



## Chartered Accountants and Registered Auditors

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### **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 2020**

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 2020.

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

#### **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. Due to the impact of the Covid-19 pandemic, the company has had to re-imagine the programme of events, subject to project approval from the Department of Culture, Heritage and the Gaeltacht (DCHG).

The ongoing assessment of these approved projects, include the vouching by the Company, on a sample basis, of specific spending by those projects in advance of the next stage payment.

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.

During the quarter under review, the Company commenced a programme of redundancies as part of a review of activities coinciding with the re-imagining of the overall programme.

## 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.

### 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, notwithstanding the fact that the Company has had to re-imagine the programme of events and overall organisation of the Company due to the effects of the Covid-19 emergency, 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.

A handwritten signature in blue ink, appearing to be 'OMB', written over a horizontal line.

**OMB ACCOUNTANTS LIMITED**

**Chartered Accountants &**

**Registered Auditors**

Date: 27/08/2020



## Galway Cultural Development and Activity CLG

### Appendix I (to quarterly financial review)

#### Agreed Categorisation of Expenditure Headings

##### **Nominal Ledger Headings**

##### **1. Direct Programme Funding**

Artist's Fees

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

Employers PRSI Creative Team

Gross Wages Creative Team

Salaries Recharge

Staff Expenses

##### **3. Payroll Overheads**

Employers PRSI

Gross Wages

Statutory Redundancy

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

Venue Hire

Event Hosting

Box Office Fees

Box Office Sundries

Waste Disposal

Event Control personnel

Production Manager

Assistant Production Manager

Site Manager

Health & Safety Manager

Staging

Site Crew

Storage

Travel- Programme

Artist Accommodation

Creative Leadership Services

Partnerships External Advice

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

Advertising and Promotion

Tourism Promotion

Advertising – Printing



Advertising – Photography & Video  
Graphic Design Comms  
Milwaukee Irish Festival  
Bank and Credit Card Charges  
Depreciation  
Board Expenses  
Postage & Carriage  
IT Costs  
Mobile Charges  
Communications Software  
Legal and Audit Fees  
Accountancy Fees  
External Advisor Fees  
Office Expenses  
Other  
Premises Expenses  
Professional Fees  
Rent and Rates  
Electricity  
Canteen  
Staff Expenses  
Travel Training and Subscriptions  
Volunteer Services  
Comms and Marketing External Advice  
PR Services  
Equipment Hire  
Office Machine Maintenance  
Repairs and Renewals  
Cleaning  
Monitoring & Evaluation  
Goods Purchased for Resale