

National Gallery of Ireland

Note for the Committee of Public Accounts in relation to Chapter 9 of the report of the Comptroller and Auditor General titled *Accounting for National Gallery of Ireland Expenditure*

This note is prepared in preparation for the attendance of the National Gallery of Ireland at the committee of Public Accounts on 29th January 2015.

Chapter 9 of the 2013 report of the Comptroller and Auditor General deals with the utilisation by the Gallery of its own resources generated from its own activities to enable the Gallery to adequately and efficiently deliver its service to the public.

The Exchequer vote allocation for the Gallery for 2013 was €7.7 million, which represented a cut of 40% since 2008, and posed a serious challenge for the Gallery to maintain public services to an acceptable standard.

In addition to its vote allocation, the Gallery generated €874,000 in 2013 from its retail activities, donations, and benefactions. Under its enabling legislation, the Board of Governors and Guardians is authorised to spend its own resources at its discretion in the Gallery's best interests. Given the level of funding shortfall with which it was faced, the Board of Governors and Guardians decided to approve expenditures from its own resources in order to maintain the standard of public service expected of the National Gallery. In an extremely challenging economic climate, and with most of the galleries closed for refurbishment, the National Gallery has nonetheless sustained a very high level of visitor engagement through public and educational events and activities. Although the refurbishment has made it impossible to exhibit large parts of the collection, a campaign of digitisation and website development over the past several years has enabled the Gallery to make large parts of the collection available online. These offset the effects of the gallery closures, but would not have been possible without significant investment of the Gallery's own resources to make good the growing shortfall in public funding.

It should be noted that the Board of Governors and Guardians did not exceed its authority in making this decision, and the Gallery did not exceed its voted expenditure allocation in 2013 (or in any other year).

The Board acted in the best interests of the Gallery and its visitors by expending monies from own resources in order to maintain public services to an acceptable standard and to continue to provide the best possible public access to the country's national art collection. Details of the level and type of expenditures incurred in 2013, and 2014 and the approved budget for such expenditures for 2015 are set out below:

Cost Details	2013	2014	2015(Bud)
	€'000	€'000	€'000
Staff Salaries	143	163	91
Board Fees and Expenses	26	21	2
Security & Incidental Expenses	71	70	164
Office Equipment, consumables, and IT services	15	19	98
Premises Expenses	38	39	77
Consultancy Fees	-	25	67
150 th Anniversary Events programme (1864-2014)	-	72	-
Conservation	5	-	-
Total	298	409	499

It can be seen from this table that the Gallery has had to continue to utilise own resources in 2014 and expects to do so in 2015 at a still higher level.

In response to this Audit Query, the Department of Public Expenditure and Reform, in consultation with our parent Department, made the decision to implement one of the alternative recommendations put forward by the Comptroller and Auditor General. This involved replacing the Gallery's separate Vote allocation with a Grant sub head within our parent Department's vote, to take effect from 2015 onwards. The changeover has been successfully managed over the 2014 year end with the full cooperation of all parties concerned.

The Gallery recognises the need for proper transparency in accordance with best governance practice. To this end, I set out the level of transparency which applies to the Gallery's activities as follows:

1. the publication by the Gallery of its Annual Report of all its activities, in hard copy and on the Gallery's website,
2. the publication by the Comptroller and Auditor General of the Gallery's audited Appropriation Account for its Voted Expenditure and,
3. the publication by the Gallery of Consolidated Financial Statements as part of its Annual report, which accounts for all activities of the Gallery. From 2013 onwards, the financial statements published will include an Audit Report by the Comptroller & Auditor General.

Following consideration by the Gallery's Board and executive, the final outcome of the Audit Query whereby the Gallery vote has been replaced by a Grant from its parent Department is one under which the Gallery believes it can successfully operate on the understanding that it can continue to retain and utilise its "own" resources (generated from fundraising, sponsorships, retail, donations etc.) in the best interests of the Gallery and its visitors. In the past, the Gallery has used these resources to contribute to the cost of construction of the Gallery's Millennium Wing in 2002, and the major refurbishment (Master Development Plan) currently in progress.

Finally, it is important to note that the Gallery's independence from central government is regarded by the Board of Governors and Guardians as an essential element in maximising its fundraising capability and thereby facilitating the implementation of its strategic development into the future.

Sean Rainbird
Director

22nd January 2015

