who was not driving the vehicle at the time of the alleged offence shall give the name and address of the driver to the Gardaí within 28 days of the notice. If the owner does not send these details (i) he/she will be prosecuted for the offence or (ii) will be charged with not providing the information. The 2004 Road Traffic Act provides for circumstances where the registered owner of a vehicle is not an individual. Under section 19(1), where the registered owner, who is not an individual, does not provide evidence of who was driving, the owner is deemed to be responsible for the offence. This would mean a company being liable for a fixed charge penalty, though, of course, not penalty points, which can only be imposed on a driver. Section 19(2)(iii) gives the Gardaí or traffic wardens right to inspect and examine 'any documents in the possession of the registered owner relating to the vehicle concerned. Under Section 19(3), an owner who fails to provide access to documents under 19(2)(iii), 'or such information as may be relevant for the purposes of this section or who provides information which is false or misleading' is guilty of an offence with a maximum €3,000 fine.

Section 49 of the 2010 Act repeals section 19 of the 2004 Act, and the provisions, where the owner of the vehicle is a body corporate, are replaced by section 38. Section 38(4) gives the Gardaí (not traffic wardens) power to request relevant information, and makes non-compliance an offence, penalty €5,000 max. These sections of the 2010 Act have not yet been commenced as they are interlinked with Section 44, the 3rd payment option.

Under the Finance Acts, all vehicles in the State, other than those benefitting from an exemption (e.g. temporary importation) must be registered. Since 1993, vehicle registration and the collection of Vehicle Registration Tax occur simultaneously with both events being merged into one operation.

A vehicle must be registered at a National Car Testing Service Centre (NCTS) within 30 days of entry into the State, with the NCTS appointment being made within 7 days of entry into the State. At the NCTS the vehicle technical details are recorded as are the details of the person in whose name the vehicle is to be registered (a previous vehicle registration certificate or EC Certificate of Conformity must be presented at the time of registration). Following payment of the VRT a registration number is issued which must be displayed on the vehicle within 3 working days.

All the vehicle details collected at the time of registration are sent overnight from Revenue to DTTAS and are subsequently legally associated with the National Vehicle and Driver File

(NVDF) records when the vehicle is subsequently road taxed. The penalty for not registering a vehicle or for driving a vehicle that is not registered is confiscation.

Actions since C&AG Report

In March this year, the Criminal Justice Working Group was established on foot of a recommendation in the Garda Inspectorate Report on the Fixed Charge Processing System. The Group is jointly chaired by this Department and the Department of Justice and Equality, and comprises representatives of all relevant Departments and agencies involved in the area of road traffic legislation.

One of the recommendations of the Garda Inspectorate Report states that this Department *“addresses the legislative deficiency noted, where the driver of a commercial company vehicle, a hire agency vehicle or an unregistered vehicle avoids fines and penalty point application. Consideration should be given to legislate to impose heavy penalties on companies who do not nominate the offending driver or those who fail to register their vehicle”*.

The Working Group is discussing appropriate action, including legislative changes, that might be taken to encourage companies to identify drivers of company cars who are alleged to have committed road traffic offences. The Working Group is required to report progress to Government on a regular basis

5. Cash Balances in the RSA: Chapter 14 of the 2012 Annual Report and Appropriation Accounts of the Comptroller and Auditor General (C&AG)

Chapter 14 of the C&AG Report reviewed the control of reserves in the RSA and the performance oversight by the Department, taking into account that the overall principle underlying cash management procedures is that there should be economy in the management of State funds. The Report stated that there should be no automatic issue of the full amount of grant funding provided without ascertaining whether the funds are required to meet the grantee's actual funding requirements.

The Report concluded that, since 2010, the Authority has consistently had receipts in excess of its immediate funding requirements which has led to a build-up of substantial cash balances. The Report recommended that the Department and the Authority should develop key performance indicators and conduct a formal review of actual performance each year against those indicators.

The Department agreed with this recommendation, noting that it would be addressed and taken on board as part of the review of the Authority that was taking place at that time, and which has now being completed.

Exchequer Funding to the RSA

Since inception in 2006, the Authority has been funded through a combination of Exchequer Allocation and non-Exchequer income from demand led services provided to the public. Since 2009, the Authority has continually reduced its dependence on Exchequer Funding through increased efficiency through the reorganisation of staff, outsourcing of labour intensive work, the development of ICT and the centralisation of procurement functions. In addition, the migration of additional statutory functions and services to the RSA such as commercial vehicle testing resulted in an increase in levy income.

Exchequer funding has decreased from an allocation of €40m in 2008 to €3.37m in 2014. The Department expects that the RSA will be entirely self-funded in 2015.

Revenue reserves in the RSA

Since 2010, the RSA has operated a Memorandum of Understanding with the Department which has governed the amount of revenue reserves that it holds. Over this

period the Authority has reduced its Current Exchequer Allocation from €24m in 2010 to the agreed €3.37m for 2014.

As there was no Capital Exchequer Allocation during that same period, the Authority has funded the creation of its Revenue Reserve, mainly through increases in income from the services it provides.

In a Memorandum of Understanding dated 30 January 2012 the Department and the Authority agreed that the Authority's revenue reserves would be maintained at a level not exceeding €16.4m. The Department subsequently agreed to fund improvements in driver testing centres.

In the absence of any capital Exchequer allocation for 2012 and 2013, the Department subsequently agreed to allow the RSA to increase its Revenue Reserves from €16.4 million to €20.2 million at the end of 2012 so as to fund improvements in the Driver Testing Centres at various locations across the country in line with the DKM/Mazars Review of the Driver Testing Estate, as well as investing in ICT solutions to improve customer services and the purchase of additional vehicles. By the end of 2012, the RSA had further reduced its drawdown in order to remain within the agreed reserve limits.

The Authority has a medium-term Capital Investment Plan that will consume its current cash and revenue reserves.

Actions since C&AG Report

Since the publication of the C&AG Report, the Department has completed its review of the RSA. The review examined if an appropriate framework is in place to adequately support the current and future operations and management of the Authority. It also examined its future direction and funding streams. The Review was completed in November 2013 and submitted to the Minister for approval.

The Minister subsequently approved the recommendations put forward and asked the Department to proceed with implementation. The Minister also requested that the new CEO be invited to develop a business case for the next 5 to 10 years. This is currently underway. Provisions will also be included in the next Road Traffic Bill to amend the Road Safety Authority Act, 2006 to ensure that its statutory basis for carrying out all of its functions is sufficiently robust.

The C&AG report noted that the Service Level Agreements between the Department and the RSA provide for an annual review of the Authority's performance but that no formal review was conducted in respect of 2012. The Department considered that its on-going discussion with the Authority fulfilled this requirement. An Annual Performance Review will be carried out at the end of 2014. This was to have been initiated at the end of 2013 in response to the recommendation (14.1) of the C&AG Report but was deferred upon the announcement of the departure of the then CEO.