

# Briefing Paper to the Oireachtas Committee of Public Accounts regarding the National Transport Authority in advance of its appearance on 10<sup>th</sup> October 2019

## Role of National Transport Authority

The Authority is a statutory non-commercial State body, which operates under the aegis of the Department of Transport, Tourism and Sport.

The Authority was established on foot of the Dublin Transport Authority Act 2008.

It was originally conceived as a transport authority for the Greater Dublin Area under the 2008 Act. However, it was subsequently renamed the National Transport Authority in the Public Transport Regulation Act 2009, which extended the Authority's functions to include the licensing of buses and small public service vehicles nationally.

The Taxi Regulation Act 2013, which consolidated and updated primary legislation in relation to the licensing of small public service vehicles and drivers, also extended the geographic scope of some of the Authority's functions nationally.

The Public Transport Act 2016 further extended the Authority's powers to empower it make bye-laws regulating the use of certain subsidised public bus services by passengers.

The Vehicle Clamping Act 2015, which gives the Authority responsibility for the regulation of clamping activities nationally, came into operation on 1 October 2017.

The Authority also has some specific functions in respect of infrastructure and the integration of transport and land use planning in the Greater Dublin Area, reflecting the particular public transport and traffic management needs of the eastern region comprising 40% of the population of the State and 43% of total State employment by place of residence.

## Statutory functions

In broad terms, the Authority's statutory functions can be summarised as follows:

### National (including the Greater Dublin Area)

- Procure public transport services by means of public transport services contracts;
- Provide integrated ticketing, fares and public transport information;
- Develop an integrated, accessible public transport network;
- Licence public bus passenger services that are not subject to a public transport services contract;
- Manage the Rural Transport Programme;
- Provide bus infrastructure and fleet;

- Provide cycling infrastructure and schemes to promote cycling;
- Develop and implement a single public transport brand;
- Develop and maintain a regulatory framework for the control and operation of small public service vehicles (taxis, hackneys and limousines) and their drivers;
- Regulate vehicle clamping activities in the State;
- Prepare statutory submissions on Regional Planning Guidelines;
- Collect statistical data and information on transport;
- Enforce EU passenger rights in rail, maritime and bus and coach transport;
- Validate EU authorisations and journey forms in relation to bus and coach travel in accordance with EU Regulation No. 1073/2009; and
- Operate as the national conciliation body for electronic toll service providers.

#### Greater Dublin Area alone

- Undertake strategic planning of transport;
- Invest in all public transport infrastructure;
- Secure the effective management of traffic and the effective management of transport demand.

#### Other functions

In addition to its statutory functions the Authority also undertakes a number of functions on behalf of the Department of Transport, Tourism and Sport on a non-statutory basis. The non-statutory functions include:

- Planning and funding of sustainable transport projects in the regional cities of Cork, Galway, Limerick and Waterford;
- Administration of the Smarter Travel Workplaces and Smarter Travel Campus Programmes;
- Management of the Green-Schools Travel Programme;
- Provision of accessibility funding to transport operators and other relevant bodies; and
- Strategic transport planning for the regional cities (Cork, Galway, Limerick and Waterford).

## Governance

### Department of Transport Tourism & Sport

The NTA maintains regular contact with the Department of Transport Tourism & Sport which includes a monthly Monitoring Committee meeting. An Oversight Agreement (OA) and Performance Delivery Agreement (PDA) 2018-2021 has been agreed between the Department and the NTA and is reviewed regularly by both parties.

### Code of Practice for Governance of State Bodies

The NTA adheres fully to the Code of Practice for the Governance of State Bodies and all circulars emanating from the Department of Transport Tourism & Sport and Department of Public Expenditure & Reform.

### Board

The Authority is governed by a Board of twelve members appointed by the Minister for Transport, Tourism and Sport. Three positions on the Board are *ex officio* positions reserved for the Chief Executive and another senior manager of the Authority and the Chief Executive, Dublin City Council.

### Advisory body

The role of the Advisory Committee on Small Public Service Vehicles is to provide advice to the Authority or the Minister for Transport, Tourism and Sport, as appropriate, in relation to issues relevant to small public service vehicles and their drivers.

Members of the Advisory Committee are appointed by the Minister for Transport, Tourism and Sport.

### NTA Statement of Strategy

The NTA published its Statement of Strategy 2018-2022 in 2018 following the participation of the board and NTA staff and consultation with key stakeholders. It outlines the key priorities and objectives the Authority has set out to achieve up to 2022. The Annual Business Plan approved by the board is based on the key objectives of this strategy and sets out key performance indicators for the year.

### Staffing

The Authority was established in 2009 just as the country was experiencing a severe economic downturn. The Employment Control Framework restricted the numbers of permanent staff that the Authority could employ up to recent years. The Authority has maintained a lean staffing structure despite the increase in activity of the Authority by outsourcing functions such as financial services, IT support.

The Authority's Strategic Staffing Plan was updated during 2018 and sanction was subsequently received to recruit for 26 key positions in the organisation. The majority of these new positions have been filled together with back-filling roles vacated by leavers while keeping within the Pay Sanction received in 2018. The Authority continues to work with the Department of Transport, Tourism & Sport on building the appropriate staffing resources for the organisation to deliver its strategic objectives.

## Funding

The funding sources of the Authority include Oireachtas grants, taxi licensing income, bus licensing income, advertising income and fare revenue.

The Authority has been operating with a small deficit or surplus since its establishment. Accordingly the Authority has been utilising the surplus funds transferred from the Commission for Taxi Regulation to cover its deficits each year with the approval of the Department of Transport, Tourism & Sport. The table below which also gives an indication of the flow of monies through the organisation for the last three years.

### National Transport Authority Income & Expenditure Summary

	2018 €'000	2017 €'000	2016 €'000
Total Income	504,912	487,316	498,568
Total Expenditure	(504,318)	(491,207)	(500,639)
<b>Surplus/(Deficit)</b>	<b>594</b>	<b>(3,891)</b>	<b>(2,071)</b>

### Notes

The amounts for the year ended 31 December 2017 are the restated figures.

## Auditing

Following competitive tendering, the Authority appointed the company RSM Northern Ireland (UK) Ltd to undertake the role of internal auditors. In this role the company audits the internal governance and financial controls of the Authority and also audits the payments of capital and operational subsidy grants to third parties. Each year a comprehensive programme of auditing is undertaken and reports are taken directly to the Authority's Audit Committee which is drawn from members of the Board with two additional members external to the Board.

The Leap card scheme is now very well established and a significant proportion of passenger fare revenue is paid through the scheme. Given the importance of the scheme, an independent review of the internal controls of the scheme is carried out annually in accordance with the International Standard on Assurance Engagements (ISAE) No. 3402.

I attach in Appendix 1 a list of the internal audits carried out in 2018 related to internal governance and financial controls of the Authority.

## **Conclusion**

The Authority continually reviews its activities to seek efficiencies. We have taken on many extra functions, over and above those initially conceived for the organisation and have endeavoured to use the most efficient mechanism for delivery of those services.

## Appendix 1

List of the internal audits carried out in 2018 related to internal governance and financial controls of the Authority

<b>List of Internal Audit Reports completed in 2018</b>		
<b>Subject of the Report</b>	<b>Report Author</b>	<b>Date of Publication</b>
Leap Card Scheme ISAE 3402 Report year ended 31 December 2017	KPMG	20 April 2018
Integrated Transport Management System Review	RSM Northern Ireland (UK) Limited	30 May 2018
Taxi Regulation Review	RSM Northern Ireland (UK) Limited	27 July 2018
Internal Capital Expenditure (STMG) 2017 Review	RSM Northern Ireland (UK) Limited	24 August 2018
Staffing Issues, Roles, Responsibilities and Accountabilities Review	RSM Northern Ireland (UK) Limited	7 September 2018
NTA IT Controls Review	RSM Northern Ireland (UK) Limited	27 September 2018
NTA Journey Planner Review	RSM Northern Ireland (UK) Limited	2 October 2018
Bus Shelter Advertising Review	RSM Northern Ireland (UK) Limited	2 October 2018
Contract Management Review	RSM Northern Ireland (UK) Limited	30 November 2018
Junior PSO Funding Payments by NTA to M&A Coaches	RSM Northern Ireland (UK) Limited	30 November 2018
Governance and Risk Management Review	RSM Northern Ireland (UK) Limited	30 January 2019
Finance and Corporate Services review	RSM Northern Ireland (UK) Limited	5 February 2019
Leap Card Scheme ISAE 3402 Report year ended 31 December 2018	KPMG	29 March 2019