Independent Accountants' quarterly financial review of Galway Cultural Development and Activity Company CLG (the Company) for the three months to the 30th September 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 6th 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 30th September 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.

   Similar to quarter 2 of 2019, the Company continues to progress projects to 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.

   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: 13/11/2019

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
Ciotog
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
Macnas
Then & Now
Galway Food Festival
General Digital Programme
Songs on an Open Road
Baidori na Cladaig
Patricia Forde - To the Island
Fun Run
Future Landscapes
Opening Ceremony
From Here On

Elaine Buckholtz of Unsung
Programme Launch

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

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

5. Non Payroll Overheads

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