

Appropriation Account 2020

Vote 29

Environment, Climate and Communications

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 2020 for the salaries and expenses of the Office of the Minister for the Environment, Climate and Communications, including certain services administered by that Office and for payment of certain grants.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2020, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2020 out of unspent 2019 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €63.325 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.

Transfer of functions

The account has been prepared in accordance with the *Revised Estimates for Public Services 2020*, which took account of

- the transfer of broadcasting functions from the Department of Communications, Climate Action and Environment (Vote 29) to the Department Culture, Heritage and the Gaeltacht (Vote 33) with effect from 23 September 2020 (SI 372 of 2020), and
- the alteration of the title of the Department of Communications, Climate Action and Environment to the Department of the Environment, Climate and Communications with effect from 24 September (SI 373 of 2020).

In line with accounting arrangements set out by the Government Accounting section of Department of Public Expenditure and Reform, the revised estimates for 2020 reflect the transfer of the Department functions on a full year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis. Therefore, all the transferred broadcasting functions for 2020 are included in the appropriation account of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (Vote 33).

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 22 of 2020, have been applied in the preparation of the account, except for the following.

Depreciation of capital assets

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.

Valuation of capital assets

As provided for in circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

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 National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is 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 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

I confirm that 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.

The Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €985,225 (ex. VAT).

- Two contracts with a value of €379,096 (ex VAT) relate to contracts for expert advisory services for the National Broadband Plan which were extended beyond the original contractual terms pending completion of procurement competitions to provide these services. Replacement contracts for these services have been in place since June 2020.
- One contract with a value of €606,129 (ex VAT) relates to a contract for the management and operation of the National Digital Research Centre which was extended beyond the original contract term pending a procurement process, which was completed in August 2020.

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform. The three contracts referred to above were included in this return.

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, while risk relating to key projects are subject to ongoing review. 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. 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.

Covid-19 pandemic

The onset of the Covid-19 pandemic in early 2020 resulted in some changes to the working and control environment with remote working becoming the norm for all staff in the Department. As a result, the Department introduced a number of procedural and control changes. An assessment of the impact of Covid-19 was carried out and I confirm that the controls, both existing and those introduced as a result of Covid-19, continue to be effective.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2020 that require disclosure in the appropriation account.

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

31 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Environment, Climate and Communications

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Environment, Climate and Communications for the year ended 31 December 2020 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 Environment, Climate and Communications for the year ended 31 December 2020, 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 Environment, Climate and Communications 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 2020.

Seamus McCarthy
Comptroller and Auditor General

23 September 2021

Vote 29 Environment, Climate and Communications

Appropriation Account 2020

	2020		2019
	Estimate provision €000	Outturn €000	Outturn €000
Programme expenditure			
A Communications			
<i>Estimate provision</i>	130,455		
<i>Deferred surrender</i>	27,296		
		157,751	25,142
B Energy		218,388	185,275
C Natural resources		25,239	20,792
D Inland fisheries		35,083	34,095
E Environment and waste management		104,982	61,503
<i>Broadcasting</i>		—	260,363
Gross expenditure			
<i>Estimate provision</i>	514,147		
<i>Deferred surrender</i>	27,296		
		541,443	587,170
<i>Deduct</i>			
F Appropriations-in-aid	25,224	13,120	236,493
Net expenditure			
<i>Estimate provision</i>	488,923		
<i>Deferred surrender</i>	27,296		
		516,219	415,147
			350,677

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 spending in the following year. €37.747 million of unspent 2020 capital allocations in respect of the capital elements of subhead A.3 was carried forward to 2021.

	2020 €	2019 €
Surplus	101,071,705	86,313,414
Deferred surrender	(37,747,000)	(27,296,000)
Surplus to be surrendered	63,324,705	59,017,414

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

31 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	395,609	555,318
Pay	25,406	24,173
Non pay	7,252	7,679
Gross expenditure	428,267	587,170
<i>Deduct</i>		
Appropriations-in-aid	13,120	236,493
Net expenditure	415,147	350,677
Changes in capital assets		
Purchases cash	(1,457)	
Depreciation	1,157	(300)
		578
Changes in net current assets		
Decrease in closing accruals	(231)	
Increase in stock	(32)	(263)
		953
Direct expenditure	414,584	352,208
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	15,506	15,974
Notional rents	1,584	1,584
Net programme cost	431,674	369,766

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.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	—	4
Vote 12 Superannuation and Retired Allowances	11,805	12,191
Vote 13 Office of Public Works	3,588	3,687
Vote 18 National Shared Services Office	42	37
Central Fund – ministerial pensions	71	55
	15,506	15,974

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	2,188	1,888
Current assets			
Bank and cash	2.2	75,701	43,981
Stocks	2.3	205	173
Prepayments		2,261	1,419
Accrued income		1,378	428
Other debit balances	2.4	249	168
Total current assets		79,794	46,169
Less current liabilities			
Accrued expenses		3,688	2,228
Deferred income		101	—
Other credit balances	2.5	34,740	5,399
Net Exchequer funding	2.6	41,210	38,750
Total current liabilities		79,739	46,377
Net current assets		55	(208)
Net assets		2,243	1,680
Represented by:			
State funding account	2.7	2,243	1,680

2.1 Capital assets

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	1,396	21,906	7,080	30,382
Additions	44	783	630	1,457
Disposals	(36)	—	—	(36)
Cost or valuation at 31 December 2020	1,404	22,689	7,710	31,803
Accumulated depreciation				
Opening balance at 1 January 2020	1,270	21,090	6,134	28,494
Depreciation for the year	24	563	570	1,157
Depreciation on disposals	(36)	—	—	(36)
Cumulative depreciation at 31 December 2020	1,258	21,653	6,704	29,615
Net assets at 31 December 2020	146	1,036	1,006	2,188
Net assets at 31 December 2019	126	816	946	1,888

Note State-owned land and buildings controlled or managed by the Department, not included here, are listed in Appendix A.

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	2020	2019
	€000	€000
Equipment	71	40
Publications	120	117
Stationery	14	16
	205	173

2.4 Other debit balances

at 31 December	2020	2019
	€000	€000
Salaries of seconded staff	112	108
Other suspense	137	60
	249	168

2.5 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Withholding tax	414	563
Value added tax	311	171
Relevant contract tax	2	1
Exchequer receipts (note 4.3)	152	261
PAYE/PRSI	663	576
	<u>1,542</u>	<u>1,572</u>
Suspense		
Climate Action Fund ^a	28,000	—
Energy Efficiency National Fund (note 7.2)	1,212	—
Environment Protection Agency (note 4.3)	1,759	1,459
Emergency call answering service	1,660	1,755
Payroll	128	72
Other	439	541
	<u>33,198</u>	<u>3,827</u>
	<u>34,740</u>	<u>5,399</u>

Note ^a Section 37 of the National Oil Reserves Act 2007 as amended by Section 14 of the National Oil Reserves Agency (Amendment) and Provision of Treasury Services Act 2020, permits the Minister to issue an annual direction to the National Oil Reserves Agency to pay a specified amount of the levy on relevant disposals of petroleum products into the Climate Action Fund. The Fund was established on 1 August 2020 and will be accounted for separately from the Vote. Pending the opening of a Fund bank account, the 2020 transfer was temporarily lodged to a Vote suspense account and is included as a credit balance in this note. The levy is expected to be transferred to the Climate Action Fund in April 2021.

2.6 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	63,325	59,017
Deferred surrender	37,747	27,296
Exchequer grant undrawn	(59,862)	(47,563)
Net Exchequer funding	41,210	38,750
Represented by:		
Debtors		
Bank and cash	75,701	43,981
Debit balances: suspense	249	168
	75,950	44,149
Creditors		
Due to the State	(1,542)	(3,031)
Credit balances: suspense	(33,198)	(2,368)
	(34,740)	(5,399)
	41,210	38,750

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		1,680	3,184
Disbursements from the Vote			
Estimate provision	Account	516,219	
Deferred surrender	Account	(37,747)	
Surplus to be surrendered	Account	(63,325)	
Net vote		415,147	350,677
Expenditure (cash) borne elsewhere	1.1	15,506	15,974
Other (non-cash) items		—	27
Non cash expenditure – notional rent	1	1,584	1,584
Net programme cost	1	(431,674)	(369,766)
Balance at 31 December		2,243	1,680

2.8 Commitments

a) Global commitments		
at 31 December	2020	2019
	€000	€000
Procurement of goods and services	1,755	1,682
Capital grant programmes	151,454	142,540
Capital projects and programmes	2,772,694	2,812,308
Total of legally enforceable commitments	2,925,903	2,956,530

b) Capital grant programmes		
At 31 December	2020	2019
	€000	€000
Opening balance	142,540	54,604
Grants paid in the year	(109,975)	(46,238)
New grant commitments	132,263	134,174
Grants cancelled	(13,374)	—
Closing balance	151,454	142,540

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

Programme/project	Cumulative expenditure to 31 December 2019 €000	Expenditure in 2020 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2020 €000	Expected total spend lifetime of project 2019 €000
National postcodes	26,611	1,431	4,425	32,467	32,511
National Broadband Plan	—	42,503	2,721,497	2,764,000	2,764,000
INFOMAR ^a	51,212	3,908	4,544	59,664	58,656
Tellus ^b	19,387	2,684	1,322	23,393	22,077
	97,210	50,526	2,731,788	2,879,524	2,877,244

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 of 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 2019.

INFOMAR

Increase in expected total spend: €1.008 million

Spend on the INFOMAR programme relates primarily to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year.

Tellus

Increase in expected total spend: €1.316 million

Spend on the Tellus programme relates primarily to a number of short-term contracts for which expenditure and commitments reflect a point in time and are subject to variation year-on-year.

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 C4.

	Expenditure to end 2019	Expenditure in 2020	Contractual Commitments	Total
	€000	€000	€000	€000
Avoca	3,880	886	46	4,812
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,558	131	—	1,689
	16,628	1,017	46	17,691

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 as shown below is reported under the communications programme as shown below, with administrative costs met from subheads A.1 and A.2 and operational funding provided through subhead A.5.

	2020	2019
	€000	€000
Cyber security	3,422	3,322

2.11 Contingent liabilities

There is potential for financial liabilities to arise in 2021 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.

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	28,397	25,406	24,173
ii	Travel and subsistence	926	280	932
iii	Training and development and incidental expenses	1,236	524	1,356
iv	Postal and telecommunications services	444	375	394
v	Office equipment and external IT services	3,101	3,586	2,148
vi	Office premises expenses	933	689	923
vii	Consultancy services and value for money and policy reviews	1,700	1,571	1,738
viii	Equipment, stores and maintenance	196	227	188
		36,933	32,658	31,852

Significant variations

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

i Salaries, wages and allowances

Estimate provision €28.397 million; outturn €25.406 million

The savings of €2.991 million was due to delays in the recruitment and appointment of staff in 2020 arising from the need to fill a large number of both new positions and replacements for staff leaving the Department.

ii Travel and subsistence

Estimate provision €926,000; outturn €280,000

The savings of €646,000 are due to the Covid-19 pandemic and its impact on travel.

iii Training and development and incidental expenses

Estimate provision €1.236 million; outturn €524,000

The savings of €712,000 are mainly due to the Covid-19 pandemic and its impact on training, exhibitions and conference costs.

vi Office premises expenses

Estimate provision €933,000; outturn €689,000

The savings of €244,000 are due to reductions in maintenance, security, cleaning, light and heat due to the reduced occupancy of the Department's premises because of the Covid-19 pandemic.

Programme A Communications

		2020		2019	
		Estimate provision		Outturn	
		€000	€000	€000	
A.1	Administration – pay		8,089	7,237	6,258
A.2	Administration – non pay		1,727	1,428	1,522
A.3	Information and communications technology programme				
	<i>Estimate provision</i>	79,560			
	<i>Deferred surrender</i>	27,296			
			106,856	53,255	8,030
A.4	Multimedia developments		4,295	4,455	4,412
A.5	Information society		6,484	3,981	4,920
A.6	Covid-19 Trading Online Voucher Scheme		30,300	18,460	—
			157,751	88,816	25,142

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €68.935 million lower than provided. €1.151 million of this related to administration expenditure (see above). The balance of the variance of €67.784 million was mainly due to the following.

A.3 Information and communications technology programme

Estimate provision €106.856 million; outturn €53.255 million

The savings of €53.601 million are due to the Covid-19 pandemic and its impact on the deployment of the National Broadband Plan network, which resulted in a lower than expected expenditure outturn.

A.5 Information society

Estimate provision €6.484 million; outturn €3.981 million

The savings of €2.503 million are mainly due to difficulties in delivering the Digital Skills for Citizens Scheme following public health guidelines for the Covid-19 pandemic.

A.6 Covid-19 Trading Online Voucher Scheme

Estimate provision €30.3 million; outturn €18.46 million

The savings of €11.84 million arose because grants approved after 16 October 2020 were not paid until 2021. This Department was responsible for payments in respect of grants approved under this scheme up to 16 October 2020, when its sanction to administer the scheme expired. Administrative responsibility for the scheme transferred to the Department of Enterprise, Trade and Employment on 31 December 2020. Grants approved after 16 October 2020 became the responsibility of Department of Enterprise Trade and Employment and fall to be paid by that Department in 2021.

Programme B Energy

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	5,753	5,147	4,472
B.2	Administration – non pay	1,740	1,471	1,573
B.3	Sustainable Energy Authority of Ireland - administration and general expenses	12,671	12,385	17,382
B.4	Sustainable energy programme	137,189	127,164	151,206
B.5	Energy research programmes	10,700	7,788	10,319
B.6	Gas services	45	55	56
B.7	Subscriptions to international organisations	290	281	267
B.8	Renewable energy compliance ^a	50,000	50,000	—
		218,388	204,291	185,275

Note ^a EU member states are allowed to purchase 'statistical transfers' from other member states in order to comply with 2020 obligations under the Renewable Energy Directive.

In 2020, Ireland entered into agreements with Denmark and Estonia for the purchase of 3,500 GWh statistical transfers. The total cost of the purchase in 2020 was €50 million.

Additional purchases may be required under the agreements in 2021 depending on final energy statistics for 2020, and provision has been made in the 2021 estimates for further statistical transfers.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme B was €14.097 million lower than provided. €875,000 of this related to administration expenditure. The balance of the variance of €13.222 million was mainly due to the following.

B.4 Sustainable energy programmes

Estimate provision €137.189 million; outturn €127.164 million

The savings of €10.025 million was due to reduced activity as a result of the Covid-19 pandemic on a number of demand-led grant schemes including Electric Vehicles, EXCEED and Deep Retrofit. There were also delays in the development of an SME programme and with projects under the Support Scheme for Renewable Heat.

B.5 Energy research programmes

Estimate provision €10.7 million; outturn €7.788 million

The savings of €2.912 million was due to the reduced activity on the Ocean Energy programme and Renewable Energy Research, Development and Demonstration programme as a result of the Covid-19 pandemic.

Programme C Natural resources

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	6,541	5,852	5,843
C.2	Administration – non pay	2,889	2,523	2,522
C.3	Petroleum services	504	35	314
C.4	Mining services	3,500	1,260	330
C.5	GSI services	11,670	11,416	11,649
C.6	Subscriptions to international organisations	135	125	134
		25,239	21,211	20,792

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €4.028 million lower than provided. €1.055 million of this related to administration expenditure. The balance of the variance of €2.973 million was mainly due to the following.

C.3 Petroleum services

Estimate provision €504,000; outturn €35,000

The savings of €469,000 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.

C.4 Mining services

Estimate provision €3.5 million; outturn €1.26 million

The savings of €2.24 million 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) less than expected expenditure on remediation works at Avoca and 3) delays in acquiring a site as part of the rehabilitation of Silvermines.

Programme D Inland fisheries

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
D.1 Administration – pay	768	687	764
D.2 Administration – non pay	394	354	363
D.3 Inland fisheries	33,921	31,868	32,968
	35,083	32,909	34,095

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme D was €2.174 million lower than provided. €121,000 of this related to administration expenditure. The balance of this variance of €2.053 million was due to the following.

D.3 Inland fisheries

Estimate provision €33.921 million; outturn €31.868 million

The variance of €2.053 million was due to the completion of funding for the Eel Support Scheme earlier than expected and some operational savings due to the Covid-19 pandemic.

Programme E Environmental and waste management ^a

	2020		2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
E.1 Administration – pay	7,246	6,483	5,768
E.2 Administration – non pay	1,786	1,477	1,362
E.3 Environmental Protection Agency	43,010	43,212	38,761
E.4 Carbon Fund	3,000	320	607
E.5 International climate change commitments	4,500	4,500	2,500
E.6 Landfill remediation	11,250	12,008	6,956
E.7 Climate initiatives	6,060	2,857	2,017
E.8 Subscriptions to international organisations	3,000	3,002	3,037
E.9 National dialogue	—	—	—
E.10 Waste management initiatives	9,130	6,329	495
E.11 Climate Action Fund	10,000	707	—
E.12 Just Transition Fund	6,000	145	—
	104,982	81,040	61,503

Note ^a This programme includes activities which, prior to 2020, were funded through the Environment Fund. In 2020, €14.08 million was provided by the Vote for these activities under subheads E.3 (Environmental Protection Agency: €5.63 million), E.6 (landfill closure and after care: €2.75 million) and E.10 (waste enforcement initiatives: €5.7 million).

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme E was €23.942 million lower than provided. €1.072 million of this related to administration expenditure. The balance of the variance of €22.87 million was mainly due to the following.

E.4 Carbon Fund

Estimate provision €3 million; outturn €320,000

The savings of €2.68 million were due to a deferral in purchasing carbon credits pending clarification on how the Covid-19 pandemic was impacting Ireland's 2020 emissions.

E.6 Landfill remediation

Estimate provision €11.25 million; outturn €12.008 million

The excess of €758,000 was due to higher than expected claims from local authorities for work undertaken on landfill remediation.

E.7 Climate initiatives

Estimate provision €6.06 million; outturn €2.857 million

The savings of €3.203 million were due to reduced activities in respect of the National Dialogue on Climate Action and the Local Authority Climate Action Training Programme as a result of the Covid-19 pandemic, and to the delayed commencement of some climate modelling work under the Technical Research and Modelling programme which will be completed in 2021.

E.10 Waste management initiatives

Estimate provision €9.13 million; outturn €6.329 million

The savings of €2.801 million were due to ongoing delays in the development and rollout of a financial scheme for the disposal of medical incontinence waste.

E.11 Climate Action Fund

Estimate provision €10 million; outturn €707,000

The savings of €9.293 million arose due to a longer than expected verification process for projects under the Climate Action Fund which was established as a separate statutory fund in August 2020.

E.12 Just Transition Fund

Estimate provision €6 million; outturn €145,000

The savings of €5.855 million were due to a delay in the finalisation of grant agreements in respect of individual projects, which resulted in limited expenditure on this scheme in 2020.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Proceeds of fines in respect of inland fishery offences	50	21	23
2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	8,795	6,699	7,113
3 Petroleum Infrastructure Support Group	437	35	314
4 Geological Survey Ireland income	300	481	558
5 Rent on properties in GPO	223	328	77
6 Energy efficiency fund receipts	10,000	707	—
7 Miscellaneous receipts (note 4.2)	1,070	997	1,297
8 Pension contributions from agencies	732	232	636
9 Receipts from additional superannuation contributions on public service remuneration	3,037	3,069	3,377
10 Dormant accounts receipts	580	551	373
<i>Broadcasting licence fees</i>	—	—	222,725
Total	25,224	13,120	236,493

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €12.104 million less than the 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 €6.699 million

The shortfall of €2.096 million was due to reduced licence fee income in respect of frontier exploration licences and reduced extraction rates of private minerals by mineral companies which resulted in a decrease in the compensation amounts being received.

3 Petroleum Infrastructure Support Group

Estimate €437,000; realised €35,000

The shortfall of €402,000 was due to lower than expected receipts from holders of frontier exploration licences. In 2020, the Department received a total of two receipts from licence holders (18 in 2019).

4 Geological Survey Ireland income

Estimate €300,000; realised €481,000

The excess of €181,000 was due to higher than expected receipts on a number of EU funded projects.

5 Rent on properties in GPO*Estimate €223,000; realised €328,000*

The excess of €105,000 was due to the delayed receipt of 2019 rental income which was received in January 2020.

7 Energy efficiency fund receipts*Estimate €10 million; realised €707,000*

The shortfall of €9.293 million was due to lower than expected expenditure by the vote-neutral Climate Action Fund (subhead E.11). This resulted in lower than anticipated matching receipts from the Energy Efficiency National Fund.

8 Pension contributions from agencies*Estimate €732,000; realised €232,000*

The shortfall of €500,000 was due to the delayed receipt of pension contributions from one agency, and the estimate provision for this subhead not being reduced to reflect the transfer of receipts from Broadcasting Authority of Ireland to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

4.2 Miscellaneous receipts

	2020	2019
	€000	€000
Royalties in respect of metropolitan area networks	911	927
Corrib verification	48	—
Costs recovered from other bodies	35	347
Other	3	23
Total	997	1,297

4.3 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	261	—
Receipts from emissions trading scheme ^a	122,781	122,798
Receipts from fines on breaches of emission trading	—	261
Galway Mayo telecommunications duct	193	117
NDRC sale of shares	152	—
Voluntary surrender of Ministerial salaries	29	15
Transferred to the Exchequer	(123,264)	(122,930)
Balance at 31 December	152	261

Note ^a Ireland's gross share of receipts arising from auctioning of allowances in the EU Emissions Trading System (ETS) in 2020 amounted to €124.52 million. €1.76 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.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	396	383
Agencies ^a	875	861
	1,271	1,244

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)	2020	2019
	€000	€000
Pay	73,620	70,139
Higher, special or additional duties allowances	236	217
Other allowances	1,517	1,480
Overtime	48	53
Employer's PRSI	6,925	6,501
Total pay	82,346	78,390

Note The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, B.3, C.1, D.1, D.3, E.1, E.3. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (circular 22 of 2020).

Remuneration of Department staff

	2020	2019
	€000	€000
Pay	23,331	22,255
Higher, special or additional duties allowances	20	80
Other allowances	101	61
Overtime	25	34
Employer's PRSI	1,929	1,743
Total pay	25,406	24,173

Remuneration of agency staff

	2020	2019
	€000	€000
Pay	50,289	47,884
Higher, special or additional duties allowances	216	196
Other allowances	1,416	1,360
Overtime	23	19
Employer's PRSI	4,996	4,758
Total pay	56,940	54,217

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Department staff				
Higher, special or additional duties allowances	13	—	4,894	14,186
Other allowances	18	2	20,614	20,614
Overtime	20	—	4,262	4,469
Extra remuneration in more than one category	5	1	11,262	14,245
Agency staff				
Higher, special or additional duties allowances	47	—	9,761	9,116
Other allowances	306	—	9,873	12,000
Overtime	11	—	4,473	3,065
Extra remuneration in more than one category	47	7	14,124	10,114

5.4 Other remuneration arrangements

One public sector worker in receipt of a public sector pension is engaged by the Department on a permanent basis and payments made are consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €407,809 in respect of four officers who were serving outside the Department for all or part of 2020 and whose salaries are paid by the Department.

This account does not include expenditure in respect of twelve officers who were serving outside the Department for all our part of 2020 and whose salaries were paid by the agencies in which they worked.

5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	22	107,379	91,207
Recovery plans in place	9	78,846	67,588

5.6 Severance/redundancy

During 2020, three staff members whose employment was terminated, received severance payments totalling €52,192. Two of these staff members received redundancy payments totalling €23,136.

Note 6 Miscellaneous

6.1 Compensation and legal costs

				2020	2019
	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	Total
		€000	€000	€000	€000
Claims by:					
Employees	—	—	—	—	25
External organisations/ individuals	—	—	—	—	230
	—	—	—	—	255

6.2 EU funding

The outturn shown in subheads B.4 and C.5 includes payments in respect of activities which are co-financed by the EU through the European Regional Development Fund (ERDF) and Horizon 2020.

ERDF receipts are paid directly into the Central Fund and related expenditure is provided in Subhead B.4 (2020: €23.394 million; 2019: €39.814 million).

The Department received advance funding of €338,569 from the EU in respect of Horizon 2020 projects and related expenditure is provided in Subhead C.5 (2020: €808,000; 2019: €372,000).

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 2020.

	2020	2019
	€000	€000
Balance at 1 January	6,091	5,918
Receipts	38	314
Payments	(57)	(141)
Balance at 31 December	<u>6,072</u>	<u>6,091</u>

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 C.3.

The Fund is administered by the Geoscience Regulation Office in the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2020.

	2020	2019
	€000	€000
Balance at 1 January	20,968	20,968
Receipts	—	—
Investments	—	—
Refund to the Vote in respect of Climate Action Fund projects	(707)	—
Balance at 31 December	<u>20,261</u>	<u>20,968</u>

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 (1) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (2) to 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 2020, the State's investment in IEEI was valued at €13.615 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.

In 2020, pending legislation to establish the Climate Action Fund on a statutory basis, expenditure of €707,166 was provided through Subhead E.11 in respect of Climate Action Fund projects. This expenditure was refunded to the Vote by a matching appropriation-in-aid receipt from the EENF under Subhead F.6 as agreed with the Department of Public Expenditure and Reform.

The remaining balance in the EENF at 31 December 2020 was €20.261 million.

In October 2020, the Minister, as shareholder, received a distribution from IEEI of €1.212 million for the period ended 30 September 2020. Pending a decision on the treatment of this distribution, it was temporarily lodged to a Vote suspense account and is included as a credit balance in note 2.5. The distribution will transfer to the EENF in 2021.

Appendix A Schedule of lands and buildings

The Minister owns the following properties.

- 1 General Post Office (GPO) building
- 2 GPO Arcade
- 3 1-6 Post Office Buildings
- 4 24-30 Henry Street

These properties are managed under leases 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 the Environment, Climate and Communications

The following table lists the bodies 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 when 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	2019	26 Mar 2020	31 Mar 2020	15 May 2020
Commission for Communications Regulation ^a	2019	19 Mar 2020	29 Apr 2020	23 Jul 2020
Digital Hub Development Agency ^b	2019	29 Jun 2020	30 Jun 2020	—
Bord na Móna	2019	24 Jun 2020	29 Jun 2020	22 Jul 2020
Commission for the Regulation of Utilities	2019	26 May 2020	12 Jun 2020	17 Nov 2020
Eirgrid ^c	2019	20 Dec 2019	31 Jan 2020	9 Nov 2020
ESB	2019	27 Feb 2020	3 Mar 2020	21 May 2020
Irish National Petroleum Corporation	2019	18 Jun 2020	25 Jun 2020	7 Aug 2020
National Oil Reserves Agency	2019	23 Jun 2020	25 Jun 2020	7 Aug 2020
Sustainable Energy Authority of Ireland	2019	26 Jun 2020	29 Jun 2020	17 Nov 2020
Inland Fisheries Ireland	2019	21 Dec 2020	23 Dec 2020	19 Feb 2021
Loughs Agency ^b	2019	11 Feb 2021	25 Feb 2021	—
Environmental Protection Agency	2019	30 Jun 2020	8 Oct 2020	9 Dec 2020
Environment Fund	2019	17 Dec 2020	18 Dec 2020	7 Jan 2021

Note ^a Period of account 1 July 2018 to 30 June 2019.

^b Annual report and accounts for 2019 not yet laid before the Oireachtas.

^c Period of account 1 October 2018 to 30 September 2019.