



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 30th September 2021

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 2021.

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 had also been added through a number of different programmes. Due to the ongoing impact of the Covid-19 pandemic, the company has re-imagined the programme of events, during 2020 which was subject to project approval from the Department of Culture, Heritage and the Gaeltacht (DCHG) and accordingly, adjustments are made as required. Part of this re-imagination includes the extension of events into the third quarter of 2021.

These approved projects are assessed on an ongoing basis. This includes 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 of 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. Notwithstanding the fact that there have been no new hires recently, it remains the policy that any 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.

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', is written over a horizontal line.

OMB ACCOUNTANTS LIMITED

Chartered Accountants &

Registered Auditors

Date: 26/10/2021

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

3. Payroll Overheads

Employers PRSI

Gross Wages

4. Programme Related Direct Costs

Event Infrastructure

Telehandler

Box Office Fees

Waste Disposal

Storage

5. Non Payroll Overheads

Rent

General Rates

Electricity

Travel

Travel- Programme

Computer and Software

Mobile Charges

Legal Fees

Audit Fees

Professional Fees

Volunteer Branding and Services

PR Services

Dissolution

Cleaning

Programme Related Branding



Programme Photography and Video

Graphic Design Comms

Bank Charges

Staff Expenses

Furniture/Fitting Depreciation

Office Equipment Depreciation

Subscriptions

Insurance