



**Independent Accountants' quarterly financial review of Galway Cultural Development and Activity Company CLG (the Company) for the three months to the 30<sup>th</sup> June 2019**

We confirm that, in accordance with our letter of engagement dated 11th January 2019 with the Company's Board of Directors and with section 5 (b)(iii) of the Performance Delivery Agreement (PDA) dated 6<sup>th</sup> November 2018 between the Company and the Department of Culture, Heritage and the Gaeltacht (Department), we have carried out a financial review of the accounting records of the Company for the quarter ending 30<sup>th</sup> June 2019.

This report is made solely to the Board of Directors in accordance with the aforementioned letter of engagement.

**Scope of Review**

Our review of the accounting records of the Company for the period under review included recording the various processes in place for each area of expenditure, identifying the main controls in place for each of these processes, reviewing and testing these controls on a sample basis using accepted testing and review techniques.

**Context of Expenditure Categories**

The categories of expenditure in the Company can be broken down into three main types. They are:

1. Project funding
2. Payroll Overheads
3. Non-Payroll Overheads
4. General

1. **Project Funding**

A large number of specified projects and organisations had been pre-selected as part of the original bid process. Additional projects have also been added through a number of different programmes.

In addition, during quarter 2 of 2019, the Company has progressed an increasing number of projects into the next phase of funding. The ongoing assessment of these projects include the vouching by the Company, on a sample basis, of specific spending by those projects in advance of the next stage payment, procedures for which, have been put in place by the Company and are being undertaken in quarter 2 of 2019, and thereafter.

In the area of artistic projects, because of their subjective nature, it is difficult to assess each projects merit, based on a purely financial value for money remit. However, the Company has instituted procedures to ensure that where possible, projects use shared costs and bulk buying procedures under the auspices of the Company. As is evident from the above, the Company has



introduced procedures to ensure that funding of projects is carried out under a regime that ensures strict reporting or actual/budgeted spends by funded organisations.

2. Payroll Overheads

The payroll function is outsourced to a third party provider. All key control accounts are in place and there is full compliance with the Revenue Commissioners in relation to the PAYE/USC/PRSI system. All new hires are carried out with the assistance of a recognised independent recruitment company, who use their experience in the market to ensure that the Company obtains the best talent available and at the most competitive rates of pay.

3. Non-Payroll Overheads

The non-payroll overheads category comprises mainly of establishment, utility, information technology, shared production, advertising, staff subsistence/travel & professional fee costs incurred by the Company in the process of running the overall project. In all aspects of such expenditure, there are internal control procedures in place to ensure efficient and appropriate use of resources.

4. General

In accordance with the PDA with the Department, the Company continues its monitoring and reporting procedures for funded organisations into its overall financial controls, in addition to pre-existing controls.

**Results of Review**

In relation to this review, we confirm it is our view that the Company, given its size, structure and the timing of the PDA with the Department has followed best practice, in transparency, accountability and securing value for money.

We confirm that there is currently a tax clearance certificate issued in the name of the Company by the Revenue Commissioners.

We confirm that the categorisation of expenditure into agreed headings is as per the attached appendix I.

  
**OMB ACCOUNTANTS LIMITED**

**Chartered Accountants &**

**Registered Auditors**

Date: 26-08-2019



## Galway Cultural Development and Activity CLG

### Appendix I (to quarterly financial review)

#### Agreed Categorisation of Expenditure Headings

##### Nominal Ledger Headings

###### 1. Direct Programme Funding

Aerial Sparks-Louise Manifold  
Aistriú  
Clotog  
Community Engagement Initiatives  
Cube Connected Cities  
Culture Night  
Galway Waterways  
Live Feed  
Project Baa Baa  
Small Towns Big Ideas  
Symphonic Waves  
Tulca – AIEP  
Tulca - Long Lat  
UCHG Arts Trust  
Wires Crossed  
Music for Galway  
Film Fleadh  
Mirrored Pavillions  
Fresh Street  
InterAction  
Tobias Hutzler  
Karikola

###### 2. Programme Related Salary Costs

Employers PRSI Creative Team  
Gross Wages Creative Team  
Salaries Recharge  
Staff Expenses

###### 3. Payroll Overheads

Employers PRSI  
Gross Wages  
Recruitment Expenses



#### **4. Programme Related Direct Costs**

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Production Venue Set Up  
Programme Branding  
Programme Photo and Video  
Programme Printing  
Telephone  
Travel  
Production Lighting and Sound

#### **5. Non Payroll Overheads**

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Advertising and Promotion  
Bank and Credit Card Charges  
Depreciation  
IT Costs  
Legal and Audit Fees  
Office Expenses  
Other  
Premises Expenses  
Professional Fees  
Rent and Rates  
Staff Expenses  
Travel Training and Subscriptions  
Volunteer Services