

Appropriation Account 2021

Vote 30

Agriculture, Food and the Marine

Introduction

As Accounting Officer for Vote 30, 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 2021 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine, including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2021, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2021 out of unspent 2020 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €157.977 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 circulars 1 and 9 of 2022, have been applied in the preparation of the account with the exception of the following.

Capital assets

Assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of ten years. This rate reflects the industrial nature of these assets.

State owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

Statement on Internal Financial Control

Responsibility for the 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

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for the National Shared Services Office has put in place an audit process to provide independent assurance on the operation of controls within shared services. This assurance is a combination of:

- Internal audit work performed by the National Shared Services Office's internal audit unit, and
- Audits conducted by a firm of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402), designed to report to user departments and their auditors on the controls within shared services. These audits report on the effectiveness of controls operated in 2021.

The Accounting Officer for the National Shared Services Office has provided me with a letter of assurance on the internal control and audit arrangements and reports on the audits of the operation of controls during 2021.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for the National Shared Services Office.

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, approved by me, 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.

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

The Accreditation Review Group, which is chaired by me, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies.

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2021, the Department was subject to approximately 2,276 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 1306/2013.

Non-compliance with procurement rules

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant guidelines and legislation.

The Department complied with the guidelines with the exception of 64 contracts totalling €3,787,740 (ex. VAT) as set out below.

- Ten contracts with a value of €711,749 were previously awarded but exceeded the relevant thresholds for that competitive process.
- Three contracts with a value of €454,945 arose due to transitional delays in migrating to new service providers.

- Fifteen contracts with a value of €117,149 were for small non-competitive procurements which were not included in a previously approved compliant non-competitive process.
- Thirty-one contracts with a value of €2,304,961 arose due to delays in undertaking a competitive process, due to the highly technical nature of the items involved.
- One contract with a value of €35,823 arose where numerous small purchases when aggregated breached the procurement threshold.
- Four contracts with a value of €163,113 arose where approval was not sought prior to urgent non-competitive procurement of replacement veterinary services.

The Department is committed to reducing the level of non-compliant procurements undertaken and continues to target areas of non-compliance in a planned methodical manner.

The Department has provided details of 85 non-competitive contracts in the annual return in respect of circular 40/02 to the Comptroller and Auditor General and the Department of Public Expenditure and Reform.

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2021.

- The Risk Office, which is based in the Finance Division, works full-time at developing and strengthening risk management activity across the organisation.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for governance, and has representation at Head of Division level across the Department, meets on a quarterly basis and provides oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- A new Risk Management System - eRisk, which is part of DPER's Built-to-Share suite of applications available to public sector bodies, was rolled out to DAFM staff by the Risk Office throughout 2020. The provision of staff training and support in relation to DAFM's Risk Management Policy and use of the eRisk system continued throughout 2021.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The process of reviewing and updating the Department's Fraud Policy, incorporating an Anti-Fraud Strategy, commenced in 2021 and will be completed in 2022.

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.

Significant financial risks***Brexit***

Since 1 January 2021 the UK, excluding Northern Ireland, is outside the EU Single Market and Customs Union. This means new procedures apply for businesses moving goods to, from or through the UK excluding Northern Ireland. The EU-UK Trade and Cooperation Agreement (TCA) came into effect at the same time. This agreement provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitations of agri-food trade and this has created very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish-UK supply chains, leaves it particularly vulnerable to the effects of Brexit.

During 2021, as well as ongoing costs associated with implementing import controls on UK imports of food products from 1 January 2021, the Department incurred additional costs associated with Brexit in respect of preparations to support the sector in meeting new UK import control requirements for agri-food products in particular related to provision of export health certification. The costs included recruitment of additional staff, provision of enhanced IT infrastructure, additional training and communication costs to support preparedness of the sector to meet new UK requirements. In addition, a number of support schemes have been introduced, and are being rolled out on an ongoing basis, to address impacts of Brexit on certain sectors, mainly in respect of the fisheries sector. This expenditure was provided through the estimates process and this expenditure will be considered for recoupment as part of Ireland's claim under the EU Brexit Adjustment Reserve. Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2021 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

Weaknesses in control over fixed assets

A dedicated asset management unit was formed in January 2017. The unit has been charged with verifying the Department's asset registers. This work encompasses the checking for existence, categorisation, the capturing of capital assets under construction and full asset detailing. The project was completed in 2021 and adjustments have been made to the asset register as appropriate. Procedures are now in place to ensure that the asset register is an accurate record of the existence and valuation of assets, and the previously reported control weaknesses are now mitigated.

ICT security

The Department has a strong commitment to the security of its ICT systems. These systems are independently reviewed on a regular basis. Documented back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities. The Department has dedicated IT security co-ordination and cyber-security units and is proactive in the development and promotion of information security. ICT security arrangements are subject to review by the IT audit section of the internal audit unit. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit. The Department holds accreditation under the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard.

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 2021 that resulted in, or may result in, a material loss.

Covid-19 control issues

Notwithstanding the ongoing Covid-19 pandemic throughout 2021, the Department's inspectorate and certification processes continued to function as before. The pandemic did result in some changes to the working and control environment in other business areas within the Department with remote and virtual working becoming the norm. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced because of the Covid-19 pandemic continue to be effective.

Brendan Gleeson

Accounting Officer

Department of Agriculture, Food and the Marine

30 March 2022

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

Opinion on the appropriation account

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2021 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 30 Agriculture, Food and the Marine for the year ended 31 December 2021, 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 appendix to this report. I am independent of the Department of Agriculture, Food and the Marine 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 appendix to this report.

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 2021.

Seamus McCarthy

Comptroller and Auditor General

25 September 2022

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with Section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the certificates of opinion on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2021

		2021		2020
		Estimate provision		Outturn
		€000	€000	€000
				Outturn
				€000
Programme expenditure				
A	Food Safety, Animal and Plant Health and Animal Welfare			
	Original	322,973		
	Deferred surrender	600		
	Supplementary	(1,500)		
			322,073	301,657
				278,683
B	Farm/Sector Support and Controls			
	Original	937,088		
	Deferred surrender	31,000		
	Supplementary	(37,899)		
			930,189	823,914
				871,290
C	Policy and Strategy			
	Original	398,281		
	Supplementary	30,300		
			428,581	402,846
				392,808
D	Seafood Sector			
	Original	167,776		
	Supplementary	9,100		
			176,876	164,301
				132,213
Gross expenditure				
	Original	1,826,118		
	Deferred surrender	31,600		
	Supplementary	1		
			1,857,719	1,692,718
				1,674,994
	Deduct			
E	Appropriations-in-aid		363,789	386,665
				388,488
Net expenditure				
	Original	1,462,329		
	Deferred surrender	31,600		
	Supplementary	1		
			1,493,930	1,306,053
				1,286,506

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. €29.9 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2022 (Note 6.6).

	2021	2020
	€	€
Surplus	187,877,467	135,953,184
Deferred surrender	(29,900,000)	(31,600,000)
Surplus to be surrendered	<u>157,977,467</u>	<u>104,353,184</u>

Brendan Gleeson

Accounting Officer

Department of Agriculture, Food and the Marine

30 March 2022

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2021

		2021	2020
	€000	€000	€000
Programme cost		1,392,409	1,389,124
Pay		211,253	192,835
Non pay		89,056	93,035
Gross expenditure		1,692,718	1,674,994
<i>Deduct</i>			
Appropriations-in-aid		386,665	388,488
Net expenditure		1,306,053	1,286,506
Changes in capital assets			
Purchases cash	(4,296)		
Gain on disposal	(24)		
Disposals cash	24		
Depreciation	2,736	(1,560)	(1,405)
Changes in net current assets			
Increase in closing accruals	5,886		
Decrease in stock	220	6,106	8,537
Direct expenditure		1,310,599	1,293,638
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		82,773	77,664
Notional rents		8,026	8,027
Net programme cost		1,401,398	1,379,329

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 30 borne elsewhere.

		2021	2020
		€000	€000
Vote 9	Office of the Revenue Commissioners	6	13
Vote 12	Superannuation and Retired Allowances	78,077	73,040
Vote 13	Office of Public Works	3,476	3,472
Vote 18	National Shared Services Office	371	369
Vote 43	Office of the Government Chief Information Officer	560	495
Central Fund – ministerial pensions		283	275
		82,773	77,664

Note 2 Statement of Financial Position as at 31 December 2021

	Note	2021 €000	2020 €000
Capital assets	2.1	8,491	14,051
Current assets			
Bank and cash	2.2	166,402	82,501
Stocks	2.3	2,067	2,287
<i>Accrued income:</i>			
EAFRD funding due from the EU		158,537	152,437
Other amounts due from the EU		5,162	5,562
Scheme overpayments	6.2	668	1,367
Due for services		11,027	11,227
Prepayments	2.4	39,059	44,332
Other debit balances	2.5	542	1,157
Total current assets		383,464	300,870
Less current liabilities			
Accrued expenses	2.6	18,908	13,494
Deferred income		4	4
Other credit balances	2.7	28,920	26,593
Net Exchequer funding	2.8	138,024	57,065
Total current liabilities		185,856	97,156
Net current assets		197,608	203,714
Net assets		206,099	217,765
Represented by:			
State funding account	2.9	206,099	217,765

2.1 Capital assets

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2021	145,696	7,891	14,795	92,581	260,963
Additions	1,335	797	—	2,164	4,296
Disposals	—	(148)	—	(652)	(800)
Adjustment: asset verification project ^a	(113,223)	(658)	(10,570)	(61,747)	(186,198)
Adjustment: asset reporting threshold ^b	(28,990)	(947)	(4,107)	(8,976)	(43,020)
Cost or valuation at 31 December 2021	4,818	6,935	118	23,370	35,241
Accumulated depreciation					
Opening balance at 1 January 2021	138,452	6,159	14,256	88,045	246,912
Depreciation for the year	804	518	13	1,401	2,736
Depreciation on disposals	—	(148)	—	(652)	(800)
Adjustment for asset verification project ^a	(113,223)	(658)	(10,568)	(61,746)	(186,195)
Adjustment for asset reporting threshold ^b	(23,492)	(819)	(3,675)	(7,917)	(35,903)
Cumulative depreciation at 31 December 2021	2,541	5,052	26	19,131	26,750
Net assets at 31 December 2021	2,277	1,883	92	4,239	8,491
Net assets at 31 December 2020	7,244	1,732	539	4,536	14,051

- Notes
- ^a The asset verification project was completed in 2021 and adjustment was required to remove retired and obsolete assets from the register.
- ^b As previously signalled in DPER circular 27/2019, the threshold for inclusion of capital assets on the statement of capital assets was increased to €10,000 for an individual asset. The Department has adopted this policy in 2021 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

2.2 Bank and cash

at 31 December	2021	2020
	€000	€000
PMG balances	165,934	81,123
Commercial bank account balances	468	1,378
	166,402	82,501

2.3 Stocks

at 31 December	2021	2020
	€000	€000
Veterinary supplies	1,743	1,415
Livestock	276	202
Agricultural stock	39	111
Safety equipment	9	22
Laboratory supplies and chemicals	—	516
Oil stocks	—	16
Cleaning supplies	—	5
	2,067	2,287

Note Following a review of stock items in 2021, low value and high turnover item categories were removed from the stock balance.

2.4 Prepayments

at 31 December	2021	2020
	€000	€000
Contributions to World Food Programme (Note 6.5)	25,000	25,000
Research, quality and certification grants	7,892	2,711
Information management technology	3,543	2,937
Future Growth Loan Scheme	1,114	11,000
Other	1,032	490
Subscriptions	478	2,194
	39,059	44,332

2.5 Other debit balances

at 31 December	2021	2020
	€000	€000
Salary advances	3	551
Imprests and recoupable travel costs	69	104
Advance payments to OPW	470	381
Other	—	121
	542	1,157

2.6 Accrued expenses

at 31 December	2021	2020
	€000	€000
Specific programme accruals	16,701	11,273
Administration expenses	1,278	1,976
IT services and support	929	245
	18,908	13,494

2.7 Other credit balances

at 31 December	2021	2020
	€000	€000
Amounts due to the State		
Income tax	3,299	2,880
Pay related social insurance	2,041	1,781
Withholding tax	1,887	1,493
Value added tax	1,149	804
Relevant contracts tax	23	15
Pension contributions	402	721
Local property tax	20	30
Universal social charge	644	572
	9,465	8,296
Securities	3,052	2,506
Pesticides licencing fees	375	180
EU advances	11,797	13,007
Miscellaneous	4,231	2,604
	28,920	26,593

2.8 Net Exchequer funding

at 31 December	2021	2020
	€000	€000
Surplus to be surrendered	157,977	104,353
Deferred surrender	29,900	31,600
Exchequer grant undrawn	(49,853)	(78,888)
Net Exchequer funding	138,024	57,065
Represented by:		
Debtors		
Bank and cash	166,402	82,501
Debit balances: suspense	542	1,157
	166,944	83,658
Creditors		
Due to the State	(9,465)	(8,296)
Credit balances: suspense	(19,455)	(18,297)
	(28,920)	(26,593)
	138,024	57,065

2.9 State funding account

	Note	2021	2020
		€000	€000
Balance at 1 January		217,765	224,898
Disbursements from the Vote			
Estimate provision	Account	1,493,930	
Deferred surrender	Account	(29,900)	
Surplus to be surrendered	Account	(157,977)	
Net vote		1,306,053	1,286,506
Expenditure (cash) borne elsewhere	1.1	82,773	77,664
Non cash items - asset verification and threshold reporting adjustment	2.1	(7,120)	—
Non-cash items - transferred assets	2.1	—	(1)
Non cash expenditure - notional rent	1	8,026	8,027
Net programme cost	1	(1,401,398)	(1,379,329)
Balance at 31 December		206,099	217,765

2.10 Commitments

Global commitments	2021	2020
at 31 December	€000	€000
Procurement of goods and services	146,680	78,672
Non-capital grant programmes	448,490	395,731
Capital grant programmes	662,035	617,319
Major capital project	70	600
Total of legally enforceable commitments	1,257,275	1,092,322

Non-capital grant programme commitments

	2021		2020
	Due 2022	Subsequent years	Total
	€000	€000	€000
Green, low-carbon agri-environment scheme	195,816	39,339	235,155
World Food Programme	25,000	25,000	50,000
Locally led schemes – current	23,645	5,975	29,620
Grants to the organic sector	19,123	7,466	26,589
Sheep welfare	18,860	2,500	21,360
Food research	16,250	51,478	67,728
Beef data genomics programme	4,775	—	4,775
European Maritime and Fisheries Fund – new round	3,897	1,670	5,567
European Maritime and Fisheries Fund	2,300	2,796	5,096
Straw incorporation measure	517	—	517
European innovation partnership	385	100	485
Land annuity payments	149	1,202	1,351
School milk and fruit	111	111	222
Knowledge transfer	25	—	25
Total of legally enforceable commitments	310,853	137,637	448,490

Capital grant programme commitments

	2021	2020
	€000	€000
Opening balance	617,319	609,011
Grants paid in the year	(186,737)	(171,655)
New commitments	282,553	214,386
Grant de-commitments	(51,100)	(34,423)
Closing balance	662,035	617,319

Capital grant programme commitments

			2021	2020
	Due 2022	Subsequent years	Total	Total
	€000	€000	€000	€000
Afforestation	87,031	422,695	509,726	505,868
Targeted agriculture modernisation schemes	75,044	—	75,044	64,662
Fishery Harbour Centres capital programme	19,332	1,370	20,702	18,730
Capital investment grants	7,000	28,000	35,000	901
LEADER food initiative	4,000	6,500	10,500	7,930
Horticulture scheme	3,721	—	3,721	2,651
European Maritime and Fisheries Fund - capital	2,753	1,180	3,933	—
Locally led schemes - capital	24	—	24	70
SBCI Brexit loan scheme	—	3,385	3,385	14,000
Food Innovation Hub	—	—	—	1,150
European Maritime and Fisheries Fund - capital	—	—	—	1,357
Total of legally enforceable commitments	198,905	463,130	662,035	617,319

Major capital project commitments

	Cumulative expenditure to 31 December 2020	Expenditure in 2021	Project commitments in subsequent years	Expected total spend lifetime of project 2021	Expected total spend lifetime of project 2020
Project	€000	€000	€000	€000	€000
Haulbowline remediation project	25,337	450	70	25,857	25,937

2.11 Contingent liabilities

EU operations

1. The Department is aware of a temporary suspension under Ireland's EMFF Operational Programme due to the delayed implementation of the EU points system required under EU Regulations.

The Minister has since introduced regulations which fully meet the relevant requirements in relation to the points system for sea fishing boat licence holders. The procedures provided for under these regulations are now in operation.

Section 15(4) of the Sea Fisheries (Miscellaneous Provisions) Act 2022 contains a common provision that, once enacted, the Act shall come into operation via a commencement order specifying the day/date of enactment of the provisions of the Act. It is intended that the Act will be put into operation as soon as possible. The Sea Fisheries (Miscellaneous Provisions) Act (no.2 of 2022) was signed into law by the President on 15 March 2022.

While Ireland is making every effort to comply with the obligations under the EU Fisheries Control Regulation, in 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €24.437 million in suspended payments as at the end of 2021.

EU Regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements.

2. The Department is aware of potential sanctions in relation to matters identified following an Administrative Inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Minister is in receipt of the EU Commission findings and the Department and the Sea Fisheries Protection Authority, which is legally responsible for operational control, are fully engaged in progressing the matter with the Commission and this engagement has continued through 2021. The nature and timing of any potential liabilities is still uncertain.
3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.
 - 2019 EAFRD Non-IACS Audit – The audit was conducted in November 2019 and the bilateral took place in November 2020. The conciliation process is now completed and final adjudication is awaited.
 - 2021 Entitlements Audit (NR/YFS) – A bilateral meeting was held on 22 March 2022 and DAFM are awaiting the meeting minutes which should be received in 30 days. In addition, the Commission have indicated that they will be seeking further information in the meeting minutes.
 - 2020 Clearance of Accounts (relates to GLAS / OFS) – A bilateral in respect of the audit was held in November 2021, following which further information was supplied by DAFM. The DGAGRI response is now awaited.
 - 2021 ANC Desk Audit – Bilateral minutes were received on 11 February 2022 and DAFM is currently preparing its reply

- 2021 Producer Organisation Audit – A bilateral meeting was held on 8 March 2022 and the minutes of the meeting are awaited.

Other

The Department is involved in a number of pending legal proceedings which may generate liabilities, depending on the outcome of the litigation. Any actual amount or the timing of potential liabilities is uncertain.

Note 3 Vote Expenditure

Analysis of administration expenditure

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

			2021	2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	214,031	211,253	192,835
ii	Travel and subsistence	7,299	5,400	5,706
iii	Training and development and incidental expenses	7,918	5,357	5,101
iv	Postal and telecommunications services	5,302	4,348	4,376
v	Office equipment and external IT services	59,581	48,489	42,299
vi	Office premises expenses	23,473	15,456	26,818
vii	Consultancy services and value for money and policy reviews	218	192	85
viii	Supplementary measures to protect the financial interests of the EU	870	1,088	837
ix	Laboratory services	8,447	8,726	7,813
		327,139	300,309	285,870

Significant variations

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

ii Travel and subsistence

Estimate provision €7.299 million; outturn €5.4 million

The shortfall in expenditure of €1.899 million relative to the original estimate is due to decreased travelling as a result of the Covid 19 pandemic. In line with government restrictions, only essential travel was recommended by the Department, and this led to an overall reduction in travel and subsistence related costs for the year.

iii Training and development and incidental expenses*Estimate provision €7.918 million; outturn €5.357 million*

The shortfall in expenditure of €2.561 million relative to the original estimate was due to several factors. Savings of €859,000 were made in health and safety training and general staff training expenses, as training was provided virtually rather than being classroom-based. Savings of €479,000 was made in a technical accounting provision allowing for foreign currency losses which was not needed. Savings of €316,000 were made in advertising as some planned information campaigns were not undertaken. Additionally, the provision made for a legal case was not required.

vi Office premises expenses*Estimate provision €23.473 million; outturn €15.456 million*

The shortfall in expenditure of €8.017 million relative to the original estimate was mainly due to the following reasons. Savings of €667,000 arose in energy costs as the Department continues to reduce energy costs in line with the Energy Efficiency Directive and also due to staff returning to the offices in 2021 at a lower level than projected. Savings of €2.629 million also arose in rental costs due to an increased provision due to uncertainty in rising rental costs. Further savings of €3.651 million arose in the capital spend in Dublin Port due to a combination of factors including construction delays as a result of the Covid-19 pandemic and some works not proceeding due to cost increases.

viii Supplementary measures to protect the financial interests of the EU*Estimate provision €870,000; outturn €1.088 million*

The increase in expenditure of €218,000 relative to the original estimate was due to costs associated to the certifying body audit which are charged on the basis of an EU financial year, and which included progress payment on the audit (Oct 2021-Oct 2022). The timing on the progress payment was not factored into the estimate for 2021.

Programme A Food Safety, Animal and Plant Health and Animal Welfare

		2021		2020
		Estimate provision		Outturn
		€000	€000	€000
A.1	Administration – pay		125,081	123,458
A.2	Administration – non pay			112,694
	<i>Original</i>	71,045		
	<i>Supplementary</i>	(1,500)		
			69,545	55,877
A.3	Food safety, animal and plant health and animal welfare			61,956
	<i>Estimate provision</i>	126,847		
	<i>Deferred surrender</i>	600		
			127,447	122,322
			322,073	301,657
				278,683

Programme B Farm/Sector Support and Controls

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay		61,206	60,411
B.2	Administration – non pay			55,144
	<i>Original</i>	28,468		
	<i>Supplementary</i>	(6,500)		
		21,968	22,458	21,097
B.3	Agri-environmental schemes			
	<i>Original</i>	290,089		
	<i>Supplementary</i>	(21,350)		
		268,739	226,665	228,164
B.4	Areas of natural constraint scheme			
	<i>Original</i>	250,000		
	<i>Supplementary</i>	(1,000)		
		249,000	246,812	247,324
B.5	Development of agriculture and food (farm)			
	<i>Estimate provision</i>	59,911		
	<i>Deferred surrender</i>	31,000		
	<i>Supplementary</i>	(3,300)		
		87,611	73,158	81,193
B.6	Beef sustainability schemes		85,350	78,068
B.7	Knowledge transfer		500	58
B.8	Animal welfare scheme for sheep			2,476
	<i>Original</i>	17,000		
	<i>Supplementary</i>	1,500		
		18,500	17,881	16,755
B.9	Early retirement scheme		—	(27)
B.10	Forestry and bio energy			(30)
	<i>Original</i>	103,243		
	<i>Supplementary</i>	(7,000)		
		96,243	69,567	79,218
B.11	Control and other support scheme costs			
	<i>Original</i>	17,720		
	<i>Supplementary</i>	1		
		17,721	14,556	9,752
B.12	Other schemes			
	<i>Original</i>	601		
	<i>Supplementary</i>	(250)		
		351	93	71
B.13	Carbon tax measures			—
		23,000	14,214	
		930,189	823,914	871,290

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €144.174 million lower than originally provided. The variation of €6.805 million in administration expenditure has already been explained. The balance of the variance of €137.369 million was mainly due to the following.

B.3 Agri-environmental schemes

Estimate provision €290.089 million; outturn €226.665 million

The shortfall in expenditure of €63.424 million relative to the original estimate was due to savings across a number of schemes, mainly as follows.

Savings of €14.812 million arose in the Green Low-Carbon Agri-Environment Scheme (GLAS) scheme for a number of reasons including a reduction in the number of active applicants for the GLAS 1 and GLAS 2 tranches and a reduction in the number of active participants in GLAS 3.

Savings of €15.049 million arose in nitrates schemes as one scheme did not commence until November 2021 and another planned scheme is now due to commence in 2022.

Savings of €27.684 million arose under the Next Generation EU (NGEU) recovery package for several reasons: the underspend of €7.215 million under the Targeted Agriculture Modernisation Scheme II (TAMS II) was largely due to the timing of the funding becoming available as only approvals issued from 1 April 2021 were eligible and applicants have 12 months to claim from this date so spending will be seen in 2022; the underspend of €4.578 million in the Organic Farming Scheme was due to lower participation rates in the scheme than expected and advance payments did not issue to all participants due to claims which had not yet passed validations; the underspend of €2.886 million in the European Innovation Partnership (EIP) schemes was due to a full years allocation in the estimates when the call didn't commence until mid-2021; the shortfall of €3.276 million under the Straw Incorporation Measure (SIM) was due to the fact that it is a demand led scheme and applications received were lower than anticipated; and the underspend of €10 million for the Agri-Environment Training Scheme was due to the scheme not commencing until 2022

B.5 Development of agriculture and food (farm)

Estimate provision €90.911 million; outturn €73.158 million

The shortfall in expenditure of €17.753 million relative to the original estimate was mainly due to savings of €15.643 million that arose in the TAMS II schemes which can be attributed to a combination of the large value of approvals which expired in 2021, and to serious restrictions in place for the construction sector due to supply chain issues resulting from the Covid-19 pandemic and Brexit.

B.6 Beef sustainability schemes

Estimate provision €85.35 million; outturn €78.068 million

The shortfall in expenditure of €7.282 million relative to the original estimate for beef schemes is due to the fact that in 2021 there was a transitional scheme for Beef Data and Genomics Programme (BDGP) participants. There was a reduction in the number of active participants from BDGP I to the transitional scheme in 2021.

B.7 Knowledge transfer

Estimate provision €500,000; outturn €58,000

The shortfall in expenditure of €442,000 relative to the original estimate arose due to the continued processing of withdrawals from the scheme and a number of participants did not complete all the requirement of the scheme leading to lower payments than anticipated.

B.8 Animal welfare scheme for sheep

Estimate provision: €17 million; outturn €17.881 million

The increase in expenditure of €881,000 relative to the original estimate arose as a result of an increase in the reference number of animals qualifying for payment.

B.10 Forestry and bio energy

Estimate provision €103.243 million; outturn €69.567 million

The shortfall in expenditure of €33.676 million relative to the original estimate was mainly due to a shortfall of €33.666 million in the forestry schemes.

The shortfall in expenditure of €31.058 million in capital expenditure due to a number of critical factors including; the scheme is demand led, and demand was not as great as anticipated due in part to the slow down in issuing of forestry licences due to new procedures requiring greater ecological input. Additionally, some individuals chose to allow their premiums build-up, to bulk claim at a future date.

The volume of appeals to the granting of forestry licences for planting, and for construction of forest roads, have caused significant backlogs and stymied payments issuing and only half of the area approved for planting in 2021 was actually planted.

There was an underspend of €2.608 million on current expenditure as many woodland support projects in 2021 were late getting started and many did not make claims in 2021. There were practically no in-person promotional events during 2021 and activities which required field work were curtailed due to the Covid-19 pandemic as was the Forestry Knowledge Transfer Scheme.

B.11 Control and other support scheme costs

Estimate provision €17.72 million; outturn €14.556 million

The shortfall in expenditure of €3.164 million relative to the original estimate arose mainly due to the savings of €2.25 million in the intervention scheme which relates to public storage of agricultural products. There was no expenditure in this area due to the fact that there was no product held under public storage. The decision to purchase product and place under public storage is a decision taken at EU level taking into consideration the market situation. To ensure that the Department has the ability to manage such a scheme there is a need to retain an annual budget.

B.12 Other schemes

Estimate provision €601,000; outturn €93,000

The shortfall in expenditure of €508,000 relative to the original estimate was mainly due to savings of €500,000 on a pilot relocation scheme for farmyards affected by flooding. The Department instigated a feasibility study for a scheme for the voluntary relocation of farmyards and this work was being carried out within the terms of the Inter-departmental Flood Policy Group but no capital expenditure arose in 2021.

B.13 Carbon tax measures

Estimate provision €23 million; outturn €14.214 million

The shortfall in expenditure of €8.786 million relative to the original estimate was mainly due to savings that arose in the Results Based Environment Agri Pilot Programme (REAP) because a major element of the REAP payment is results-based, with the level of payment dependent upon a scorecard system. As the scheme is a pilot project, initial estimates were based on assumed scorecard values which turned out to be higher than the actual assessed values once the claim data was analysed. Additional savings were due to a lower than expected uptake of approved applications and also due to expenditure in respect of 2021 which will fall into 2022 as claims may be submitted up to 31 July 2022.

Programme C Policy and Strategy

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	17,442	17,216	15,715
C.2	Administration – non pay	7,178	5,706	5,258
C.3	Research, quality and certification	29,893	29,510	26,094
C.4	Development and promotion of agriculture and food (non-farm)	15,422	5,567	3,999
C.5	Tegasc grant	145,793	141,943	144,373
C.6	An Bord Bia grant	52,550	51,550	46,935
C.7	Horse and Greyhound Racing Fund	97,500	96,000	84,000
C.8	Cedra Rural Innovation and Development Fund	1,500	1,487	1,497
C.9	Food aid donations – World Food Programme			
	<i>Original</i>	—		
	<i>Supplementary</i>	25,000		
		25,000	25,000	25,700
C.10	SBCI loan schemes			
	<i>Original</i>	11,400		
	<i>Supplementary</i>	7,300		
		18,700	16,198	25,705
C.11	Other services			
	<i>Original</i>	19,603		
	<i>Supplementary</i>	(2,000)		
		17,603	12,669	13,532
		428,581	402,846	392,808

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme C was €4.565 million higher than originally provided. The underspend of €1.698 million in administration expenditure has already been explained. The balance of the offsetting overspend of €6.263 million was mainly due to the following.

C.4 Development and promotion of agriculture and food (non-farm)

Estimate provision €15.422 million; outturn €5.567 million

The shortfall in expenditure of €9.855 million relative to the original estimate was mainly due to the following.

- Savings of €7 million arose in the Brexit Capital Investment Scheme as such capital investment schemes can be complex and require significant preparation and planning, with no claims made by companies in 2021. The Scheme will be on-going for several years and funding will be drawn down as capital projects are completed. The estimates are based on advice from Enterprise Ireland. It is expected that projects will commence in 2022.
- Savings of €971,000 arose in the setup of a new office of National Food Ombudsman. As an interim measure, the authority was staffed by Officers of the Department and therefore no funding from the allocation in the Food Ombudsman budget was required for staffing, premises or ancillary services in 2021. Further savings of €300,000 arose as the spend on the extension of the Prepared Consumer Food Centre was less than expected and savings of €329,000 arose as the LEADER Food Initiative Fund had lower uptake as the economic uncertainty caused by both Brexit and the Covid -19 pandemic caused businesses to be more cautious in their activities.

C.9 Food aid donations – World Food Programme

Estimate provision €nil; outturn €25 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement, in respect of the Irish 2022 contribution under the strategic partnership agreement 2022-2024, which was made in December 2021 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 SCBI loan schemes

Estimate provision €11.4 million; outturn €16.198 million

The increase in expenditure of €4.798 million relative to the original estimate was due to the accelerated contributions on the Future Growth Loan Scheme.

C.11 Other services

Estimate provision €19.603 million; outturn €12.669 million

The shortfall in expenditure of €6.934 million relative to the original estimate was mainly due to the following.

- Savings of €2.736 million arose due to the annual prudent provision for legal services not being required during the year. Savings of €2 million arose in the Continuous Professional Development (CPD) for Advisors Programme as the contract for the platform tender was only signed in quarter four of 2021 and the content tender was not signed until 2022.
- Savings of €641,000 also arose due to approved Horse Sport Ireland events not taking place due to the Covid-19 pandemic.

Programme D Seafood Sector

		2021		2020
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	10,302	10,168	9,282
D.2	Administration – non pay	6,417	5,015	4,724
D.3	Fisheries			
	<i>Original</i>	42,907		
	<i>Supplementary</i>	(4,900)		
		38,007	36,375	29,828
D.4	Marine Institute grant			
	<i>Original</i>	43,990		
	<i>Supplementary</i>	5,000		
		48,990	48,351	37,105
D.5	Bord Iascaigh Mhara grant			
	<i>Original</i>	38,750		
	<i>Supplementary</i>	11,000		
		49,750	45,900	37,500
D.6	Sea Fisheries Protection Authority			
	<i>Original</i>	24,810		
	<i>Supplementary</i>	(2,000)		
		22,810	18,042	13,197
D.7	Haulbowline remediation project	600	450	577
		176,876	164,301	132,213

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme D was €3.475 million lower than originally provided. The variation of €1.536 million in administration expenditure has already been explained. The balance of the variance of €1.939 million was mainly due to the following.

D.3 Fisheries

Estimate provision: €42.907 million, outturn €36.375 million

The shortfall in expenditure of €6.532 million relative to the original estimate was mainly due to the following.

- Savings of €3.81 million arose in the Marine Engineering Division budget due to delays to ongoing projects and to delays to the start of new projects due to the Covid-19 pandemic.
- Savings of €1.585 million in the Seafood Development programme arose primarily from underspends on European Maritime and Fisheries Fund (EMFF) Marine Spatial Planning projects being carried out by the Marine Institute and also due to the development of a new IT system to service the EMFF not commencing as expected in late 2021.
- Savings of €917,000 in the environmental compliance area stem from underspends within the EMFF Marine Biodiversity Scheme across a variety of projects implemented by the Marine Institute. Delays in project approval, commencement, procurement and laboratory closures/understaffing were among the reasons for these delays.

D.4 Marine Institute grant

Estimate provision: €43.99 million, outturn €48.351 million

The increase in expenditure of €4.361 million relative to the original estimate arose due to a once off supplementary estimate of €5 million being approved in December 2021 in respect of the Marine Institute's Data Collection Framework (DCF) liabilities. This amount was provided to regularise the historical anomaly relating to the annual DAFM Exchequer voted funding to the Marine Institute for the DCF which was previously paid one year in arrears rather than in current year. The special one off supplementary allocation will enable these liabilities to be met from within current year allocations.

D.5 Bord Iascaigh Mhara grant

Estimate provision: €38.75 million, outturn €45.9 million

The increase in expenditure of €7.15 million relative to the original estimate arose due to a once-off supplementary which was provided to Bord Iascaigh Mhara to fund the Brexit Temporary Fleet Tie Up Scheme.

D.6 Sea Fisheries Protection Authority

Estimate provision: €24.81 million, outturn €18.042 million

The shortfall in expenditure of €6.768 million relative to the original estimate is due to pay savings of €2.391 million mainly attributed to the timing of the on-boarding of already approved headcount and savings of €378,000 in pension costs due to a lower than expected number of retirements. Savings of €1.246 million in non-pay costs arose mainly due to a reduction in travel and subsistence as a consequence of the Covid-19 pandemic and to savings in support costs. Further savings of €381,000 arose in a number of capital projects and savings of €2.372 million related to other projects planned for 2021 which were reallocated to 2022.

D.7 Haulbowline remediation project

Estimate provision: €600,000, outturn €450,000

The shortfall in expenditure of €150,000 relative to the original estimate is due to the timing of the release of the final retention payments.

Note 4 Receipts

4.1 Appropriations-in-aid

	Subhead	2021		2020
		Estimated €000	Realised €000	Realised €000
1	Recoupment of salaries etc. of officers on loan to outside bodies	720	605	1,122
2	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements	1	364	6
3	Refunds from veterinary fees for inspection at poultry and other meat plants	A.3	14,737	17,247
4	Receipts from veterinary inspection fees for live exports	A.3	723	871
5	Receipts from fees for dairy premises inspection services	A.3	4,050	4,712
6	Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	A.3	675	559
7	Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	C.3	2,349	3,415
8	Receipts from farmer contributions towards the cost of eradicating bovine disease	A.3	7,001	7,866
9	Land Commission receipts		300	173
10	Other receipts		4,548	7,579
11	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	B.11	975	—
12	Intervention stock losses, etc.	B.11	—	866
13	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9	270,000	311,939
14	Veterinary Fund	A.3	4,675	4,711
15	Other Guarantee receipts from EU (Agriculture)	B.11	—	41
16	Proceeds of fines and forfeitures in respect of sea fisheries	D.3	100	171

			2021		2020
		Subhead	Estimated	Realised	Realised
			€000	€000	€000
17	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	D.3	100	147	76
18	EU recoupment in respect of expenditure on the conservation and management of fisheries	D.3	—	—	—
19	Aquaculture licence fees	D.3	406	772	529
20	EU receipts for EMFF	D.3	13,500	13,042	19,482
21	EFF (Fisheries) 2007-2013	D.3	—	—	—
22	Receipts from Sustainable Food Systems Ireland		200	113	59
23	Receipts from additional superannuation contributions on public service remuneration		10,729	10,096	9,707
24	NGEU receipts	B.3	28,000	1,258	—
25	Forestry licencing receipts	B.10	—	118	—
Total			363,789	386,665	388,488

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €22.876 million greater than the original estimate. Explanations for variances are set out below.

1 Recoupment of salaries, etc. of officers on loan to outside bodies

Estimate €720,000; realised €605,000

The decrease of €115,000 is due to an officer returning from secondment during 2021 and due to a number of outstanding invoices at the end of the year.

2 Forfeited deposits and securities under EU intervention, export refund, etc. arrangements

Estimate €1,000; realised €364,000

The increase of €363,000 in receipts is due to a number of traders failing to fulfil their licence obligations and therefore forfeiting their securities. Only a token annual provision is made as it is difficult to estimate in advance what forfeitures may occur.

3 Refunds from veterinary fees for inspection at poultry and other meat plants.

Estimate €14.737 million; realised €17.247 million

The increase of €2.51 million is due to an increase in slaughter volumes for some species and an increase in cutting activity levels again in 2021.

4 Receipts from veterinary inspection fees for live exports

Estimate €723,000; realised €871,000

The increase of €148,000 is due to a higher level of animal exports than anticipated and also the introduction of fees being levied on horses exported to Great Britain from 2021.

5 Receipts from fees for dairy premises inspection services

Estimate €4.05 million; realised €4.712 million

The increase of €662,000 was due to increased activity in the dairy sector. In addition, levies received vary in any given year as they depend on the amount of production in each individual food business operator.

6 Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island.

Estimate €675,000; realised €559,000

The decrease of €116,000 in receipts for veterinary laboratory testing is due to it being a demand led system for testing from private veterinary practices with no guarantee that estimated targets can be realised.

7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm

Estimate €2.349 million; realised €3.415 million

There was an increase of €436,000 in pesticides registration fees reflecting a stronger than anticipated level of registrations driven by external commercial interest/demand particularly in the area of hand sanitisers.

Cereal seed certification fees increased by €338,000 as this service is client driven by the seed assemblers and growers and can be impacted annually by the commercial considerations of the seed assemblers and growers for product and annual conditions impacting the volumes of seed grown.

8 Receipts from farmer contributions towards the cost of eradicating bovine disease

Estimate €7.001 million; realised €7.866 million

The increase of €865,000 in bovine disease levies was mainly driven by the additional receipt of levies collected per litre of milk processed reflecting the ongoing expansion in the dairy sector. It is difficult to predict the amount of levies to be collected, on an annual basis, due to fluctuations of the performance of the agri-food sector.

9 Land Commission receipts

Estimate €300,000; realised €173,000

The decrease of €127,000 was due to a reduction in the number of active accounts.

10 Other receipts

Estimate €4.548 million; realised €7.579 million

The increase of €3.031 million was mainly due to a once off remittance of €2.559 million from Teagasc for pension contributions due to a change in how the retained contributions were administered.

An additional €508,000 more than forecast from EU-led competitive research initiatives was also received as the eligible amounts for refund vary on a case by case basis and is reflective of the amount spent by the contracting parties.

11 Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures

Estimate €975,000; realised €nil

The decrease of €975,000 was due to favourable market conditions and consequently no product was held under public storage.

12 Intervention stock losses, etc.

Estimate €nil; realised €866,000

The increase of €866,000 was due to the receipts under this subhead being derived from provisions in EU Regulations which enable DAFM retain 20% of irregularities and 25% of cross compliance debt on EAGF funds. The levels of debt and subsequent recovery are difficult to predict, therefore resulting in a variance in forecast versus actual.

13 EAFRD (European Agricultural Fund for Rural Development)

Estimate €270 million; realised €311.939 million

The increase of €41.939 million in receipts of EAFRD funds was due to increased EAFRD contributions on the Areas of Natural Constraints scheme (ANC) and a higher than forecast advance funding rate of 85% on ANC in 2021, in addition to a higher than anticipated expenditure profile resulting in a higher level of reimbursement from the EU.

19 Aquaculture licence fees

Estimate €406,000; realised €772,000

The increase of €366,000 is due to an increase in licensed aquaculture sites.

23 Receipts from additional superannuation contributions on public service remuneration

Estimate €10.729 million; realised €10.096 million

The decrease of €633,000 was mainly due to an increase in staff retirements, resulting in a lower than expected overall staff contribution to the pension levy in 2021.

24 NGEU receipts*Estimate €28 million; realised €1.258 million*

The decrease of €26.742 million was due to the timing of the Next Generation EU (NGEU) expenditure and scheme rollout which was slower than predicted resulting in a lower level of reimbursement from the EU.

25 Forestry licencing receipts*Estimate €nil; realised €118,000*

The increase of €118,000 was due to forestry licence application fees being introduced in late 2020, and consequently there was no historical basis on which to make the provision for 2021.

4.2 Extra receipts payable to the Exchequer

	2021	2020
	€000	€000
Balance at 1 January	—	—
Sale of Teagasc property	3,436	—
Sugar levies	48	—
Recovery of administration errors	—	112
Clearance of suspense accounts	—	6
Transferred to the Exchequer	(3,484)	(118)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2021	2020
Number of staff at year end		
Department	3,692	3,565
Agencies ^a	1,615	1,594
	5,307	5,159

Note ^a The agencies under the aegis of the Department, with a pay element to their grant as provided in the Department's estimates are Bord Bia, Bord Iascaigh Mhara, Marine Institute, Sea-Fisheries Protection Authority and Teagasc.

5.2 Pay

Remuneration of Department staff	2021 €000	2020 €000
Pay	188,334	174,077
Redundancy and severance	—	265
Higher, special or additional duties allowances	309	284
Other allowances	2,313	1,456
Overtime	2,912	2,617
Shift allowances	2,298	925
Employer's PRSI	15,061	13,156
Total pay	211,227	192,780
Agency remuneration	2021 €000	2020 €000
Pay	85,889	82,198
Higher, special or additional duties allowances	1,119	1,112
Other allowances	471	607
Overtime	120	132
Gratuity payments	216	847
Employer's PRSI	3,972	3,752
Total pay	91,787	88,648

Note The allowances, overtime and other remuneration details in notes 5.3 through to 5.5 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

5.3 Allowances and overtime payments

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2021	2020
			€	€
Higher, special or additional duties allowances	104	2	12,858	11,937
Shift allowances	311	61	24,232	19,939
Other allowances	962	17	22,002	22,088
Overtime	728	71	32,156	28,563
Extra remuneration in more than one category	510	218	59,156	33,620

5.4 Other remuneration arrangements

In total, €19,040 (gross) was paid to ten retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 apply to these fees.

5.5 Payroll overpayments

at 31 December	Number of recipients	2021	2020
		€	€
Overpayments	233	530,506	531,512
Recovery plans in place	70	216,171	319,081

5.6 Salary of the Accounting Officer

As at 31 December 2021 the Accounting Officer's current salary is at the grade of Secretary General Level II, with an annual gross salary of €203,167 (as at 31 December 2020, €201,155).

Note 6 Miscellaneous

6.1 EU funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes.

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

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D includes expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €4,870,950 for EU Funding which has been disallowed due to conformity clearance decisions and €857,472 late payments.

The account includes interest of €160,603 paid on short-term borrowings of €670 million borrowed in 2020 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2021 along with interest.

A total of €655 million in short-term funds were borrowed in 2021 to fund EAGF Guarantee expenditure pending EU recoupment in 2022. These loans are reflected in the financial statements of the European Agricultural Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), Irish operations.

EU-funded income and expenditure managed by the Department of Agriculture, Food and the Marine

	2021	2020
	€m	€m
Direct payment/basic payment scheme	1,171	1,187
Other market supports	12	6.9
Other	(6)	(4)
Co-funded receipts (measures co-funded by the EU) ^a	2021	2020
	€m	€m
EAFRD Rural Development Programmes	313	306
Veterinary Fund	4	7
Other co-financing receipts	1	1
Fisheries		
EMFF - European Maritime and Fisheries Fund 2014-2020 ^b	13	19
Total pay	1,508	1,523

Notes ^a Only the EU co-funding on these programmes is shown in this table.

^b EMFF receipts of €11.7 million are held in a suspense account (EU advances) in accordance with public financial procedures.

^c Under EU regulation 908/2014 Article 28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

6.2 Scheme overpayments

	2021	2020
	€000	€000
Scheme overpayments at 1 January	1,367	2,640
Overpayments raised in the year	13,130	13,330
Corrections	(998)	(1,212)
Recoveries	(12,787)	(12,672)
Write-offs (note 6.3)	(44)	(719)
Scheme overpayments at 31 December	668	1,367

6.3 Write-offs

The following sums were written off in the year	2021	2020
	€	€
Scheme overpayments:		
Afforestation scheme	5,625	379,174
Rural environment protection scheme	23,166	126,024
Miscellaneous EU premia and area based schemes	1,843	2,936
Miscellaneous Vote premia	1,748	1,539
Early retirement scheme	12,117	208,354
Private veterinary practitioners	—	753
	44,499	718,780
Customers:		
Customers no longer trading	123,805	107,022
Aquaculture licenses expired/surrendered and not renewed	2,158	—
Salary related debts	—	22,960
Other reasons	31,279	10,100
	157,242	140,082
	201,741	858,862

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	employees	members of the public	2021	2020
Number of cases	7	8	15	29
	€000	€000	€000	€000
Department's own legal costs	—	63	63	51
Payments by/on behalf of Department				
Compensation	112	79	191	531
Legal costs	62	335	397	481
Other costs	12	1	13	—
2021 Total	186	478	664	1,063
2020 Total	33	1,030	1,063	

Notes ^a At 31 December 2021, the following claims are outstanding:

- General litigation cases 42

^b At 31 December 2021, the Department has included in Other creditors due, €340,000 being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2021

	Claims by		Total
	employees	members of the public	
Number of cases	7	5	12
	€000	€000	€000
Department's own legal costs	—	45	45
Payments by/on behalf of Department			
Compensation	112	34	146
Legal costs	62	27	89
Other costs	12	1	13
Total	186	107	293

6.5 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2022-2024, was signed by World Food Programme (WFP) Executive Director and the Department in December 2021. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €25 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €75 million.

This allocation is made in continued support of the current strategic objectives of the World Food Programme, namely

- to end hunger, by protecting access to food
- to improve nutrition
- to achieve food security
- to support implementation of Sustainable Development Goals (SDG)
- to partner for SDG results.

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2022 allocation. The Department agreed to an early payment of €25 million of the 2022 allocation, with payment being made in December 2021, and this amount is included in prepayments in the statement of financial position.

The Food and Agriculture Organisation (FAO) is the main specialised agency of the United Nations that leads international efforts to end worldwide hunger; to achieve food security for all; and to make sure that people have regular access to enough high quality food to lead active, healthy lives.

Subscriptions and additional voluntary contributions to FAO enables FAO to work in 130 countries on the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2021 amounted to €3.558 million (2020: €3.675 million).

6.6 Deferred surrender

Deferred surrender comprises savings in 2021 of €29.9 million in capital expenditures, in the following subheads, that were carried over to 2022.

	€000
A.3 Food safety, animal & plant health & animal welfare	500
B.5 Development of agriculture and food (farm)	12,000
B.10 Forestry and bio energy	13,000
C.4 Development and promotion of agriculture and food (non-farm)	2,400
D.3 Fisheries	2,000
	29,900

6.7 Fraud and suspected fraud

	Number of cases	2021 €000	2020 €000
Fraud	—	—	—
Suspected fraud	2	87	—
		87	—

The Department became aware of two suspected fraud cases during 2021 (2020:nil).

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2021

	2021	2020
	€000	€000
Balance at 1 January	—	—
Receipts (subhead C.7)	96,000	84,000
Payments		
Horse Racing Ireland	(76,800)	(67,200)
Rásaíocht Con Éireann	(19,200)	(16,800)
Balance at 31 December	—	—

Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations

Property	Area Hectares
Cork	
Haulbowline Island (including bridge and access road)	45.7
Blood Testing Laboratory, Model Farm Road	—
Regional Veterinary Laboratory, Model Farm Road	2.8
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Duhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato Testing Centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
Dublin	
Forest plot, Killakee	0.7
Galway	
Land Commission non-agricultural lands	
Cooloo	52.1
Kilcooley	1.7
Kylenalmelly	1.3
Meelickmore	12.4
Rosmore	3.2
Sylaun	1.7
Lands, Teagasc College, Athenry	14.0
Kerry	
Land Commission non-agricultural lands	
Ballydunlea	284.6
Glanlea	4.0
Forest plot, Kenmare	0.2

Kildare

Stacumny Cottage, Backweston	—
Farm Manager's House, Backweston	—
Lands, Backweston	150.0

Kilkenny

Regional Veterinary Laboratory, Kilkenny	0.9
Lands, Kildalton Teagasc College, Pilltown	18.0

Leitrim

Land Commission non-agricultural land, Rossbeg	79.0
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Limerick

Dairy Science Laboratory, Limerick	3.2
Regional Veterinary Laboratory, Limerick	1.2
Forest plots, Adare	3.0

Mayo

Land Commission non-agricultural lands	
Ballymacraha	12.1
Derry	34.8
Forest plot, Foxford	3.0

Offaly

Land Commission non-agricultural lands	
Annaghmore	69.4
Ballyegan	44.7
Clorhane	8.2
Killananny	0.4
Rathlumber	7.2
Forest plot, Tullamore	2.5

Roscommon

Land Commission non-agricultural lands	
Ballynahouna/Ballaghacullia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3

Forest plots, Lough Key	16.0
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Sligo

Regional Veterinary Laboratory, Sligo	1.4
Land Commission non-agricultural land, Cloonkeelaun	244.0
Forest plot, Benbulbin	0.5

Tipperary

Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Kilsheelan	1.9

Westmeath

Land Commission non-agricultural land, Clonthread	26.6
Regional Veterinary Laboratory, Athlone	1.7
Forest plot, Lough Ennell	14.5

Wexford

Forest plot, Forth	4.8
Forest plots, Gorey	11.1

Wicklow

Forest plot, Shelton	0.2
Forest plot, Avonmore	1.0
Forest plot, Enniskerry	4.0
Forest plot, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plot, Glen of Imaal	3.0

Property at fishery harbours

In addition, land and buildings at six fishery harbour centres are vested in the Minister. They are accounted for separately in the Fishery Harbour Centres Fund account.

Appendix B Accounts of bodies and funds under the aegis of the Department of Agriculture, Food and the Marine

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, at the account signing date, 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
Aquaculture Licenses Appeals Board	2020	30 Jun 2021	1 Oct 2021	2 Nov 2021
Bord Bia	2020	30 Jun 2021	2 Sep 2021	27 Oct 2021
Bord Iascaigh Mhara	2020	23 Jun 2021	23 Jul 2021	20 Sep 2021
Coillte Teoranta ^a	2020	1 Apr 2021	9 Apr 2021	24 Aug 2021
Fishery Harbour Centres Fund	2020	21 Dec 2021	21 Dec 2021	21 Mar 2022
Horse Racing Ireland	2019	6 Jul 2020	23 Sep 2020	21 Dec 2020
Irish Horse Racing Regulatory Board	2020	1 Nov 2021	4 Nov 2021	14 Jan 2022
Irish National Stud Company Ltd ^b	2020	31 Mar 2021	1 Apr 2021	11 Jun 2021
Marine Institute	2020	4 Aug 2021	25 Aug 2021	2 Nov 2021
National Milk Agency ^c	2020	11 Mar 2021	10 Nov 2021	29 Mar 2022
Rásaíocht Con Éireann	2020	20 Apr 2021	29 Apr 2021	23 Jun 2021
Sea Fisheries Protection Authority	2020	10 Jun 2021	8 Jul 2021	21 Sep 2021
Teagasc	2020	24 Jun 2021	6 Aug 2021	21 Sep 2021
The Public Trustee of Ireland	2020	18 Mar 2021	18 Mar 2021	24 Apr 2021

- Notes
- ^a Coillte, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.
 - ^b Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act, 1945 under which it was established.
 - ^c National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.