

AGRICULTURE, FISHERIES AND FOOD

Account of the sum expended, in the year ended 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 the expenses of the Office of the Minister for Agriculture, Fisheries and Food, including certain services administered by that Office, and of the Irish Land Commission and for payment of certain grants, subsidies and sundry grants-in-aid and for the payment of certain grants under cash-limited schemes.

- 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	225,865	223,817	(167)
A.2. TRAVEL AND SUBSISTENCE	14,122	14,734	91
A.3. INCIDENTAL EXPENSES	9,647	8,514	489
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES	7,324	6,824	66
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES	25,626	29,100	(5,161)
A.6. OFFICE PREMISES EXPENSES	6,537	7,244	32
A.7. CONSULTANCY SERVICES	163	242	34
A.8. SUPPLEMENTARY MEASURES TO PROTECT THE FINANCIAL INTERESTS OF THE EU	721	607	5
A.9. LABORATORY EQUIPMENT	6,900	5,024	509
A.10. VALUE FOR MONEY AND POLICY REVIEWS	339	210	-
PROGRAMME EXPENDITURE			
B. RESEARCH AND TRAINING	38,486	38,577	483
C. FOOD SAFETY (AND PUBLIC HEALTH), ANIMAL HEALTH AND WELFARE AND PLANT HEALTH	166,482	137,580	5,538
D. INCOME AND MARKET SUPPORTS	30,813	20,200	4,113
E. INCOME SUPPORT IN DISADVANTAGED AREAS	257,000	254,001	2,519
F. RURAL ENVIRONMENT			
<i>Original</i>	361,000		
<i>Supplementary</i>	<u>(1,199)</u>		
		359,801	311,750
G. LAND MOBILITY (EARLY RETIREMENT/ INSTALLATION AID SCHEMES)	80,101	59,074	255
H. DEVELOPMENT OF AGRICULTURE AND FOOD	152,200	139,329	18,432
I. FORESTRY AND BIOENERGY			
<i>Current Year Provision</i>	111,362		
<i>Deferred Surrender</i>	<u>20,277</u>		
		131,639	125,807
J. TEAGASC - GRANT-IN-AID FOR GENERAL EXPENSES		128,050	128,050
K. AN BORD BIA - GRANT-IN-AID FOR GENERAL EXPENSES			
<i>Original</i>	26,505		
<i>Supplementary</i>	<u>1,200</u>		
		27,705	27,705
L. FOOD AID DONATIONS - WORLD FOOD PROGRAMME	8,510	10,510	190
M. OTHER SERVICES	20,616	16,716	102
N.1. COAST PROTECTION AND MANAGEMENT	2,572	1,523	902
N.2. FORESHORE DEVELOPMENT	1,248	138	1
O. MARINE INSTITUTE - GRANT-IN-AID	9,498	9,426	-
P.1. BORD IASCAIGH MHIARA - GRANT-IN-AID	21,705	6,552	-
P.2. FISHERIES CONSERVATION AND MANAGEMENT INCLUDING SHELLFISH MONITORING PROGRAMME	936	29	-

Service		Estimate Provision	Outturn	Closing Accruals
	€000	€000	€000	€000
PROGRAMME EXPENDITURE (cont'd)				
P.3. FISH PROCESSING		1,757	372	-
P.4. AQUACULTURE DEVELOPMENT		3,451	4,252	-
P.5. AQUACULTURE LICENCE APPEALS BOARD		216	11	100
P.6. DEVELOPING AND UPGRADING OF HARBOURS FOR FISHERY PURPOSES				
<i>Current Year Provision</i>	15,159			
<i>Deferred Surrender</i>	<u>867</u>	16,026	7,786	132
P.7. SEA FISHERIES PROTECTION AUTHORITY		<u>5,100</u>	<u>5,377</u>	-
Gross Total				
<i>Original</i>	1,740,011			
<i>Supplementary</i>	1			
<i>Deferred Surrender</i>	<u>21,144</u>	1,761,156	1,601,081	33,246
<i>Deduct :-</i>				
Q. APPROPRIATIONS-IN-AID		<u>436,307</u>	<u>445,804</u>	<u>43,044</u>
Net Total				
<i>Original</i>	1,303,704			
<i>Supplementary</i>	1			
<i>Deferred Surrender</i>	<u>21,144</u>	<u>1,324,849</u>	<u>1,155,277</u>	<u>(9,798)</u>
SURPLUS FOR THE YEAR			€169,572,460	
DEFERRED SURRENDER under Section 91 of the Finance Act 2004			€31,413,000	
SURPLUS TO BE SURRENDERED			€138,159,460	

The Statement of Accounting Policies and Principles and Notes 1 to 16 form part of this Account.

NOTES

1 OPERATING COST STATEMENT FOR 2007

	€000	€000	€000
Net Outturn			1,155,277
Changes in Capital Assets			
Purchases Cash	(8,914)		
Proceeds of Disposals	125		
Depreciation	16,142		
Loss on Disposals	<u>299</u>	7,652	
Assets under Development			
Cash Payments		(883)	
Changes in Net Current Assets			
Increase in Closing Accruals	109,045		
Decrease in Stock	<u>1,489</u>	<u>110,534</u>	<u>117,303</u>
Direct Expenditure			1,272,580
Expenditure Borne Elsewhere			
Net Allied Services Expenditure			67,670
Notional Rents			<u>15,421</u>
Operating Cost			<u>1,355,671</u>

2 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2007

	€000	€000	€000
Capital Assets (Note 3)			41,802
Assets under Development (Note 4)			3,135
Current Assets			
Stocks (Note 14)		1,397	
Prepayments		6,025	
Accrued Income		43,058	
Other Debit Balances:			
Travel		464	
Department of Finance		455	
Other		286	
PMG Balance and Cash	212,186		
Outstanding Orders	<u>(123,142)</u>	<u>89,044</u>	
Total Current Assets		<u>140,729</u>	
Less Current Liabilities			
Accrued Expenses		39,271	
Deferred Income		14	
Other Credit Balances:			
Accounts Receivable Prepayments	19		
Forest Focus	103		
Due to State (Note 15)	6,550		
Securities	2,367		
EU Suspense	(6)		
Milk Quota sales/levies	848		
Cork & Dublin District Milk Board Funds	642		
Pesticides Fee for Reg/Pesticides Pay	908		
Veterinary Ireland	11		
Training Fund	13		
Uncashed cheques	352		
Land purchase annuities	5		
Travel	311		
AIBP Settlement	1,472		
NDP TB Research Project Abbotstown	40		
DCENR	36,061		
Miscellaneous	<u>1,251</u>	50,947	
Net Liability to the Exchequer (Note 5)		<u>39,302</u>	
Total Current Liabilities		<u>129,534</u>	
Net Current Assets			<u>11,195</u>
Net Assets			<u>56,132</u>

3 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2007

	Office Equipment/ Other Machinery €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2007	178,186	11,726	189,912
Transfers from Other Department *	6,610	357	6,967
Additions	11,897	290	12,187
Disposals	<u>(3,548)</u>	-	<u>(3,548)</u>
Gross Assets at 31 December 2007	<u>193,145</u>	<u>12,373</u>	<u>205,518</u>
Accumulated Depreciation:			
Opening Balance at 1 January 2007	140,243	9,277	149,520
Opening Balance of Transferred Assets *	1,094	84	1,178
Depreciation for the year	15,066	1,076	16,142
Depreciation on Disposals	<u>(3,124)</u>	-	<u>(3,124)</u>
Cumulative Depreciation at 31 December 2007	<u>153,279</u>	<u>10,437</u>	<u>163,716</u>
Net Assets at 31 December 2007	<u>39,866</u>	<u>1,936</u>	<u>41,802</u>

* Certain activities of the Department of Communications, Energy and Natural Resources were transferred to the Department of Agriculture, Fisheries and Food in October 2007 under S.I. No. 707 of 2007. As a consequence, assets as set out above were transferred to support the transfer of responsibilities.

Notes

1. Valuations of land and buildings held by the Department are not available. A schedule of land and buildings is maintained.
2. The Minister, as successor to the Irish Land Commission, had the following lands on hand at 31 December 2007:

Agricultural	20 hectares
Non-Agricultural	404 hectares
3. The Department implemented a Fixed Asset Register in 2003 and the Register is sufficiently developed to provide accurate information in respect of fixed assets purchased since its implementation. Older assets that were fully or partially depreciated at that date are included at estimated valuation.

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

	Computer Applications €000
Amounts brought forward at 1 January 2007	5,525
Cash Payments for the Year	883
Transferred to Asset Register	<u>(3,273)</u>
Amounts carried forward at 31 December 2007	<u>3,135</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

	€000	€000
Surplus for the Year		
Surplus to be surrendered	138,159	
Deferred Surrender	<u>31,413</u>	169,572
Exchequer Grant Undrawn		<u>(130,270)</u>
Net Liability to the Exchequer		<u>39,302</u>
Represented by:		
Debtors		
Net PMG position and cash	89,044	
Debit Balances: Suspense	<u>1,205</u>	90,249
Creditors		
Due to State	(6,550)	
Credit Balances: Suspense	<u>(44,397)</u>	<u>(50,947)</u>
		<u>39,302</u>

6 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	€
Dublin District Milk Board Pension Fund	10,273
Witness Expenses	507
Refund of VAT	1,885,471
Surplus on disposal costs of Meat and Bone Meal	86,037
Sale of land by Teagasc to the IDA	<u>9,400,000</u>
Total	<u>11,382,288</u>

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

Sub-head	Less/(More) Than Provided €000	Explanation
A.7.	(79)	Additional services were required during the year in relation to the implementation of the EU restructuring aid for the sugar industry.
A.9.	1,876	A number of capital projects at the laboratory complex at Backweston which were not completed led to the saving under this subhead.
A.10.	129	Expenditure on Value for Money training was less than estimated. The number of external evaluations under Expenditure Reviews was also less than expected.
C.	28,902	The savings arose mainly as a result of the delay in securing EU State Aid approval and in launching the Animal Welfare, Recording and Breeding Scheme for Suckler Herds. There were also savings due to the continued reduction in the level of animal diseases and the slower than anticipated implementation of the marts-on-line system.
D.	10,613	Sales of intervention stock early in the year and low levels of intervention purchases and associated costs led to savings under this heading.
F.	48,051	Expenditure was less than originally anticipated due to the late introduction of the REPS 4 Scheme.
G.	21,027	The savings arose because of the lower level than anticipated take-up of the Early Retirement Scheme.
H.	12,871	The slower than anticipated drawdown of grants under the marketing and processing grant schemes resulted in savings that were partly offset by the high level of payments arising under the Farm Waste Management Scheme.

Sub-head	Less/(More) Than Provided €000	Explanation
L.	(2,000)	An additional €2m was provided to the World Food Programme to air transport food to refugees in remote regions of Chad.
M.	3,900	Disbursements arising from court judgements, settlements and related legal expenses were less than provided for in this contingency provision.
N.1.	1,049	Payments to County Councils for projects undertaken were less than expected.
N.2.	1,110	Savings arose because provision made for contingencies such as the removal of unauthorised structures from the foreshore and the refund of foreshore licence deposits for off-shore wind energy projects was not required. Also, valuation service costs were less than anticipated.
P.1.	15,153	The underspend on this Subhead was due to the delay in obtaining EU approval of the State Aid and in launching the scheme for decommissioning vessels.
P.2.	907	Savings arose mostly on the financing of the EAGGF Fisheries Schemes (market supports).
P.3.	1,385	The number of eligible projects submitted for grant aid was less than expected.
P.4.	(801)	The number of projects completed and submitted for payment exceeded the forecast.
P.5.	205	Legal costs were less than anticipated.
P.6.	8,240	Expenditure was less than estimated because a number of projects did not progress as quickly as planned for a variety of technical, financial and timing reasons.
P.7.	(277)	The overspend occurred mainly as a result of higher than anticipated expenditure on travel and subsistence.

8 APPROPRIATIONS-IN-AID

	Debit Subhead	Estimated €	Realised €	Liabilities/ Accrued Income €
ADMINISTRATION				
1. Recoupment of salaries, etc. of officers on loan to outside bodies	A.1.	1,000	-	-
2. Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1,000	370,957	-
3. Refunds from fees for veterinary inspection services at poultry plants and meat inspection fees		18,031,000	16,637,092	2,590,262
4. Receipts from veterinary inspection fees for live exports		1,162,000	1,561,584	1,830
5. Receipts from fees for dairy premises inspection services		5,097,000	5,158,027	(3,345)
OTHER SERVICES				
6. Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	B. & C.	609,000	894,051	187,082
7. Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and from Backweston Farm	B.	1,824,000	1,795,089	444,611
8. Receipts from licences and from sale and leasing of livestock etc.	B.	33,000	36,186	1,557
9. Receipts from farmer contributions towards the cost of eradicating Bovine Disease	C.	5,000,000	6,213,541	332,932
10. Land Commission receipts		575,000	272,326	-
11. Proceeds from fines and forfeitures in respect of fishery offences		207,000	190,500	-
12. Receipts under the 1922 Foreshore Act and the 1954 State Property Act		-	150,781	809,873
13. EU Recoupment in respect of expenditure on the conservation and management of fisheries		50,000	-	-
14. Aquaculture Licence Fees		208,000	67,549	-
15. EU FIFG Receipt - Aquaculture Development	P.4.	5,844,000	-	-
16. EU FIFG Receipt - Fisheries Development	P.1.	3,150,000	-	-
17. Other Receipts		101,000	271,169	1,480

	Debit Subhead	Estimated €	Realised €	Liabilities/ Accrued Income €
RECEIPTS FROM EU UNDER EAGF AND EAFRD REGULATIONS				
18. Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.	3,724,000	938,680	23,095
19. Intervention Stock losses, etc.	D.	1,000	2,641,570	-
20. NDP - Guarantee Receipts	E., F., G. & I.	336,000,000	365,493,815	32,174,706
21. BSE Receipts	C.	8,395,000	8,350,562	6,479,626
22. Veterinary Fund	C.	2,516,000	2,110,189	-
23. Other Guarantee Receipts from EU	D.	978,000	945,650	-
RECEIPTS FROM EU UNDER STRUCTURAL REGULATIONS				
24. National Development Plan - Structural Receipts	H. & I.	<u>42,800,000</u>	<u>31,704,821</u>	=
Total		<u>436,307,000</u>	<u>445,804,139</u>	<u>43,043,709</u>

Explanation of Variations

2. Only a nominal amount provided for as receipts under this heading are extremely difficult to estimate because of the unpredictable nature of forfeitures on licence securities.
3. The level of fees refunded was less than estimated due to a decrease in the number of animals slaughtered and less time spent by Department staff at product plants and cold stores.
4. The higher level of fees received under this heading reflected the higher than anticipated number of live animals exported during the year.
6. Receipts both from testing undertaken by the Veterinary Laboratory Services and from the sale of animals at the Department's farms were higher than anticipated.
8. Sheep recording fees received were higher than anticipated due to an increase in participants in the Pedigree Sheep Breed Improvement Programme.
9. A higher level of receipts than estimated were received as the levy rate in 2006 was higher than in 2007 and a significant amount of the receipts related to 2006 activities.
10. Less annuities were collected and fewer redemptions were completed than anticipated during the year.
11. Fines by their nature are a variable issue and can go up or down depending on the detection rate, etc.
12. Variation from estimate was due to a number of large once-off payments on new leases/licences received in 2007 and also receipt of back money on earlier leases.
13. A lower level of expenditure than anticipated on EU Fishery Conservation and Management measures resulted in no drawdown of EU funding before year end.
14. Less receipts were received than estimated due to fewer licence applications being processed than anticipated during the year.
15. There were insufficient projects completed by October 2007 to submit a claim to the EU for re-imbusement.
16. There were insufficient projects completed by October 2007 to enable an EU re-imbusement claim to be submitted.
17. Receipts under this subhead comprise a number of variable elements and are difficult, therefore, to forecast accurately.
18. The low level of receipts reflect the sales of existing intervention stocks and the low level of produce put into intervention during the year.

Explanation of Variations

19. The EU refunded over-deductions made for late payments in 2004 and 2005, which were not provided for at time of formulation of the Estimates.
20. The receipt of an advance payment, on approval of the Rural Development Programme, 2007-2013, was not anticipated.
22. The lower than estimated level of receipts reflected the reduced incidence of Bovine Brucellosis.
24. Expenditure under the NDP/EAGGF co-financed sub-measures was less than anticipated resulting in a lower level of receipts than originally estimated.

9 COMMITMENTS

Global figure for Commitments likely to materialise in subsequent year(s) under Procurement and Grant Subheads: €2,833,538,452.

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	2,081,529	829	28	22,279
Overtime and extra attendance	11,486,564	1,934	604	56,609
Shift and roster allowances	296,958	47	21	10,704
Miscellaneous	<u>1,385,378</u>	943	38	21,093
Total extra remuneration	<u>15,250,429</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 to this Vote from the Vote of Communications, Energy and Natural Resources (No. 30) with effect from 19 October 2007 (S.I. No. 707 of 2007).

As agreed with the Department of Finance under the delegated Administrative Budget Scheme, a carry over from 2007 of savings of €825,000 is included in the Estimates for 2008.

A provision for deferred surrender of unspent capital of €31,413,000 was made under Section 91 of the Finance Act, 2004.

Payments totalling €119,893 were made in respect of legal fees and costs relating to the recoupment of a grant from a company that had gone into liquidation. [Subhead M. (D/Finance reference 99/27 and delegated sanction reference DS/07002)].

Interest accrued on refundable deposits for foreshore licenses (offshore energy projects) amounted to €159,464 at 31 December 2007. The total contingent liability is €759,464.

A sum of €183,095 was paid to a former staff member in a High Court settlement in respect of loss of earnings, pension arrears and general damages. [Subhead A. (D/Finance reference E171/19/2006 of 29 March 2007)].

Payments totalling €78,257 were made in respect of a personal injury claim for damages and costs made by an employee. [Subhead A. D/Finance delegated sanction S90/1/00(C1/D1) refers].

Three Ex-gratia payments totalling €711 were made under the Disease Eradication Schemes. [Subhead C. (D/Finance delegated sanction reference 00/32)].

A payment of €2,450,000 was made to a company in final settlement of High Court proceedings. [Subhead M. (D/Finance reference 64/2007 of 7 November 2007)].

Ex-gratia payments totalling €1,479,000 were made to 108 animal welfare organisations. [Subhead C. (S90/2004)].

A total of €107,345 was paid in merit awards under the Administrative Budget Agreement. A total of 197 individuals and 46 groups benefited.

A payment of €14,520 was made to a plaintiff in settlement of a judicial review under the Animal Remedies Regulations. [Subhead M. (D/Finance reference 99/27 of 23 March 1999 and delegated sanction reference DS07/021 of 16 August 2007)].

A payment of €208,000 was made to a herd owner in settlement of a claim under the Disease Eradication Regulations. [Subhead C. (D/Finance reference 25/2007 of 28 March 2007)].

A payment of €31,373 was made in settlement of a legal claim under the Rural Environment Protection Scheme. [Subhead F. (D/Finance delegated sanction reference DS/0616)].

An ex-gratia payment of €56,800 was made under the Rural Environment Protection Scheme. [Subhead F. (D/Finance reference 11/2007 of 21 February 2007)].

Payments totalling €294,599 were made in respect of three plaintiffs' legal costs arising from High Court proceedings under the milk quota regime. (Subhead M.).

A payment of €533,144 was made in respect of final settlement of legal costs arising from a High Court decision. (Subhead M.).

An ex-gratia payment of €99,765 was made to a meat factory in respect of losses it incurred processing meat that the Department did not reject in time. [Subhead C. (D/Finance reference 73/2007 of 28 November 2007)].

Payments totalling €45,543 were paid in settlement of legal actions taken by nine officers of the Department. (Subhead A.).

Compensation and associated legal and miscellaneous costs totalling €59,162 were paid in settlement of six legal claims made by non-employees. (Subhead A.).

The following sums were written off:

	Sanction Reference	Amount €
Scheme of Early Retirement from Farming	D/Finance sanctions of various dates in 2007	212,619
Rural Environment Protection Scheme	No. S90/17/2000 of various dates in 2007	43,819

Bovine Tuberculosis and Brucellosis Eradication Scheme	2007	Total to 2007
Statement of Payments and Receipts and Cumulative Totals to 31 December 2007	€m	€m
Gross Cost		
Grants for Reactors (Subhead C.)	19	779
Fees to Veterinary Surgeons (Subhead C.)	11	479
Other (Travel, Subsistence, Tuberculin, Tags, Equipment, etc.) (Subhead C.)	<u>19</u>	<u>313</u>
Total	<u>49</u>	<u>1,571</u>
Receipts		
Contributions by Farmers under the Bovine Disease (Levies) Act, 1979 (Subhead Q.9.)	(6)	(517)
EU contributions to Cost of Schemes (Subhead Q.22.)	<u>(2)</u>	<u>(82)</u>
Total	<u>(8)</u>	<u>(599)</u>
Net Cost	<u>41</u>	<u>972</u>

12 EU FUNDING

Council Regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) with effect from the 2007 EU budget year (16 October 2006 - 15 October 2007). The EAGF finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes. The EAGF and the EAFRD replace the EAGGF Guarantee and Guidance Funds respectively.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Subheads C., D., E., F., G., H. and I. include expenditure in respect of activities co-financed by the EU through the EAGGF Guidance Fund and the new EAFRD. Subhead C. also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Subheads P.1. and P.4. include expenditure in respect of activities co-financed by the EU through the Financial Instrument for Fisheries Guidance, 2000-2006 (FIG) and the European Fisheries Fund, 2007-2013 (EFF).

The Account includes interest of €4.67m paid on short-term borrowings of €730m borrowed in 2006 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2007 along with interest.

A total of €740m in short term funds were borrowed in 2007 to fund EAGF Guarantee expenditure pending EU recoupment in 2008.

EU-funded Expenditure managed by the Department of Agriculture, Fisheries and Food

EAGF Guarantee (Measures fully funded by the EU)	Total €m
Fully-funded EAGF Expenditure	
Single Payment Scheme ¹	1,297
Premia / Arable Aid ¹	1
Export Refunds	58
Sugar Restructuring Aid	79
Special Dairy Measures	1
Intervention	(7)
Sundry Other Measures	<u>1</u>
	1,430
 Co-funded Receipts (measures co-funded by EU) ²	
<i>Agriculture</i>	
EAFRD Rural Development Programme 2007 to 2013 ³	366
EAGGF Guidance (2000 - 2006 Programme period)	32
Veterinary Fund	10
Market intervention	1
Other Co-financing Guarantee Receipts	<u>1</u>
	410
 Total Expenditure	 <u>1,840</u>

¹ 2007 expenditures for Livestock Premium and Arable Aid represent residual payments on schemes which were replaced by the Single Payment Scheme from December 2005.

² Only the EU Co-funding on these programmes is shown on this Table.

³ Under Council Regulation (EC) No. 1290/2005, rural development measures are co-financed by the EU under the Rural Development Programme, 2007-2013, a multi-annual programme approved by the Commission. The measures include the Young Farmers Installation Scheme, the Early Retirement Scheme, schemes for On-Farm Investment, the Less Favoured Areas Compensatory Allowances Scheme and the Rural Environment Protection Scheme.

13 MISCELLANEOUS ACCOUNTS

World Food Programme (Grant) Account

Account of Receipts and Payments in the Year Ended 31 December 2007

	€
Balance on 1 January 2007	-
Grant (Subhead L.)	8,986,000
Contribution to World Food Programme	<u>(8,986,000)</u>
Balance on 31 December 2007	=

**Food Aid Convention Under International Wheat Agreement (Grant) Account
Account of the Receipts and Payments in the Year ended 31 December 2007****€**

Balance on 1 January 2007	-
Grant (Subhead L.)	1,524,000
Expenditure	<u>(1,524,000)</u>
Balance on 31 December 2007	<u>—</u>

14 STOCKS

Stocks at 31 December 2007 comprised:	€000
Laboratory Supplies, Chemicals	434
Stationery Supplies	103
Computer Supplies	124
Veterinary Supplies	201
Livestock	380
Agricultural Stock	97
Safety Items & First Aid Supplies	30
Cleaning Supplies	28
	<u>1,397</u>

15 DUE TO THE STATE

The amount due to the State at 31 December 2007 consisted of:	€000
Withholding Tax	1,121
Value Added Tax	280
Relevant Contracts Tax	(9)
Superannuation	-
Intervention VAT	(54)
Department of Finance/Revenue Commissioners	<u>5,212</u>
	<u>6,550</u>

16 ENHANCING INTERNAL CONTROL

A statement of internal financial controls in the standard format for the year ended 31 December 2007 has been submitted with this account to the Comptroller and Auditor General. The following actions have been taken or are planned to enhance the system of internal control as regards staff training, risk management, information and communications technology security and ongoing review of the effectiveness of administrative and financial controls:

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee, its Risk Management Committee and its MIF Management Group.

The Accreditation Review Group, which is chaired by the Secretary General, reviews EU audit findings, and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies. The Department's Audit Committee, which includes six external members, reviews and monitors the work plan of the Internal Audit Unit and reports annually to the Minister and the Secretary General on its implementation. The Department is subject to a range of audits by the Comptroller and Auditor General, the Internal Audit Unit, the EU Court of Auditors, the EU Commission and by an independent certifying body - a professional accountancy firm - which certifies the annual EAGF and EAFRD Accounts. The Secretary General provided a Statement of Assurance to the certifying body for the EU annual Accounts as required by Council Regulation 1290/2005. In 2007, the Department was subject to approximately 3,000 audit person days by these bodies.

The Risk Management Committee, also chaired by the Secretary General, monitors the operation of the Department's Risk Management Programme. The overall objective of the programme is to identify and assess the key risks (strategic, operational, financial and reputational) facing the Department in achieving its objectives and to outline measures for addressing those risks. It is reviewed on an ongoing basis. The programme continued to function satisfactorily in 2007 with Risk Management Committee meetings being held in March, July, September and November.

The MIF Management Group directs and monitors the delivery of the Department's Management Information Framework. It is chaired at Assistant Secretary level. Over the past year, management reports comprising financial and non-financial performance indicator information, which were established under its supervision have bedded down. The Group is engaged in ongoing review of the system.

The Department has a strong commitment to the security of its information and communication technology systems, which is also independently reviewed. Documented backup/recovery procedures are in place for all critical data, including the use of secure offsite storage services and disaster recovery facilities. The Department has a dedicated IT Security Unit and is proactive in the development and promotion of IT security policies. ICT security arrangements are subject to review by the IT audit section of the Internal Audit Unit. In addition, the Department, in its role as a Paying Agency on behalf of the European Union, is subject to an annual Accreditation audit, which includes a computer risk management review. As part of the Accreditation process, the Department has chosen to adopt the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security.

There is ongoing identification of training needs, including those relating to financial management. Induction training includes a module on financial management. In addition, in house training material is available for delivery on performance management and indicators, budgeting, planning and management reporting. The financial procedures manual is subject to ongoing review and revision to take account of any new developments. Copies of the financial procedures is available on line to all Department staff as well as being made available for use in training courses.

T. MORAN

Accounting Officer

DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD

28 March 2008

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Agriculture, Fisheries and Food 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 Agriculture, Fisheries and Food. 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 9 of the report for 2007 prepared by me pursuant to Section 3 of the Act.



JOHN BUCKLEY
Comptroller and Auditor General
19 September 2008