

Appropriation Account 2019

Vote 29

Communications, Climate Action and Environment

Introduction

As Accounting Officer for Vote 29, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2019 for the salaries and expenses of the Office of the Minister for Communications, Climate Action and Environment, including certain services administered by that Office, and for payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2019 out of unspent 2018 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €59.017 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 27 of 2019, have been applied in the preparation of the account, except for the following:

Depreciation

The Department calculates depreciation on an annual basis with a full year's depreciation charged to each asset in the year of acquisition.

Motor vehicles are depreciated over five years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over ten years at 10% per annum, while all other office/IT equipment is depreciated over five years at 20% per annum.

Statement on Internal Financial Control

Responsibility for system of internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services. I rely on a letter of assurance from the Accounting Officer of the Vote for the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to the Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal controls are as follows:

Financial control environment

I confirm that a control environment containing the following elements is in place.

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

Administrative controls and management reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

Internal audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Procurement

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. In 2019, the Department complied with the guidelines with the exception of 36 contracts (in excess of €25,000) totalling €9,895,276 (excluding VAT) as set out below:

- 12 contracts (€5,495,213 excluding VAT) relate to contracts for expert advisory services for the National Broadband Plan (NBP) which were extended beyond original contract terms in order to finalise the contract negotiations in respect of the NBP.
- One contract (€2,330,000 excluding VAT) relates to a contract for the management and operation of the National Digital Research Centre which was extended beyond original contract terms pending the completion of an updated procurement competition to provide these services. This competition is ongoing and is expected to be completed in 2020.
- Nine contracts (€878,020 excluding VAT) relate to various services contracts which were extended beyond their original contract terms. Each of these contracts was reviewed by the Department in 2019 and steps have been taken, in each case where it was possible and appropriate, to bring these contracts into compliance with competitive procurement rules as quickly as possible.
- 14 contracts (€1,192,043 excluding VAT) were awarded without following competitive tendering processes and relate to the procurement of goods and services which ensured delivery of the Department's policies and objectives. The Department has reviewed the circumstances in which these contracts were awarded with a view to putting compliant contracts in place, where possible, and to prevent the award of similar, non-compliant contracts arising in future.

The Department has provided details of these exceptional contracts as part of the 56 contracts with a total value €14,378,178 (excluding VAT) that are included on the annual return in respect of Circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. Of the €14,378,178 (excluding VAT) committed in respect of the foregoing non-competitive procurements, an amount of €5,310,526 (excluding VAT) was paid in 2019, with a balance of €9,067,652 (excluding VAT) being carried into 2020.

Risk and control framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2019 that require disclosure in the Appropriation Account.

Mark Griffin

Accounting Officer

Department of Communications, Climate Action and Environment

3 April 2020

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Communications, Climate Action and Environment

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Communications, Climate Action and Environment and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

Non-compliance with procurement rules

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2019.

Remediation of landfill sites

Chapter 9 of my report on the accounts of the public services for 2019 presents an overview of expenditure in respect of the remediation of landfill sites.

Seamus McCarthy

Comptroller and Auditor General

18 September 2020

Vote 29 Communications, Climate Action and Environment

Appropriation Account 2019

	Estimate Provision		2019	2018
	€000	€000	Outturn	Outturn
			€000	€000
Programme expenditure				
A Communications				
<i>Original</i>	81,632			
<i>Deferred surrender</i>	15,000			
		96,632	25,142	27,515
B Broadcasting		264,904	260,363	253,105
C Energy		175,372	185,275	153,297
D Natural resources		24,565	20,792	20,794
E Inland fisheries		34,568	34,095	34,198
F Environment and waste management				
<i>Original</i>	83,660			
<i>Supplementary</i>	1			
		83,661	61,503	63,456
Gross expenditure				
<i>Original</i>	664,701			
<i>Deferred surrender</i>	15,000			
<i>Supplementary</i>	1			
		679,702	587,170	552,365
<i>Deduct</i>				
G Appropriations-in-aid		242,711	236,493	237,297
Net expenditure				
<i>Original</i>	421,990			
<i>Deferred surrender</i>	15,000			
<i>Supplementary</i>	1			
		436,991	350,677	315,068

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spend in the following year. €27.296 million of unspent 2019 capital allocations in respect of Subhead A.3 was carried forward to 2020.

	2019	2018
	€	€
Surplus	86,313,414	34,014,630
Deferred surrender	(27,296,000)	(15,000,000)
Surplus to be surrendered	<u>59,017,414</u>	<u>19,014,630</u>

Mark Griffin

Accounting Officer

Department of Communications, Climate Action and Environment

3 April 2020

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	555,318	521,188
Pay	24,173	23,503
Non pay	7,679	7,674
Gross expenditure	587,170	552,365
<i>Deduct</i>		
Appropriations-in-aid	236,493	237,297
Net expenditure	350,677	315,068
Changes in capital assets		
Purchases cash	(422)	
Depreciation	1,000	
	578	93
Changes in net current assets		
Increase in closing accruals	865	
Decrease in stock	88	(502)
Direct expenditure	352,208	314,659
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	15,974	15,558
Notional rents	1,584	1,530
Net programme cost	369,766	331,747

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	4	56
Vote 12 Superannuation and Retired Allowances	12,191	11,500
Vote 13 Office of Public Works	3,687	3,907
Vote 18 National Shared Services Office	37	38
Central Fund - Ministerial pensions	55	57
	15,974	15,558

Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
Capital assets	2.1	1,888	2,439
Current assets			
Bank and cash	2.2	43,981	30,414
Stocks	2.3	173	261
Prepayments		1,419	600
Accrued income		428	560
Other debit balances	2.4	168	122
Total current assets		46,169	31,957
Less current liabilities			
Accrued expenses		2,228	575
Other credit balances	2.5	5,399	4,824
Net Exchequer funding	2.6	38,750	25,712
Deferred income		—	101
Total current liabilities		46,377	31,212
Net current assets		(208)	745
Net assets		1,680	3,184
Represented by:			
State funding account	2.7	1,680	3,184

2.1 Capital assets ^a

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2019	1,347	21,923	6,177	29,447
Additions	51	86	285	422
Adjustments ^b	—	—	630	630
Disposals	(2)	(103)	(12)	(117)
Cost or valuation at 31 December 2019	1,396	21,906	7,080	30,382
Accumulated depreciation				
Opening balance at 1 January 2019	1,248	20,760	5,000	27,008
Depreciation for the year	24	433	543	1,000
Adjustments ^b	—	—	603	603
Depreciation on disposals	(2)	(103)	(12)	(117)
Cumulative depreciation at 31 December 2019	1,270	21,090	6,134	28,494
Net assets at 31 December 2019	126	816	946	1,888
Net assets at 31 December 2018	99	1,163	1,177	2,439

Note ^a State-owned land and buildings controlled or managed by the Department, including those which do not have valuations, are set out in Appendix A.

^b Following a review of over 8,000 assets in 2019, the Department identified six assets with a value of €630,000 purchased by the Department prior to 2019, that had been omitted from capital asset additions in previous years. An adjustment of €603,000 was required in respect of accumulated depreciation on these assets up until 31 December 2018. The net adjustment of €27,000 is matched by an equivalent adjustment to the State funding account (see Note 2.7).

2.2 Bank and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account.

2.3 Stocks

at 31 December	2019	2018
	€000	€000
Geological Survey Ireland	157	239
Stationery	16	22
	<u>173</u>	<u>261</u>

2.4 Other debit balances

at 31 December	2019	2018
	€000	€000
Salaries of seconded staff	108	6
Other suspense	60	116
	<u>168</u>	<u>122</u>

2.5 Other credit balances

at 31 December	2019	2018
	€000	€000
Amounts due to the State		
Withholding tax	563	536
Value added tax	171	323
Relevant contract tax	1	—
Extra Exchequer receipts (note 4.3)	261	—
Contributory pension scheme	—	2
PAYE/PRSI	576	563
	<u>1,572</u>	<u>1,424</u>
Due to the Environmental Protection Agency (note 4.3)	1,459	1,257
Emergency call answering service	1,755	1,464
Payroll	72	56
Other	541	623
	<u>3,827</u>	<u>3,400</u>
	<u>5,399</u>	<u>4,824</u>

2.6 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	59,017	19,015
Deferred surrender	27,296	15,000
Exchequer grant undrawn	(47,563)	(8,303)
Net Exchequer funding	38,750	25,712
Represented by:		
Debtors		
Bank and cash	43,981	30,414
Debit balances: suspense	168	122
	44,149	30,536
Creditors		
Due to State	(3,031)	(2,681)
Credit balances: suspense	(2,368)	(2,143)
	(5,399)	(4,824)
	38,750	25,712

2.7 State funding account

	Note	2019	2018
		€000	€000
Balance at 1 January		3,184	2,775
Disbursements from the Vote			
Estimate provision	Account	436,991	
Deferred surrender	Account	(27,296)	
Surplus to be surrendered	Account	(59,018)	
Net vote		350,677	315,068
Expenditure (cash) borne elsewhere	1	15,974	15,558
Other (non-cash) items	2.1	27	—
Non cash expenditure – notional rent	1	1,584	1,530
Net programme cost	1	(369,766)	(331,747)
Balance at 31 December		1,680	3,184

2.8 Commitments

a) Global commitments

At 31 December	2019	2018
	€000	€000
Procurement of goods and services	1,682	984
Capital grant programmes	142,540	54,604
Capital projects and programmes	2,812,308	47,589
Total of legally enforceable commitments	2,956,530	103,177

b) Capital grant programmes^a

At 31 December	2019	2018
	€000	€000
Opening balance	54,604	34,224
Grants paid in year	(46,238)	(31,200)
New grant commitments	134,174	51,618
Grants cancelled	—	(38)
Closing balance	142,540	54,604

C) Major capital projects where the project value exceeds €10 million

Programme/project	Cumulative expenditure to 31 December 2018	Expenditure in 2019	Project commitments in subsequent years	Expected total spend lifetime of project 2019	Expected total spend lifetime of project 2018
	€000	€000	€000	€000	€000
National postcodes	25,101	1,510	5,900	32,511	30,981
National Broadband Plan	—	—	2,764,000	2,764,000	—
INFOMAR ^a	47,243	3,969	7,444	58,656	61,543
Tellus ^b	16,024	3,363	2,690	22,077	23,475
	88,368	8,842	2,780,034	2,877,244	115,999

Note ^a INFOMAR is a national survey programme which maps the Irish seabed and provides key baseline data for Ireland's marine sector.

^b Tellus is a national survey programme which gathers geophysical and geochemical data across Ireland via airborne geophysical surveying using a low-flying aircraft and ground-based geochemical surveying soil, stream water and stream sediment.

Significant variations

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2018.

National postcodes

Increase in expected total spend: €1.53 million

The increase reflects the inclusion of the final year commitments under the current contract for the Eircodes project which will run to 2023.

National broadband plan

Increase in expected total: €2.764 billion

The increase reflects new commitments under the 25 year national broadband plan contract which was signed by the Minister in November 2019.

INFOMAR

Decrease in expected total: €2.887 million

The reduction reflects a reassessment of contractual arrangements for the INFOMAR project which resulted in the removal of commitments which had previously been reported in error.

Tellus

Decrease in expected total: €1.398 million

The reduction reflects a reassessment of contractual arrangements for the Tellus project which resulted in the removal of commitments which had previously been reported in error.

2.9 Land remediation

The Department incurs costs in relation to State-owned mines in Avoca and Silvermines. Expenditure relates to land remediation works and environmental monitoring at both sites which is reported under Subhead D4 (mining services).

	Expenditure to end 2018	Expenditure in 2019	Contractual commitments	Total
	€000	€000	€000	€000
Avoca	3,780	100	685	4,565
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,430	128	149	1,707
	16,400	228	834	17,462

2.10 Cyber security

The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to Cyber Security is reported under subhead A5 of the communications programme.

	2019	2018
	€000	€000
Cyber security	<u>1,570</u>	<u>2,072</u>

2.11 Contingent liabilities

There is potential for financial liabilities to arise in 2020 and subsequent 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.

Note 3 Vote Expenditure

Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	26,249	24,173	23,503
ii	Travel and subsistence	941	932	979
iii	Training and development and incidental expenses	1,389	1,356	1,221
iv	Postal and telecommunication services	600	394	370
v	Office equipment and external IT services	3,194	2,148	2,640
vi	Office premises expenses	963	923	830
vii	Consultancy services and value for money and policy reviews	1,800	1,738	1,417
viii	Equipment, stores and maintenance	296	188	217
		35,432	31,852	31,177

Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

iv Postal and telecommunications services

Estimate provision: €600,000, outturn: €394,000

The savings of €206,000 relative to the estimate provision reflects lower than estimated costs for ongoing telecommunication services, primarily due to the deferral of the Department's IT upgrade from 2019 to 2020.

v Office equipment and external IT services

Estimate provision: €3.194 million, outturn: €2.148 million

The savings of €1.046 million relative to the estimate provision relates to the replacement of IT hardware being deferred to 2020.

viii Equipment, stores and maintenance

Estimate provision: €296,000, outturn: €188,000

The savings of €108,000 relative to the estimate provision arose due to the transfer of costs relating to some project-related equipment from the Department's administrative budget to the natural resources programme subhead D5 (GSI services).

Programme A Communications

		2019		2018	
		Estimate provision		Outturn	
		€000	€000	€000	
A.1	Administration – pay		6,796	6,258	6,085
A.2	Administration – non pay		1,750	1,522	1,340
A.3	Information and communications technology programme				
	<i>Original</i>	62,190			
	<i>Deferred surrender</i>	15,000			
			77,190	8,030	11,182
A.4	Multimedia developments		4,282	4,412	4,521
A.5	Information society		6,614	4,920	4,387
			96,632	25,142	27,515

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €71.49 million lower than originally provided. €766,000 of this related to administration expenditure and has already been explained and the balance of the variance of €70.724 million was mainly due to the following:

A.3 Information and communications technology programme

Estimate provision: €77.19 million, outturn: €8.03 million

The savings of €69.16 million relative to the estimate provision was due, in the main, to the extended duration of the complex procurement process for the rollout of the National Broadband Plan. The procurement process concluded in 2019 and the contract was signed in November 2019.

A.5 Information society

Estimate provision: €6.614 million, outturn: €4.92 million

The savings of €1.694 million relative to the estimate provision was due to lower than anticipated expenditure in respect of the demand-led Digital Skills for Citizens and Trading Online Voucher schemes.

Programme B Broadcasting

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	1,160	1,068	1,038
B.2	Administration – non pay	381	337	243
B.3	Grant to Raidió Telefís Éireann in respect of broadcasting licence fees	199,322	196,547	188,567
B.4	Payment to An Post for collection of broadcasting licence fees	12,457	11,384	11,969
B.5	Deontas i Leith Theilifís na Gaeilge	36,233	36,233	36,775
B.6	Broadcasting fund	15,351	14,794	14,513
		264,904	260,363	253,105

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €4.541 million lower than provided. €136,000 related to administration expenditure and the balance of the variance of €4.405 million was mainly due to the following:

B.3 Grant to Raidió Telefís Éireann in respect of broadcasting licence fees

Estimate provision: €199.322 million, outturn: €196.547 million

The saving of €2.775 million relative to the estimate provision arose because grant payments to RTÉ are based on the proceeds from television licence sales, which were lower than anticipated in 2019.

B.4 Payment to An Post for collection of broadcasting licence fees

Estimate provision: €12.457 million, outturn: €11.384 million

The savings of €1.073 million relative to the estimate provision relates to the vote neutral payment to An Post, based on television licence sales income, which was lower than anticipated in 2019.

Programme C Energy

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	4,856	4,472	4,348
C.2	Administration – non pay	1,846	1,573	1,435
C.3	Sustainable Energy Authority of Ireland – administration and general expenses	17,504	17,382	11,017
C.4	Sustainable energy programmes	141,110	151,206	127,778
C.5	Energy research programmes	9,700	10,319	8,433
C.6	Gas services	65	56	39
C.7	Subscriptions to international organisations	290	267	247
C.8	Renewable energy compliance	1	—	—
		175,372	185,275	153,297

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €9.903 million higher than provided. €657,000 of this related to an underspend on administration expenditure and the balance of the variance of €10.56 million was mainly due to the following:

C.4 Sustainable energy programmes

Estimate provision: €141.11 million, outturn: €151.206 million

The excess of €10.096 million relative to the estimate provision relates to additional expenditure in 2019 on a number of demand-led grant programmes including Warmer Homes, Better Energy Homes, Electric Vehicles and Solar Pilot schemes.

C.5 Energy research programmes

Estimate provision: €9.7 million, outturn: €10.319 million

The excess of €619,000 relative to the estimate provision was due to additional expenditure on the renewable energy Research, Development and Demonstration (RD&D) programme arising from the introduction of multi-annual funding arrangements. These new arrangements allow for an increase in the scale and depth of the projects that can now be funded under the scheme which will have a greater impact on the achievement of Ireland's energy and climate related targets.

Programme D Natural Resources

	Estimate provision €000	2019	2018
		Outturn	Outturn
		€000	€000
D.1 Administration – pay	6,344	5,843	5,681
D.2 Administration – non pay	3,162	2,522	2,657
D.3 Petroleum services	504	314	342
D.4 Mining services	2,750	330	915
D.5 GSI services	11,670	11,649	11,081
D.6 Subscriptions to international organisations	135	134	118
	24,565	20,792	20,794

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €3.773 million lower than provided. €1.141 million of this related to administration expenditure and the balance of the variance of €2.632 million was mainly due to the following:

D.3 Petroleum services

Estimate provision: €504,000, outturn: €314,000

The savings of €190,000 relative to the estimate provision was due to lower than expected contributions to the vote neutral Petroleum Infrastructure Programme Fund due to a reduction in the number of frontier licences held.

D.4 Mining services

Estimate provision: €2.75 million, outturn: €330,000

The savings of €2.42 million relative to the estimate provision relates to 1) lower than expected compensation payments made to private land owners as a result of less than anticipated extraction activity by mining companies, and legal delays in settling compensation cases, 2) delays in relation to remediation works at Avoca and 3) delays in acquiring a site as part of the rehabilitation of Silvermines.

Programme E Inland Fisheries

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
E.1 Administration – pay	830	764	743
E.2 Administration – non pay	453	363	405
E.3 Inland fisheries	33,285	32,968	33,050
	34,568	34,095	34,198

Programme F Environment and Waste Management

	2019		2018
	Estimate provision	Outturn	Outturn
	€000	€000	€000
F.1 Administration – pay	6,263	5,768	5,608
F.2 Administration – non pay	1,591	1,362	1,594
F.3 Environmental Protection Agency	36,921	38,761	35,303
F.4 Carbon Fund	5,105	607	599
F.5 International climate change commitments	2,500	2,500	4,500
F.6 Landfill remediation	8,500	6,956	10,250
F.7 Climate initiatives	1,850	2,017	1,208
F.8 Subscriptions to international organisations	3,000	3,037	2,971
F.9 National dialogue	—	—	—
F.10 Waste management initiatives	2,930	495	1,423
F.11 Climate Action Fund	15,000	—	—
F.12 Just Transition Fund	—	—	—
	<i>Original</i>	—	—
	<i>Supplementary</i>	1	—
		1	—
		83,661	61,503
			63,456

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the expenditure in relation to Programme F was €22.158 million lower than originally provided. €724,000 of this related to administration expenditure and the balance of the variance of €21.434 million was mainly due to the following:

F.3 Environmental Protection Agency

Estimate provision: €36.921 million, outturn: €38.761 million

The excess of €1.84 million relative to the estimate provision was due to the delayed payment in 2019 of the EPA's final drawdown request for 2018.

F.4 Carbon Fund

Estimate provision: €5.105 million, outturn: €607,000

The savings of €4.498 million relative to the estimate provision was due to the anticipated bilateral purchase of carbon credits from another Member State not proceeding.

F.6 Landfill remediation

Estimate provision: €8.5 million, outturn: €6.956 million

The savings of €1.544 million relative to the estimate provision was due to delayed progress on the Kerdiffstown Landfill Remediation Project.

F.7 Climate initiatives

Estimate provision: €1.85 million, outturn: €2.017 million

The excess of €167,000 relative to the estimate provision was due to additional research being commissioned to inform the finalisation of the Climate Action Plan.

F.10 Waste campaign

Estimate provision: €2.93 million, outturn: €495,000

The savings of €2.435 million relative to the estimate provision was due to a delay in finalising arrangements for the rollout of a financial scheme to support vulnerable people with the disposal of medical incontinence waste.

F.11 Climate Action Fund

Estimate provision: €15 million, outturn: nil

The savings of €15 million relative to the estimate provision arose due to a longer than expected verification process for projects under the Climate Action Fund.

Note 4 Receipts

4.1 Appropriations-in-aid

	2019		2018
	Estimated €000	Realised €000	Realised €000
1 Proceeds of fines in respect of inland fishery offences	50	23	13
2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	8,795	7,113	10,630
3 Petroleum Infrastructure Support Group	437	314	332
4 Broadcasting licence fees	227,130	222,725	219,295
5 Geological Survey Ireland income	300	558	704
6 Rent on properties in GPO	223	77	204
7 Miscellaneous receipts (note 4.2)	1,070	1,297	1,190
8 Pension contribution from agencies	732	636	832
9 Receipts from additional superannuation contributions on public service remuneration ^a	3,581	3,377	4,097
10 Dormant accounts receipts	393	373	—
Total	242,711	236,493	237,297

Note ^a The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

Significant variations

Overall, appropriations-in-aid were €6.218 million less than the original estimate. Explanations for variances are set out below:

2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960

Estimate: €8.795 million, realised: €7.113 million

The shortfall of €1.682 million was due to reduced licence fee income as a result of a number of frontier exploration licences expiring in 2019 and a reduction in income generated from the sale of petroleum data.

3 Petroleum Infrastructure Support Group

Estimate: €437,000, realised: €314,000

The shortfall of €123,000 was due to lower than expected contributions from holders of frontier exploration licences. In 2019, the Department received a total of 18 contributions from licence holders which as was lower than anticipated due to 1) a number of licences having been relinquished during the year and 2) fees being suspended in some cases while applications and issues were in the process of being assessed.

4 Broadcasting licence fees*Estimate: €227.13 million, realised: €222.725 million*

The shortfall of €4.405 million was due to lower than expected sales of television licences. 1,025,534 were sold in the year which was 22,056 licences less than the 2019 target.

5 Geological Survey Ireland income*Estimate: €300,000, realised: €558,000*

The increase of €258,000 was due to the earlier than expected receipt of grant income for EU-funded marine projects and the approval and receipt of new grant income for groundwater climate work.

6 Rent on properties in GPO*Estimate: €223,000, realised: €77,000*

The shortfall of €146,000 was due to the delayed receipt of 2019 rental income until January 2020.

7 Miscellaneous*Estimate: €1.07 million, realised: €1.297 million*

The increase of €227,000 was due to higher than expected costs recouped from other bodies.

9 Receipts from additional superannuation contributions on public service remuneration*Estimate: €3.581 million, realised: €3.377 million*

The shortfall of €204,000 was due to less than expected contributions from agencies being received in 2019.

4.2 Miscellaneous receipts

	2019	2018
	€000	€000
Costs recovered from other bodies	347	234
Royalties in respect of metropolitan area networks	927	877
Other	23	79
Total	1,297	1,190

4.3 Extra receipts payable to the Exchequer

	2019	2018
	€000	€000
Balance at 1 January	—	—
Receipts from emissions trading scheme ^a	122,798	140,813
Receipts from fines on breaches of emission trading ^b	261	—
Galway Mayo telecommunications duct	117	96
EU Carbon Fund	—	98
Voluntary surrender of Ministerial salaries	15	16
Transferred to the Exchequer	<u>(122,930)</u>	<u>(141,023)</u>
Balance as at 31 December	<u>261</u>	<u>—</u>

Note ^a Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading System (ETS) in 2019 amounted to €124.26 million. €1.46 million is deducted for the Environmental Protection Agency's administrative expenses, resulting in a net receipt of €122.8 million for return to the Exchequer.

^b The Department received €261,271 from the EPA on 23 December 2019 in respect of fines it had collected from two Irish companies during the year following breaches of the emissions trading scheme. This balance was paid in full to the Exchequer in February 2020.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2019	2018
Number of staff at year end		
Department	383	395
Agencies ^a	861	1,098
	1,244	1,493

Note ^a The agencies included here are the Digital Hub Development Agency, Sustainable Energy Authority of Ireland, Inland Fisheries Ireland, the Loughs Agency and the Environmental Protection Agency. Agency pay details following relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies)	2019	2018
	€000	€000
Pay	70,139	67,535
Higher, special or additional duties allowance	217	239
Other allowances	1,480	1,464
Overtime	53	53
Employer's PRSI	6,501	6,047
Total pay	78,390	75,338

Note The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, C.1, C.3, D.1, E.1, E.3, F.1 and F.3. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (Circular 17/2013).

Remuneration of Department staff

	2019	2018
	€000	€000
Pay	22,255	21,670
Higher, special or additional duties allowance	80	58
Other allowances	61	106
Overtime	34	30
Employer's PRSI	1,743	1,639
Total pay	24,173	23,503

Remuneration of agency staff

	2019	2018
	€000	€000
Pay	47,884	45,865
Higher, special or additional duties allowance	196	181
Other allowances	1,360	1,358
Overtime	19	23
Employer's PRSI	4,758	4,408
Total pay	54,217	51,835

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Department staff				
Higher, special or additional duties	21	2	14,186	17,124
Other allowances	11	3	20,614	19,424
Overtime	31	—	4,469	3,076
Extra remuneration in more than one category	7	1	14,245	7,677
Agency staff				
Higher, special or additional duties	41	—	9,116	9,120
Other allowances	330	1	12,000	11,500
Overtime	20	—	3,065	3,000
Extra remuneration in more than one category	26	1	10,114	11,000

5.4 Other remuneration arrangements

Two public sector workers in receipt of public sector pensions were engaged on a permanent basis. One was employed in June 2019 and resigned in November 2019. The second remains employed with the Department and the Defence Forces are managing abatement of this pension consistent with the principles of the Public Service (Single Scheme and Other Provisions) Act 2012.

This account includes expenditure of €346,749 in respect of six officers who were serving outside the Department for all or part of 2019 and whose salaries were paid by the Department.

5.5 Payroll overpayments

at 31 December	Number of recipients	2019 €	2018 €
Overpayments	28	91,207	120,744
Recovery plans in place	12	67,588	86,557

Two overpayment recovery plans in respect of two individuals to the value of €2,498 were transferred to other departments in the year.

Note 6 Miscellaneous

6.1 Compensation and legal costs

				2019	2018
	Number of cases	Legal costs paid by the Department €000	Compensation awarded €000	Legal costs awarded €000	Total €000
Claims by employees	1	—	25	—	25
Claims by external organisations/ individuals	4	—	164	66	230
		—	189	66	255
					155

6.2 EU funding

The outturn shown in subheads C.4 and D.5 include payments in respect of projects which are co-financed by the EU. Estimates of receipts and actual outturns (recorded in note 4.1, subhead 5) were as follows.

	2019	2019	2018
	Estimate	Outturn	Outturn
	€000	€000	€000
EMODnet, European Maritime and Fisheries Fund	135	135	135
Cherish, INTERREG Ireland-Wales Programme 2014-2020	325	219	173
ERA MIN2, Horizon 2020	27	18	60
ERA NET, Horizon 2020	—	—	92
Total	487	372	460

Note: The Department also received advance funding of €133,087 from the EU in 2019 in respect of projects which are administered through suspense accounts (2018: €335,618).

Note 7 Miscellaneous accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2019.

	2019	2018
	€000	€000
Balance at 1 January	5,918	6,211
Receipts	314	335
Payments	(141)	(628)
Balance at 31 December	6,091	5,918

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by the Department. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead D.3.

The Fund is administered by the Petroleum Affairs Division of the Department.

7.2 Energy Efficiency National Fund

Statement of the receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2019.

	2019	2018
	€000	€000
Balance at 1 January	20,968	31,810
Receipts	—	—
Investments	—	(10,842)
Balance at 31 December	20,968	20,968

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are to 1) support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and 2) promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Revenue Levy Fund to the EENF.

A total of €14.03 million of funding from the EENF has been invested in Ireland Energy Efficiency Investments plc (IEEI). The State investment in IEEI is matched by private sector funding. The Minister, along with the other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, in consultation with the Minister for Public Expenditure and Reform, decided not to invest any further funding in IEEI beyond May 2018. At 31 December 2019, the State's investment in IEEI was valued at €11.593 million.

Following approval by Government, the Minister, with the consent of the Minister for Public Expenditure and Reform, decided to wind up the EENF and assign the remaining moneys to the Climate Action Fund. No moneys have been paid from the EENF for use by the Climate Action Fund. The remaining balance in the EENF at 31 December 2019 was €20.968 million.

Appendix A Schedule of lands and buildings

The Minister owns the following General Post Office (GPO) properties:

1. GPO Building
2. GPO Arcade
3. 1-6 Post Office Buildings
4. 24-30 Henry Street

These properties are managed under leases and/or licences granted by the State.

The Minister owns the Galway Fishery in Galway City and the Owenea/Owentocker Fishery in Co. Donegal, both of which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

Appendix B Accounts of bodies and funds under the aegis of the Department of Communications, Climate Action and Environment

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Post	2018	29 Mar 2019	29 Mar 2019	29 Apr 2019
Commission for Communications Regulation ^a	2018	29 Mar 2019	13 May 2019	9 Jul 2019
Digital Hub Development Agency	2018	26 Jun 2019	26 Aug 2019	10 Mar 2020
Broadcasting Authority of Ireland	2018	28 Jun 2019	29 Aug 2019	29 Oct 2019
RTÉ	2018	30 Apr 2019	30 Apr 2019	28 Jun 2019
TG4	2018	11 Jun 2019	11 Jun 2019	2 Sep 2019
Bord na Móna	2018	26 Jun 2019	26 Jun 2019	23 Jul 2019
Commission for the Regulation of Utilities ^b	2018	21 Jun 2019	5 July 2019	—
Eirgrid ^c	2018	21 Dec 2019	11 Feb 2019	15 Apr 2019
ESB	2018	1 Mar 2019	22 Feb 2019	20 Mar 2019
Irish National Petroleum Corporation	2018	6 Jun 2019	18 Jun 2019	12 Jul 2019
National Oil Reserves Agency	2018	27 Jun 2019	28 Jun 2019	15 Jul 2019
Sustainable Energy Authority of Ireland	2018	28 Jun 2019	3 Jul 2019	25 Jul 2019
Inland Fisheries Ireland ^b	2018	19 Dec 2019	24 Jan 2020	—
Loughs Agency ^b	2018	26 Jun 2019	7 Jan 2020	—
Environmental Protection Agency	2018	30 Jun 2019	7 Oct 2019	27 Nov 2019
Environment Fund	2018	10 Dec 2019	10 Dec 2019	17 Dec 2019

Note ^a Period of account 1 July 2017 to 30 June 2018.

^b Annual report and accounts for 2018 not yet laid before the Oireachtas.

^c Period of account 1 October 2017 to 30 September 2018.