



# **COMMISSION FOR TAXI REGULATION**

## **FIRST ANNUAL REPORT** **AND FINANCIAL STATEMENT**

**September 2004 to December 2004**

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## **MISSION**

**To achieve a first class, professional, efficient, safe and accessible, customer-friendly service, for small public service vehicle passengers and service providers.**

## **BACKGROUND**

The Commission for Taxi Regulation (“Commission”) was established by the Minister for Transport, Mr Seamus Brennan on 1<sup>st</sup> September 2004 by the *Taxi Regulation Act 2003 (Part 2) (Establishment Day) Order 2004 (S.I. No. 523 of 2004)*. The Minister also appointed Mr Ger Deering as the sole member of the Commission on 1<sup>st</sup> September 2004.

Under section 9 of the Taxi Regulation Act 2003, the principal function of the Commission is *the development and maintenance of a national, regulatory framework for the control and operation of small public service vehicles (SPSVs) and their drivers* (SPSVs include taxis, hackneys and limousines).

For the four months under review in this report, the Commission operated from an office provided by the Department of Transport. The Commission’s expenditure during the period was met by the Department of Transport’s grant income. In some cases, the Department of Transport directly funded the Commission’s expenditure. The Commission did not employ any staff during the period. Some part-time clerical assistance was sourced from an employment agency.

Section 29 of the Taxi Regulation Act 2003 sets out the Commission’s obligations in relation to the submission of its accounts and reports to the Minister for Transport. It requires the Commission, within three months of the end of each financial year (31<sup>st</sup> December 2004 in this case), to submit accounts to the Comptroller and Auditor General for audit and, within 42 days of the accounts being audited by the Comptroller and Auditor General (17<sup>th</sup> November 2005), to submit the accounts together with the report of the Comptroller and Auditor General to the Minister.

When presenting the accounts to the Minister, the Commission must also present a report to the Minister on the performance of its functions including decisions taken following the receipt of advice from the Advisory Council to the Commission for Taxi Regulation (Advisory Council) and details of its proposed *work programme* for the following year with reference to progress on the *Strategy Statement*. The Commission is required to put in place a Strategy Statement within one year of its establishment. Making the preparation of a Strategy Statement will be a priority for 2005.

The Act states that the financial year for the Commission is the period from its establishment day (1<sup>st</sup> September 2004) to the 31<sup>st</sup> December 2004. This report meets the Commission’s statutory responsibility in relation to its accounts and reporting to the Minister for Transport.

## **COMMISSIONER'S GENERAL REPORT**

I was appointed Commissioner on 1<sup>st</sup> September 2004. A key priority for me during the period under review was to establish the Commission as an independent public body. Much of my time was consumed by the logistics of putting in place a new organisation and consulting with all of the stakeholders. For this reason, and given that it covers only a four month period, this report will be different and less extensive than future reports which will detail progress by the Commission in relation to its substantive role as a regulator. Some of the main activities of the Commission from September to December 2004 are set out below:

- Consultation took place with all stakeholders, including:
  - Department of Transport
  - SPSV service suppliers
  - SPSV service users
  - people with disabilities
  - local authorities
  - Government departments
  - An Garda Síochána
  - the Advisory Council
  - the Competition Authority
  - the Legal Metrology Service and
  - the National Car Testing Service

These consultations culminated in a decision to carry out a major National Review of Taxis, Hackneys and Limousine Services and Vehicle Standards. The nature and extent of the review required was scoped and a public procurement process completed to engage consultants to undertake the review; this process was completed in December.

- Approval of the Minister for Transport and the Minister for Finance was secured for the employment of ten staff. Job specifications and contracts were prepared and the posts were advertised in December 2004.
- Following a review of office accommodation available in the Dublin area, offices were secured at 35 Fitzwilliam Square by way of a 19 year lease which commenced in December 2004. This property was identified as having the best potential to meet the needs of the Commission while providing value for money.
- The needs of the Commission in relation to office equipment and technology, including ICT and communications were identified and the necessary equipment and technology was sourced following appropriate procurement.
- Procurement processes were completed in respect of a number of Commission service and supply requirements including:
  - logo design
  - website design
  - banking
  - legal
  - communications
  - ICT equipment
  - office furniture and requirements.

The Commission's activities during the period under review were carried out in line with the *Code of Practice for the Governance of State Bodies* where relevant. In many cases, as no staff was in place, the code did not apply. The Commission proposes to draw up appropriate policies to comply with this code of practice in 2005.

The challenge of establishing a new public body from a "green field situation" is quite considerable and time consuming. I believe the Commission made significant progress from September to December 2004 which put it on a strong footing to move forward in an efficient and effective manner in 2005.

This progress was due in no small way to the assistance and support received from a number of individuals and organisations who I wish to formally acknowledge and thank. They include the Minister for Transport and the Secretary General and staff of the Department of Transport for the resources and assistance provided to the Commission, the management and staff of the Public Appointments Service, the management and staff of Achilles Procurement Service and all those who provided support, advice and assistance to the Commission during this important period.

### **WORK PROGRAMME FOR 2005**

The Commission's *Work Programme for 2005* includes:

- recruitment of staff
- equipment of offices
- development of human resource, financial and administrative policies and procedures.

The Commission will ensure the highest standards of customer service and accountability. All policies and procedures will have regard to the *Code of Practice for the Governance of State Bodies*. The Commission will develop its capacity to ensure it can take on the powers set out in the 2003 Act at the earliest stage.

The Commission will carry out a national review of services and vehicle standards in taxis, hackneys and limousines in Ireland together with a national review of taximeter areas and taxi fares. The Commission will consult widely throughout 2005 in advance of commencing to put in place a new code of regulations.

Based on these consultations and the input of the Advisory Council, the Commission will prepare a Strategy Statement for the period 2005 to 2009 by September 2005, as required by the 2003 Act.

**ADVISORY COUNCIL  
to the COMMISSION FOR TAXI REGULATION**

The Advisory Council to the Commission for Taxi Regulation was established under Part 4 of the *Taxi Regulation Act 2003* with effect from 4<sup>th</sup> November 2003.

The primary role of the Advisory Council is to advise the Commission for Taxi Regulation and the Minister for Transport, as appropriate, in relation to issues relevant to small public service vehicles and their drivers.

The Council consists of a chairperson and 17 ordinary members, appointed for a three year period, representing:

- the taxi, hackney and limousine industry
- local authorities
- An Garda Síochána
- consumer, tourism and business interests
- other relevant sectors, as required under the Act.

Nominations from a range of interests were considered by the Minister for Transport when deciding on the Council's membership.

During the period under review, the Commission consulted with the Advisory Council in relation to its overall direction and the scope of the National Review to be carried out in 2005.

**Members of the Advisory Council to the Commission for Taxi Regulation**  
(as at December 2004)

- Mr Pat Byrne, former *Garda Commissioner*  
(Chairperson)
- Chief Supt. John Farrelly, *An Garda Síochána*
- Ms Noreen Mackey, *Competition Authority*
- Ms Sadie Doherty, *Consumer and Community Interests*
- Mr Jerry Brennan, *SIPTU*
- Mr John Ussher, *Irish Taxi Driver's Federation*
- Ms Deirdre Power, *Irish Hotels Federation*
- Mr Douglas Jordan, *Fáilte Ireland*
- Mr Michael Kilcoyne, *Consumers Association of Ireland*
- Mr Vincent Kearns, *National Taxi Drivers' Union*
- Mr Derek Dalrymple, *Taxi Company Owners Association*
- Mr Tom Fannin, *National Chauffeur Drive Association*
- Mr Brian Killeen, *Transport Logistics*
- Ms Mary Keogh, *National Disability Authority*
- Mr Vincent Thornton, *Irish Motor Industry*
- Ms Lucy O'Donoghue, *Cork Chamber of Commerce*
- Mr Christopher Humphrey, *National Private Hire & Taxi Association*
- Mr Joe Gavin, *County and City Managers Association*

**Commission for Taxi Regulation**  
**Financial Statements for the Period**  
**From 1<sup>st</sup> September 2004 to**  
**31<sup>st</sup> December 2004**

## **General Information**

The Commission was established on the 1<sup>st</sup> of September 2004 by S.I. No. 523 of 2004 under the Taxi Regulation Act 2003. The principal function of the Commission is the development and maintenance of a regulatory framework for the control and operation of taxis, hackneys and limousines.

The following sections of the Act were commenced at December 31<sup>st</sup> 2004:

- Part 1 Standard Provisions,
- Part 2 Establishment of Commission,
- Section 37(i) Tax Clearance,
- Part 4 Advisory Council,
- Part 5 amendments to Road Traffic Act 2002.

When the Commission is fully staffed and operational further sections will be commenced and a range of additional functions will transfer to the Commission. However, from September to December of 2004 the Commission was in a set-up phase, during which it was engaged in the logistics of establishing a new organisation and a broad consultative process.

## **Head Office**

The Commission for Taxi Regulation  
35 Fitzwilliam Square

Dublin 2

Telephone

01 6593800

Fax

01 6593801

Email

[commission@taxirregulator.ie](mailto:commission@taxirregulator.ie)

**Commissioner**

**Ger Deering**

**One clerical officer employed part-time through an agency.**

## **Main Bankers**

Allied Irish Bank,  
100/101 Grafton Street,  
Dublin 2.

## **Auditor**

The Comptroller and Auditor General  
Dublin Castle  
Dublin 2

**Solicitor**

Mason Hayes & Curran,  
6, Fitzwilliam Square,  
Dublin 2.

**Accountants**

Michael Higgins & Co,  
Chartered Accountants,  
Trident House,  
Dublin Road,  
Naas,  
Co. Kildare.

## COMMISSION FOR TAXI REGULATION

### Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements on pages 7 to 13 under the Section 29 of the Taxi Regulation Act 2003.

#### **Respective Responsibilities of the Members of the Commission and the Comptroller and Auditor General**

The accounting responsibilities of the Members of the Commission are set out on page 5. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me and to report on them.

I review whether the statement on the system of internal financial control on page 6 reflects the Commission's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements.

#### **Basis of Audit Opinion**

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with auditing standards issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In my opinion, proper books of account have been kept by the Commission and the financial statements, which are in agreement with them, give a true and fair view of the state of affairs of the Commission for Taxi Regulation at 31 December 2004 and of its income and expenditure and cash flow for the period then ended.



**John Purcell**  
**Comptroller and Auditor General**

17 November 2005

## **Statement of the Commission's Responsibilities**

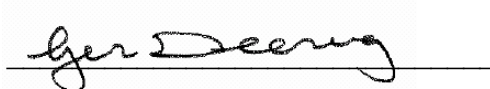
Section 29 (1) of the Taxi Regulation Act obliges the Commission to keep in a form approved by the Minister for Transport with the consent of the Minister for Finance, all proper and usual accounts of all monies received or expended including an income and expenditure account and balance sheet.

In preparing those statements, the Commission is required to:

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- Disclose and explain any material departures from applicable accounting standards, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Commission will continue in existence

The Commission is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time its financial position and to ensure that the financial statements comply with the Taxi Regulation Act 2003. The Commission is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

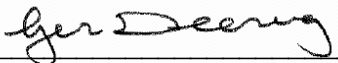
On behalf of the Commission:

Commissioner: 

## Statement on the System of Internal Financial Controls

### Responsibility for the System of Internal Financial Controls

1. The Commission for Taxi Regulation acknowledges its responsibility for reviewing and ensuring the effectiveness of the organisation's system of internal financial controls.
2. The management of the Commission for Taxi Regulation through the Director of Operations (this role was fulfilled by the Commissioner for 2004 pending the appointment of a Director of Operations) is responsible for monitoring the system of internal control and providing assurances to the Commission.
3. A system of internal control is designed to reduce rather than eliminate risk and such a system can only provide a reasonable and not an absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.
4. Some services were provided by the Department of Transport on a bureau basis for Financial, Accommodation and Human Services during the accounting period 1<sup>st</sup> September 2004 to the 31<sup>st</sup> December 2004.
5. Allocation payments from the Department of Transport in 2004 were subject to and made in accordance with the normal financial procedures and internal financial controls of that Department.

Signed:   
Commissioner

Date: 09-11-05

## **Statement of Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### **A. Basis of Accounting**

The financial statements are prepared under the accruals method of accounting, except as stated below, and under the historical cost convention in the form approved by the Minister for Transport.

Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative.

### **B. State Grants**

Income shown in the financial statements under State Grants represents the actual receipts for the period.

### **C. Taxation**

The Commission is exempt from Corporation Tax under Section 41 of the Finance Act, 1991.

### **D. Tangible Assets and Depreciation**

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is charged in the income and expenditure account, on a straight-line basis, at the annual rates set out below, so as to write off the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category.

- (i) Computer equipment and software 33%
- (ii) Fixtures and fittings 15%
- (iii) Communications equipment 15%

A full year's depreciation is provided for in the year of acquisition.

### **E. Capital Account**

The Capital Account represents the unamortised value of income from the Department of Transport used for capital purposes.

### **F. Period of Accounts**

The financial statements cover the period 1 September 2004 to 31 December 2004.

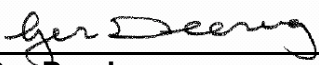
## Income and Expenditure Account

For the Period from 1<sup>st</sup> September 2004 to  
31<sup>st</sup> December 2004

	Note	2004
		€
Grant Income	1	748,779
Transfer to Capital Account	7	409,734
		<u>339,045</u>
Salaries & Wages	2	6,037
Other operating costs	3	94,892
Total Expenditure		<u>100,929</u>
Surplus/ (Deficit) for the period		<u>238,116</u>
<b>Balance at 31<sup>st</sup> Dec 2004</b>		<u>238,116</u>

The Commission had no gains or losses in the period other than those dealt with in the Income and Expenditure Account.

The Statement of Accounting Policies and Notes 1 to 10 form part of these financial statements.

  
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Ger Deering

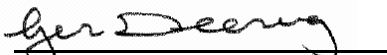
09-11-05  
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Date

## Balance Sheet

For the Period from 1<sup>st</sup> September 2004 to  
31<sup>st</sup> December 2004

	Note	31.12.04 €
<b>Fixed Assets</b>	<b>4</b>	409,734
<b>Current Assets</b>		
Bank		237,010
Debtors & Prepayments	<b>5</b>	<u>165,672</u>
		402,682
<b>Current Liabilities</b>		
Creditors & Accruals	<b>6</b>	<u>164,566</u>
Net Current Assets		238,116
<b>Total Assets</b>		<u>647,850</u>
<b>Represented by :</b>		
Income & Expenditure Account		238,116
Capital Account	<b>7</b>	409,734
		<u>647,850</u>

The Statement of Accounting Policies and Notes 1 to 10 form part of these financial statements.

  
Ger Deering

09-11-05  
Date

**Cash Flow Statement**  
**For the Period from 1<sup>st</sup> September 2004 to**  
**31<sup>st</sup> December 2004**

**31.12.2004**

€

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**Reconciliation of surplus to net cash inflow from operating activities**

(Deficit)/Surplus for the period	238,116
Transfer to Capital Account	409,734
Depreciation Charge	42,821
(Increase)/ Decrease in Debtors	(165,672)
(Decrease)/Increase in Creditors	164,566

<b>Net Cash outflow from Operating Activities</b>	<b>689,565</b>
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**Cash Flow Statement**

Net Cash inflow from Operating Activities	689,565
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**Capital Expenditure**

Payments to Acquire Tangible Fixed Assets	452,555
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<b>Increase in Cash</b>	<b>237,010</b>
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**Reconciliation of net cash flow to movement in net funds**

Net funds at start of Period	-
Net Cash inflow	237,010
<b>Net funds at end of Period</b>	<b>237,010</b>

## Notes to the Financial Statements

For the Period from 1<sup>st</sup> September 2004 to  
31<sup>st</sup> December 2004

31.12.2004  
€

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### 1. Grant Income

Department of Transport Grant

748,779

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### 2. Salaries and Wages

Staff costs comprise:

Temporary Staff

6,037

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### 3. Other Operating Costs

Consultancy Fees	34,152
Rent/Rates	10,862
Conferences and Training	1,297
Insurance	1,070
Light Heat and Telephone	1,440
Cleaning	1,072
Accounts	1,500
Miscellaneous	678
Depreciation	42,821

94,892

<b>4. Tangible Fixed Assets</b>	<b>Leasehold Addition €</b>	<b>Office Equipment €</b>	<b>Computer Equipment €</b>	<b>Total €</b>
Addition for this period	318,298	97,340	36,917	452,555
As at 31 <sup>st</sup> December 2004	<b>318,298</b>	<b>97,340</b>	<b>36,917</b>	<b>452,555</b>

#### **Accumulated Depreciation**

Charge for this period	15,915	14,601	12,305	42,821
As at 31 <sup>st</sup> December 2004	15,915	14,601	12,305	42,821

#### **Net Book Value**

<b>As at 31<sup>st</sup> December 2004</b>	<b>302,383</b>	<b>82,739</b>	<b>24,612</b>	<b>409,734</b>
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**31.12.2004**

**€**

#### **5. Debtors and Prepayments**

Department of Transport Prepayments	NIL
Rent	149,585
Professional Fees	1,513
Office Supplies	14,574
	<b>165,672</b>

#### **6. Creditors and Accruals**

Accruals:	<b>€</b>
Equipment	134,258
Professional Fees	7,621
Consultancy Fees	16,335
Staff Costs	1,835
Other	4,517
	<b>164,566</b>

## 7. Capital Account

€

### Transfer From/ (To) Income and Expenditure Account

Funds allocated to acquire fixed assets	452,555
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Amount amortised in line with asset depreciation	42,821
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<b>Balance at 31<sup>st</sup> December 2004</b>	<b>409,734</b>
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## 8. Commission Member Interests

The Commission adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Commission Member and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Commission's activities in which a Commission Member had any beneficial interest.

## 9. Lease Commitments

The Commission for Taxi Regulation has commitments in respect of a lease on office accommodation at 35 Fitzwilliam Square. This is held by way of a 19 year and 5 month lease which commenced in December 2004. The cost of the lease is €159,397 per annum for 2004 giving a charge for the period of €9,812. The cost for 2005 will be €170,000 per annum.

## 10. Department of Transport expenditure on behalf of the Commission

In addition to expenditure incurred directly by the Commission for Taxi Regulation following its establishment on 1 September, 2004; 2004 expenditure by the Advisory Council to the Commission for Taxi Regulation (€15,552.97) and some Commission related costs (€59,183.87) were funded directly by the Department of Transport from Subhead B4 of the 2004 Department of Transport Vote.