

COMMUNICATIONS, ENERGY AND NATURAL RESOURCES

Account of the sum expended, in the year ending 31 December 2007, compared with the sum granted and of the sum which may be applied as appropriations-in-aid in addition thereto:

- for the salaries and expenses of the Office of the Minister for Communications, Energy and Natural Resources, including certain services administered by that Office, and for payment of certain grants and sundry grants-in-aid.

- for deferred Surrender of unspent appropriations for capital supply services under Section 91 of the Finance Act 2004.

Service	Estimate Provision €000	Outturn €000	Closing Accruals €000
ADMINISTRATION	€000	€000	€000
A.1. SALARIES, WAGES AND ALLOWANCES	21,625	23,494	-
A.2. TRAVEL AND SUBSISTENCE	1,918	1,696	7
A.3. INCIDENTAL EXPENSES	2,219	1,818	56
A.4. POSTAL AND TELECOM SERVICES	1,487	1,078	13
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES	7,963	8,157	(320)
A.6. OFFICE PREMISES EXPENSES	1,697	1,636	(3)
A.7. CONSULTANCY SERVICES	2,664	2,095	17
A.8. EQUIPMENT, STORES AND MAINTENANCE	222	190	2
A.9. VALUE FOR MONEY AND POLICY REVIEWS	202	61	-
COSTAL ZONE MANAGEMENT			
B.1. COAST PROTECTION AND MANAGEMENT	465	465	-
B.2. FORESHORE DEVELOPMENT	52	52	-
B.3. MARINE TOURISM	1	-	-
MARINE RESEARCH AND DEVELOPMENT			
C.1. MARINE INSTITUTE (GRANT-IN-AID)	19,554	19,554	-
C.2. NATIONAL SEABED SURVEY			
<i>Current Year Provision</i>	3,000		
<i>Deferred Surrender</i>	<u>1,000</u>	4,000	6,254
			(9)
SEAFOOD AND FISHERY HARBOUR DEVELOPMENT			
D.1. BORD IASCAIGH MHARA (GRANT-IN-AID)			
<i>Current Year Provision</i>	24,201		
<i>Deferred Surrender</i>	<u>3,885</u>	28,086	25,086
			-
D.2. FISHERIES CONSERVATION AND MANAGEMENT INCLUDING SHELLFISH MONITORING PROGRAMME	611	612	-
D.3. FISH PROCESSING	-	-	-
D.4. AQUACULTURE DEVELOPMENT	2,537	2,537	-
D.5. AQUACULTURE LICENCES APPEALS BOARD	246	246	-
D.6. DEVELOPMENT AND UPGRADING OF HARBOURS FOR FISHERY PURPOSES			
<i>Current Year Provision</i>	4,603		
<i>Deferred Surrender</i>	<u>6,705</u>	11,308	10,954
			-
D.7. SEA FISHERIES PROTECTION AUTHORITY		5,572	5,572
			-
FISHERIES			
E.1. INLAND FISHERIES	27,412	31,357	3
E.2. SALMON CONSERVATION	10,000	11,858	-

Service		Estimate Provision	Outturn	Closing Accruals
	€000	€000	€000	€000
ENERGY				
F.1. ENERGY CONSERVATION (GRANT-IN-AID)				
	<i>Original</i>	40,457		
	<i>Supplementary</i>	<u>13,743</u>	54,200	54,200
F.2. GAS SERVICES		36	41	-
F.3. ENERGY RTDI PROGRAMME				
	<i>Original</i>	7,159		
	<i>Supplementary</i>	<u>(6,199)</u>	960	479
F.4. ENERGY EFFICIENCY INITIATIVES				
	<i>Original</i>	2,500		
	<i>Supplementary</i>	<u>2,457</u>	4,957	4,957
F.5. STRATEGIC ENERGY INFRASTRUCTURE		1	-	-
COMMUNICATIONS				
G.1. INFORMATION AND COMMUNICATIONS TECHNOLOGY PROGRAMME				
	<i>Original</i>	45,684		
	<i>Supplementary</i>	<u>(10,000)</u>	35,684	37,947
G.2. MULTIMEDIA DEVELOPMENTS		7,168	4,356	-
G.3. RAPID PROGRAMME (DORMANT ACCOUNTS ALLOCATION)			1,650	901
BROADCASTING				
H.1. GRANT TO RADIO TELEFÍS ÉIREANN FOR BROADCASTING LICENCE FEES (GRANT-IN-AID)			195,013	194,838
H.2. PAYMENT TO AN POST FOR COLLECTION OF BROADCASTING LICENCE FEES			12,036	12,221
H.3. BROADCASTING COMMISSION OF IRELAND (GRANT-IN-AID)			6,376	3,810
H.4. DEONTAS I LEITH TG4 (DEONTAS-I-gCABHAIR)			31,897	31,897
H.5. BROADCASTING FUND			10,264	10,255
H.6. GRANTS FOR DIGITAL TERRESTRIAL TELEVISION				
	<i>Current Year Provision</i>	2,000		
	<i>Deferred Surrender</i>	<u>1,800</u>	3,800	4,320
NATURAL RESOURCES				
I.1. PETROLEUM SERVICES			287	300
I.2. MINING SERVICES				
	<i>Current Year Provision</i>	5,763		
	<i>Deferred Surrender</i>	<u>1,000</u>	6,763	2,162
I.3. GSI SERVICES			1,008	684
I.4. GEOSCIENCE INITIATIVES			1,500	1,154
MISCELLANEOUS				
J.1. SUBSCRIPTIONS TO INTERNATIONAL ORGANISATIONS			1,600	1,051
J.2. EU PROGRAMMES CLEARANCE OF ACCOUNTS			2	-
J.3. CHANGE MANAGEMENT FUND FOR NON-COMMERCIAL BODIES FUNDED BY THE DEPARTMENT			750	164
J.4. OTHER SERVICES			568	-

Service	€000	Estimate Provision €000	Outturn €000	Closing Accruals €000
Gross Total				
<i>Original</i>	511,970			
<i>Supplementary</i>	1			
<i>Deferred Surrender</i>	<u>14,390</u>	526,361	520,509	1,890
<i>Deduct :-</i>				
K. APPROPRIATIONS-IN-AID		<u>237,169</u>	<u>237,944</u>	<u>1,518</u>
Net Total				
<i>Original</i>	274,801			
<i>Supplementary</i>	1			
<i>Deferred Surrender</i>	<u>14,390</u>	<u>289,192</u>	<u>282,565</u>	<u>372</u>
SURPLUS FOR THE YEAR		€ 6,626,879		
DEFERRED SURRENDER under Section 91 of the Finance Act 2004		€ 2,047,000		
SURPLUS TO BE SURRENDERED		€ 4,579,879		

The Statement of Accounting Policies and Principles and Notes 1 to 18 form part of this Account.

NOTES

1 OPERATING COST STATEMENT FOR 2007

	€000	€000	€000
Net Outturn			282,565
Changes in Capital Assets			
Purchases Cash	(994)		
Depreciation	<u>4,285</u>	3,291	
Assets under Development			
Cash Payments		(472)	
Changes in Net Current Assets			
Increase in Closing Accruals	1,517		
Decrease in Stock	<u>49</u>	<u>1,566</u>	<u>4,385</u>
Direct Expenditure			286,950
Expenditure Borne Elsewhere			
Net Allied Services Expenditure	22,028		
Notional Rents	<u>4,186</u>		<u>26,214</u>
Operating Cost			<u>313,164</u>

2 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2007

	€000	€000	€000
Capital Assets (Note 3)			11,270
Assets under Development (Note 4)			<u>1,319</u> 12,589
Current Assets			
Stocks (Note 15)		777	
Prepayments		639	
Accrued Income		1,518	
Other Debit Balances:			
Suspense		<u>40,926</u>	
Total Current Assets		<u>43,860</u>	
Less Current Liabilities			
Accrued Expenses		2,529	
Other Credit Balances:			
Suspense	896		
Due to the State (Note 16)	970		
PMG Balance and Cash	26,167		
Orders Outstanding	<u>9,454</u>	37,487	
Net Liability to the Exchequer (Note 5)		<u>3,439</u>	
Total Current Liabilities		<u>43,455</u>	
Net Current Assets			<u>405</u>
Net Assets			<u>12,994</u>

3 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2007

	Land and Buildings €000	Office Furniture €000	Office/IT Equipment €000	Specialist Equipment €000	Totals €000
Cost or Valuation at 1 January 2007	1,073	1,928	25,898	4,051	32,950
Additions	-	34	731	399	1,164
Transferred to Other Departments	(214)	(240)	(6,519)	(2,362)	(9,335)
Disposals	-	-	-	-	-
Gross Assets at 31 December 2007	<u>859</u>	<u>1,722</u>	<u>20,110</u>	<u>2,088</u>	<u>24,779</u>
Accumulated Depreciation:					
Opening Balance at 1 January 2007	-	1,296	8,451	1,772	11,519
Depreciation for the year	-	118	3,737	430	4,285
Depreciation on assets transferred	-	(144)	(977)	(1,174)	(2,295)
Depreciation on Disposals	-	-	-	-	-
Cumulative Depreciation at 31 December 2007	-	<u>1,270</u>	<u>11,211</u>	<u>1,028</u>	<u>13,509</u>
Net Assets at 31 December 2007	<u>859</u>	<u>452</u>	<u>8,899</u>	<u>1,060</u>	<u>11,270</u>

Notes:

(a) The following fisheries are owned by the Minister but are managed by the Central Fisheries Board or a Regional Fisheries Board:

- (i) Galway
- (ii) Owenea/Owentocker

(b) Lands and Buildings – comprise of the following:

- (i) GPO Henry Street Arcade.

(c) Equipment which was acquired in respect of Digital Terrestrial Television (Subhead H.6.) is not included in this statement because this is a pilot project running to the end of 2008. A decision will be made at the end of 2008 about the inclusion of this equipment in the Statement.

4 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2007

	Computer Applications and Research €000
Amounts brought forward at 1 January 2007	1,094
Cash Payments for the Year	472
Transferred to Asset Register	(247)
Amounts carried forward at 31 December 2007	<u>1,319</u>

5 NET LIABILITY TO THE EXCHEQUER

Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2007

Surplus for the year	€000	€000
Surplus to be surrendered	4,580	
Deferred Surrender	<u>2,047</u>	6,627
Exchequer Grant Undrawn		<u>(3,188)</u>
Net Liability to the Exchequer		<u>3,439</u>
Represented by:		
Debtors		
Debit Balances: Suspense	<u>40,926</u>	40,926
Creditors		
Net PMG position and cash	(35,621)	
Due to State	(970)	
Credit Balances: Suspense	<u>(896)</u>	<u>(37,487)</u>
		<u>3,439</u>

6 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	€000
National Digital Research Centre (NDRC)	1,725

7 EXPLANATION OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND ESTIMATE PROVISION

Sub-head	Less/(More) Than Provided €000	Explanation
A.4.	409	Saving due to efficiencies in postal, telephone and other services.
A.9.	141	The saving resulted from the completion of value for money and policy reviews ahead of schedule.
C.2.	(2,254)	Excess due to payments made under the Beaufort Awards Scheme and expenditure on the GSI Survey/Launch boat.
D.1.	3,000	Savings arose because of the delay in commencing the decommissioning for the Irish Fishery Fleet scheme.
D.6.	354	Savings arose as there was less progress on harbour construction projects than anticipated.
E.1.	(3,945)	The excess is in respect of essential capital works and requirements to meet health and safety requirements and operational needs.
E.2.	(1,858)	The excess arose due to additional payments under the Salmon Hardship Scheme and the Community Support Scheme.
F.3.	481	Saving due to less expenditure than anticipated under the Energy Research Strategy.
G.1.	(2,263)	Excess arose due to the higher than anticipated construction of Metropolitan Area Networks during 2007.
G.2.	2,812	Savings arose due to less expenditure than anticipated by the NDRC and the Digital Hub Development Agency.
G.3.	749	Savings arose due to the delay in the commencement of a number of projects under this measure.
H.3.	2,566	Savings arose due to the provision for legal and other admin expenses in respect of the issue of radio and television licences which did not arise during 2007.

Sub-head	Less/(More) Than Provided €000	Explanation
H.6.	(520)	Excess expenditure arose due to upgrading of Digital Terrestrial Television network to provide for a trial of High Definition television.
I.2.	4,601	Savings arose due to difficulties in accessing sites, extended consultation and provision being made for mining compensation cases not heard during 2007.
I.3.	324	Savings due to delays in projects developing during the year.
I.4.	346	A longer than anticipated procurement process led to a shortfall of expenditure in a number of projects.
J.1.	549	The saving arose due to a lower than anticipated level of contributions being made during 2007.
J.3.	586	Savings arose due to delays in the commencement of some projects and other projects being completed under budget.
J.4.	568	Savings arose because the capital Contingency Funds were reallocated to other headings.

8 APPROPRIATIONS-IN-AID

	Estimated €	Realised €
1. Proceeds of fines and forfeitures in respect of fishery offences	88,000	100,944
2. Receipts under the 1933 Foreshore Act and the 1954 State Property Act	1,088,000	2,192,363
3. EU Recoupment in respect of expenditure on fisheries conservation and management	-	-
4. Aquaculture licence fees	204,000	210,871
5. Receipts under the Minerals Development Act, 1940 and the Petroleum and other Minerals Act, 1960	8,791,000	9,563,348
6. Petroleum Infrastructure Support Group	255,000	80,000
7. Broadcasting licence fees	217,313,000	217,466,415
8. Geological Survey receipts	96,000	104,104
9. Rent on properties in GPO	228,000	218,805
10. EU FIFG Receipt - Aquaculture Development	1,876,000	1,876,121
11. EU FIFG Receipt - Fisheries Development	1,850,000	1,849,964
12. Geological Survey Contract Income	1,008,000	602,618
13. Rapid Programme (Dormant Accounts Allocation)	1,650,000	900,778
14. NORA Pensions	117,000	-
15. Miscellaneous	<u>2,605,000</u>	<u>2,777,803</u>
Total	<u>237,169,000</u>	<u>237,944,134</u>

Explanation of Variation

- Fines imposed were larger than had been estimated.
- Surplus resulted from ongoing work to collect overdue rents and new payments and leases.
- The increase in mining receipts arose due to a higher than anticipated level of activity in mining exploration. The amount of petroleum receipts was in line with the 2007 forecast.
- The shortfall arose as only five of the seven receipts expected in 2007 were received.
- Increase due to higher sales volumes of new publications at the end of 2007.
- Shortfall due to slower than anticipated progress on some projects during the year.
- Shortfall due to delays in the commencement of some of the projects funded under this measure.
- Shortfall due to administrative delays in introducing revised pension payment procedures.

15. The receipts comprise	€
EU receipt in respect of PEACE II programme	472,962
Pension contribution from Sustainable Energy Ireland	180,459
Receipt in respect of International Subscriptions	511,835
Pension contribution from Broadcasting Commission of Ireland	332,319
Pension contribution from Marine Institute	384,484
Pension contribution from Digital Hub Development Agency	101,450
Costs recovered from other bodies	611,703
Royalties in respect of Metropolitan Area Networks	122,450
Other	<u>60,141</u>
	<u>2,777,803</u>

9 COMMITMENTS

(A) Global Commitments

The figure for non-capital commitments likely to materialise in subsequent years is €58,736,256 inclusive of co-financing which might arise.

10 DETAILS OF EXTRA REMUNERATION

	Amount Paid €	Number of Recipients	Recipients of €6,350 or more	Max. Individual Payment of €6,350 or more €
Higher, Special or Additional Duties	249,932	140	6	11,790
Overtime and Extra Attendance	272,307	124	12	33,340
Miscellaneous	<u>71,145</u>	7	7	14,600
Total extra remuneration	<u>593,384</u>			

Note: Certain individuals received extra remuneration in more than one category.

11 MISCELLANEOUS ITEMS

Functions relating to Sea Fisheries, Foreshore and Dumping at Sea were transferred from this Vote to the Vote for Agriculture, Fisheries and Food (No. 31) with effect from 19 October 2007 (S.I. No. 707 of 2007). Accordingly, this account reports on expenditure in respect of Subheads B.1., B.2., C.1., D.1., D.2., D.3., D.4., D.5., D.6., D.7. up to this date.

Under the provisions of Section 91 of the Finance Act, 2004, €2,047,000 in respect of the capital elements of Subheads E.2., E.4. and F.1. was carried over to 2008.

A payment of €35,000 was paid in settlement of a claim arising from the supply of software to the Department.

€161,129 was paid in respect of various expenses arising out of the Department's involvement in the Moriarty Tribunal.

A sum of €17,002 was written-off in respect of a bad debt for a company in the mining industry.

€17,420 was paid to two retired civil servants in receipt of civil service pensions who were re-engaged on a fee basis.

€27,017 was issued in respect of merit awards in 2007 comprising 7 payments ranging from €400 to €895; 214 gift vouchers ranging in value from €30 to €250; 5 donations to charity ranging €50 to €400; and a €4,500 contribution to the retired staff Christmas party.

12 EU FUNDING

The outturn shown for Subhead G.1. for 2007 includes expenditure which was co-financed from the European Regional Development Fund.

Funding received by the Vote in respect of FIFG is shown as Appropriations-in-Aid.

The Northern Regional Fisheries Board received €140,635 from the EU in 2007 in respect of INTERREG IIIA.

13 COMMISSIONS AND INQUIRIES, ETC.

Total expenditure in respect of Commissions, Committees and Special Inquiries on account of which payments were made from the Vote in the year ended 31 December 2007 is as follows :

Commission, Committee or Special Inquiry	Subhead	Year of Appointment	Expenditure	Total
			in 2007 €	Expenditure to 31 Dec 2007 €
National Salmon Commission	F.	2000	20,622	410,728

14 MISCELLANEOUS ACCOUNTS

Statement of Receipts and Payments by the Department of Communications, Energy and Natural Resources on the under mentioned Non-Voted Service in the year ended 31 December 2007

Petroleum Infrastructure Programme Fund 2007	€
Balance at 1 January 2007	1,392,289
Payments 2007	<u>(249,499)</u>
Balance at 31 December 2007	<u>1,142,790</u>

15 STOCKS

Stocks at 31 December 2007 comprised:	€000
IT equipment	42
Geological Survey of Ireland	729
Stationery	6
	<u>777</u>

16 DUE TO THE STATE

The amount due to the State at 31 December 2007 consisted of:	€000
Withholding Tax	870
Pensions	11
Value Added Tax	<u>89</u>
	<u>970</u>

17 CONTINGENT LIABILITY

There is potential for financial liabilities to arise in 2008 and forward years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

18 ENHANCING INTERNAL CONTROLS

A statement on internal financial controls in the standard format for the year ended 31 December 2007 has accompanied the submission of this account to the Comptroller and Auditor General. The steps that have been taken, or are planned, to enhance the Department's system of internal financial controls include the following:

Financial Skills Training

In order to further enhance the capability and skills of staff in financial management methods, the Department continued to provide a customised programme of training in 2007 which covered the areas of financial management, capital appraisal, value for money initiatives and the principles and practices of Government Accounting. In addition, training on the Financial Management System, with a particular focus on using the Financial Management System to its full potential, continues to be made available to staff on a targeted individual or group basis. The provision of financial management training is linked into wider training needs which are identified through the PMDS process. This has led to further strengthening of financial management across the Department and in particular the management of capital projects. Further progress will continue to be made in this regard in 2008.

Risk Management

The Department operates a Risk Management System which is part of the business planning process for all Divisions. The purpose of the programme is to identify and assess risks and to outline measures to control and manage the risks to which the Department may be exposed. The Risk Management Committee monitors the operation of the Department's Risk Management Programme. The Programme is reviewed on an ongoing basis.

AIDAN DUNNING

Accounting Officer

ROINN CUMARSÁIDE, FUINNIMH AGUS ACMHAINNÍ NÁDÚRTHA

31 MARCH 2008

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Communications, Energy and Natural Resources for 2007 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Appropriation Account has been prepared in accordance with the Statement of Accounting Policies and Principles on pages v-viii. The responsibilities of the Accounting Officer and the Comptroller and Auditor General, and the basis of the audit opinion are set out on pages iii-v.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Communications, Energy and Natural Resources. The Appropriation Account is in agreement with the books of account.

In my opinion the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2007. Attention is drawn to Chapter 8 of the report for 2007 prepared by me pursuant to Section 3 of the Act.



JOHN BUCKLEY

Comptroller and Auditor General

19 September 2008