

Appropriation Account 2022

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 2022 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

- granted by Dáil Éireann under the Appropriation Act 2022, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2022 out of unspent 2021 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €301.082 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.

Structural changes

A number of changes have been made to the programmes in the Environment, Climate and Communication Vote to better reflect the strategic focus and the revised structure of the Department. The number of programmes has been reduced from five in 2021 to four in 2022.

- Programme A Climate action and environment leadership comprises all of the subheads of the former environment and waste management programme, except the landfill remediation and waste management initiatives subheads.
- Programme B Energy transformation comprises all the subheads of the former energy programme.
- Programme C Circular economy development comprises the former natural resources programme, inland fisheries programme, and the landfill remediation and waste management initiatives subheads.
- Programme D Connectivity and communications delivery comprises all the subheads of the former communications programme.

The changes in the Vote structure are reflected in the comparative 2021 expenditure.

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, National Development Plan Delivery and Reform in circular 22 of 2022, have been applied in the preparation of the account, except for the following.

Depreciation of capital assets

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

Statement on Internal Financial Control***Responsibility for system of internal financial control***

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

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

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 has provided details of eighteen non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of three contracts (in excess of €25,000), totalling €220,258 (exclusive of VAT), as set out below:

- One contract with a value of €85,000 (ex VAT) relates to an extension of the existing contract for landline telephony services while a new procurement process was undertaken.
- One contract with a value of €39,258 (ex VAT) for legal services, where the supplier had specialist knowledge and critical understanding of a complex legal matter that could not be easily replicated at an important stage of the project. This contract has since expired.
- One contract with a value of €96,000 (ex VAT) for telephone switch operator services, this contract was rolled over to ensure continuity of service pending development of a new solution.

The above contracts have been included in the 40/2002 annual return referenced above.

The Department remains committed to reducing the level of non-compliant procurements undertaken and has introduced a number of new and enhanced procedures to specifically target areas of non-compliance.

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 corporate 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, where required, by the Management Board on a quarterly basis, while risk relating to key strategic actions is 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 and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

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

Internal financial control issues

Tax compliance

On 3 March 2020, the Office of the Revenue Commissioners (Revenue) gave notice of a site visit to get an understanding of the Department's processes and systems around ensuring tax compliance, benefit-in-kind on official vehicles and any other records as necessary.

During 2020, the Department engaged external auditors to conduct two audits relating to 1) the use of contractors within the Department and 2) fleet management practices which identified potential tax compliance issues. Revenue was briefed on the findings of both audits and was advised that the Department would undertake a comprehensive internal tax review.

The Department provided regular updates to Revenue throughout the process which concluded with a presentation of the findings in July 2022. Following this the Department made an unprompted qualifying disclosure totalling €44,466.

Most recent correspondence from Revenue in December 2022 advised that Revenue is considering the findings of our internal tax review as presented in July 2022 and included a request for further information. The Department continues to engage with Revenue.

The Department has introduced enhanced procedures to address risks identified, including delegated authority changes on an interim basis, pending the outcome of the review.

Relevant contracts tax

On 11 March 2021, the Revenue Commissioners notified the Department that it had been selected for a verification check on its 2018 Relevant Contracts Tax (RCT) returns. On foot of the verification checks, the Department identified a number of relevant payments which it did not notify to Revenue at the time of payment. The unreported payments identified were submitted to Revenue in September 2021 and, while these payments resulted in no loss of tax to Revenue, Revenue issued a penalty notice for €19,993 for late notifications which was received by the Department before the year ended 31 December 2021 and was settled in February 2022.

In response to the above issue, a reconciliation process has been implemented which will ensure all notifications are made in a timely manner going forward. In addition, RCT training has been incorporated into the annual training plans for the Accounts Unit staff.

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

30 March 2023

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 2022 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 2022, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery 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 the 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 appendix to this report.

Residential retrofit schemes

Chapter 8 of my report on the accounts of the public services for 2022 examines the Department's role in the management and performance of certain residential retrofit schemes.

Cyber Security

Chapter 9 of my report on the accounts of the public services for 2022 examines the Department's role in the cyber security programme.

Unused funds in Energy Efficiency National Fund

Chapter 5 of my report on the accounts of the public services for 2022 includes a section on the accumulated balances in this fund.

Seamus McCarthy

Comptroller and Auditor General

22 September 2023

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, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery 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 appropriation account is 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 appropriation account 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, National Development Plan Delivery 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 audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 29 Environment, Climate and Communications

Appropriation Account 2022

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Climate action and environment leadership		134,123	96,790
B	Energy transformation			92,837
	<i>Original</i>	380,315		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,774,373		
			2,212,605	1,974,979
C	Circular economy development			326,989
	<i>Original</i>	98,909		
	<i>Supplementary</i>	(1,000)		
			97,909	90,642
D	Connectivity and communications delivery			80,453
	<i>Original</i>	255,157		
	<i>Supplementary</i>	(30,000)		
			225,157	203,213
Gross expenditure				
	<i>Original</i>	868,504		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,743,373		
			2,669,794	2,365,624
	<i>Deduct</i>			
E	Appropriations-in-aid		10,486	7,398
Net expenditure				
	<i>Original</i>	858,018		
	<i>Deferred surrender</i>	57,917		
	<i>Supplementary</i>	1,743,373		
			2,659,308	2,358,226
				651,715

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2022	2021
	€	€
Surplus	301,082,040	106,009,093
Deferred surrender	—	(57,917,000)
Surplus to be surrendered	<u>301,082,040</u>	<u>48,092,093</u>

Mark Griffin

Accounting Officer

Department of the Environment, Climate and Communications

30 March 2023

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2022

		2022	2021
	€000	€000	€000
Programme cost		2,322,015	628,711
Pay		34,052	28,091
Non pay		9,557	7,199
Gross expenditure		2,365,624	664,001
<i>Deduct</i>			
Appropriations-in-aid		7,398	12,286
Net expenditure		2,358,226	651,715
Changes in capital assets			
Purchases cash	(662)		
Loss on disposal	13		
Depreciation	849	200	629
Changes in net current assets			
Decrease in closing accruals	(790,671)		
Decrease in inventories	29	(790,642)	(1,421)
Direct expenditure		1,567,784	650,923
Expenditure borne elsewhere			
Net allied services expenditure (note 1.1)		16,113	15,792
Notional rents		1,584	1,584
Net programme cost		1,585,481	668,299

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.

		2022	2021
		€000	€000
Vote 9	Office of the Revenue Commissioners	62	45
Vote 12	Superannuation and Retired Allowances	12,533	12,232
Vote 13	Office of Public Works	3,307	3,322
Vote 18	National Shared Services Office	52	44
Vote 43	Office of the Government Chief Information Officer	69	69
Vote 20	Garda Síochána	9	—
Central Fund – ministerial pensions		81	80
		16,113	15,792

Note 2 Statement of Financial Position as at 31 December 2022

	Note	2022 €000	2021 €000
Capital assets	2.1	1,573	1,559
Current assets			
Bank and cash ^a	2.2	137,899	240,310
Inventories	2.3	161	190
Electricity credit prepayment	2.4	793,003	—
Other prepayments	2.5	3,284	2,092
Accrued income	2.6	14,101	1,563
Other debit balances	2.7	1,121	200
Total current assets		949,569	244,355
Less current liabilities			
Accrued expenses	2.8	18,431	2,369
Other credit balances	2.9	135,308	176,800
Net Exchequer funding	2.10	3,712	63,710
Total current liabilities		157,451	242,879
Net current assets		792,118	1,476
Net assets		793,691	3,035
Represented by:			
State funding account	2.11	793,691	3,035

Note ^a The 2021 comparative figure for banks has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund bank balance for the first time in 2022.

2.1 Capital assets ^a

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2022	1,404	22,688	7,976	32,068
Additions	—	302	360	662
Adjustment ^b	—	—	755	755
Disposals	(26)	(373)	(219)	(618)
Cost or valuation at 31 December 2022 ^c	1,378	22,617	8,872	32,867
Accumulated depreciation				
Opening balance at 1 January 2022	1,281	21,993	7,235	30,509
Depreciation for the year	22	307	520	849
Adjustment ^b	—	—	541	541
Depreciation on disposals	(26)	(360)	(219)	(605)
Cumulative depreciation at 31 December 2022	1,277	21,940	8,077	31,294
Net assets at 31 December 2022	101	677	795	1,573
Net assets at 31 December 2021	123	695	741	1,559

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

^b An asset acquired in 2018 was omitted from capital asset additions in the year of purchase. An adjustment has been made in 2022 to account for the gross asset cost of €755,000 and the corresponding accumulated depreciation of €541,000 up to 31 December 2021 resulting in net adjustment of €214,000. This is reflected in the State funding account (see Note 2.11).

^c Cost or valuation at the beginning and end of the year include assets acquired for less than €10,000 prior to 1 January 2021.

2.2 Bank and cash

at 31 December	2022	2021
	€000	€000
Vote 29 PMG balance and cash	7,571	69,183
Energy Efficiency National Fund balance	124,263	165,138
Petroleum Infrastructure Programme Fund ^a	6,065	5,989
	137,899	240,310

Note ^a The 2021 comparative figure has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund bank balance for the first time in 2022.

2.3 Inventories

at 31 December	2022	2021
	€000	€000
Equipment	28	47
Publications	133	129
Stationery ^a	—	14
	161	190

Note ^a Commencing in 2022, high-volume, low-value items are fully expensed in the year and are no longer classified as inventory.

2.4 Electricity credit prepayment

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes in 2022.

In response to continued price rises, the Government introduced the second scheme of three payments of €183.49 each (ex. VAT) to be credited to over 2.1 million domestic electricity accounts between November 2022 and April 2023.

In 2022, the Department paid €1.211 billion to ESB networks under the second scheme for distribution to customers between November 2022 and April 2023. €793.003 million of this was distributed to individual domestic electricity accounts in 2023.

2.5 Other prepayments ^a

at 31 December	2022	2021
	€000	€000
Administration	583	7
Circular economy development	1,517	68
Climate action and environment leadership	41	1,061
Connectivity and communications delivery	946	190
Energy transformation	197	766
	3,284	2,092

Note ^a The 2021 comparative for prepayments figures have been re-categorised under administration, and the Department's four main subhead programme headings.

2.6 Accrued income

at 31 December	2022	2021
	€000	€000
Mining royalty invoices ^a	11,900	—
Other debtor invoices	2,201	1,563
	14,101	1,563

Note ^a There was a delay in issuing mining royalty invoices in 2022. These invoices are to be raised in 2023.

2.7 Other debit balances

at 31 December	2022	2021
	€000	€000
Payroll	—	29
Salaries of seconded staff	83	30
Intercompany balance - Energy Efficiency National Fund (Note 7.2)	647	—
Environment Fund	115	—
Other suspense	276	141
	1,121	200

2.8 Accrued expenses

at 31 December	2022	2021
	€000	€000
Administration	790	459
Circular economy development	1,689	619
Climate action and environment leadership	313	30
Connectivity and communications delivery	15,223	1,235
Energy transformation	416	26
	18,431	2,369

2.9 Other credit balances

at 31 December	2022	2021
	€000	€000
Amounts due to the State		
Withholding tax	954	552
Value added tax	690	334
Exchequer receipts (note 4.3)	—	165
PAYE/PRSI	903	745
	2,547	1,796
Suspense		
Energy Efficiency National Fund (note 7.2)	124,263	165,138
Petroleum Infrastructure Programme Fund (note 7.1) ^a	6,065	5,989
Intercompany balance – Energy Efficiency National Fund (note 7.2)	242	—
Environmental Protection Agency	—	1,547
Due to the Petroleum Infrastructure Programme Fund	—	150
World Bank BioCarbon Fund due to NTMA	—	415
Emergency call answering service	1,392	1,267
Other	799	498
	132,761	175,004
	135,308	176,800

Note ^a The 2021 comparative figure for suspense has changed from the 2021 appropriation account figure due to the inclusion of the Petroleum Infrastructure Programme Fund prepayments for the first time in 2022.

2.10 Net Exchequer funding

at 31 December	2022	2021
	€000	€000
Surplus to be surrendered	301,082	48,092
Deferred surrender	—	57,917
Exchequer grant undrawn	(297,370)	(42,299)
Net Exchequer funding	3,712	63,710
Represented by:		
Debtors		
Bank and cash	137,899	240,310
Debit balances: suspense	1,121	200
	139,020	240,510
Creditors		
Due to the State	(2,547)	(1,796)
Credit balances: suspense	(132,761)	(175,004)
	(135,308)	(176,800)
	3,712	63,710

2.11 State funding account

	Note	2022	2021
		€000	€000
Balance at 1 January		3,035	2,243
Disbursements from the Vote			
Estimate provision	Account	2,659,308	
Surplus to be surrendered	Account	(301,082)	
Net vote		2,358,226	651,715
Expenditure (cash) borne elsewhere	1.1	16,113	15,792
Non cash items — capital assets adjustment	2.1	214	—
Non cash expenditure – notional rent	1	1,584	1,584
Net programme cost	1	(1,585,481)	(668,299)
Balance at 31 December		793,691	3,035

2.12 Commitments

a) Global commitments	2022	2021
at 31 December	€000	€000
Procurement of goods and services	17,479	7,565
Capital grant programmes ^a	313,573	152,748
Capital projects and programmes	2,400,673	2,631,557
Total of legally enforceable commitments	2,731,725	2,791,870

b) Capital grant programmes	2022	2021
At 31 December	€000	€000
Opening balance ^a	152,748	151,454
Grants paid in the year	(40,503)	(93,056)
New grant commitments ^a	241,581	110,300
Grants cancelled	(40,253)	(15,950)
Closing balance ^a	313,573	152,748

Note ^a The 2021 comparative figure for capital grant programmes has changed from the 2021 appropriation account due to an adjustment of €19.042 million made in respect of Just Transition Fund commitments that were included in the 2021 commitments listing but omitted from the overall total due to an oversight.

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

Programme/project	Cumulative expenditure to 31 December 2021	Expenditure in 2022	Project commitments in subsequent years	Expected total spend lifetime of project 2022	Expected total spend lifetime of project 2021
	€000	€000	€000	€000	€000
National postcodes	29,518	1,960	4,007	35,485	33,943
National Broadband Plan	177,232	165,950	2,355,118	2,698,300	2,764,000
INFOMAR ^a	58,501	4,144	6,401	69,046	61,089
Tellus ^b	25,502	2,018	4,567	32,087	28,243
	290,753	174,072	2,370,093	2,834,918	2,887,275

Notes ^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 2021.

National postcodes

Increase in expected total spend: €1.542 million

The increase reflects the establishment of the pilot in 2022, via a contract change, to provide data on a monthly basis on the allocation of Eircodes for new builds. Following the successful completion of the pilot in December 2022, there will be additional costs in 2023 associated with the maintenance of the monthly dissemination of Eircodes.

National Broadband Plan

Decrease in expected total spend: €65.7 million

The decrease is due to the original estimated contract cost including provision for 23% VAT on the connection subsidy element of the contract. The Department subsequently received advice from the Revenue Commissioners that the applicable rate of VAT is 13.5%.

INFOMAR

Increase in expected total spend: €7.957 million

Spend on the INFOMAR project relates 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. The increase in the expected total spend in the lifetime of the project represents seven new contracts entered into in 2022 to continue the INFOMAR project which remains on target to complete in 2026.

Tellus

Increase in expected total spend: €3.844 million

Spend on the Tellus project relates 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. The increase in the expected total spend in the lifetime of the project represents six contract extensions in 2022 to continue the Tellus project. The Department expects the programme to be complete in 2026, with delivery of airborne and soil datasets and interpretations. A completion date for a drainage programme has yet to be proposed, and would likely require funding beyond 2026.

2.13 Land remediation

The Department incurs costs in relation to historical mines, primarily in Avoca and Silvermines, which are the highest risk sites. Expenditure relates to maintenance and rehabilitation as needed at all sites, and additionally, environmental monitoring at Avoca and Silvermines which is reported under Subhead C.3.

	Expenditure to end 2021 €000	Expenditure in 2022 €000	Contractual Commitments €000	Total €000
Avoca	4,801	59	—	4,860
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,832	—	—	1,832
Other emergency works	—	13	—	13
	17,823	72	—	17,895

2.14 Cyber security

The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to cyber security is reported under the connectivity and communications delivery programme as shown below, with administrative costs met from subheads D.1 and D.2 and operational funding provided through subhead D.6.

	2022 €000	2021 €000
Administration - pay	2,851	2,054
Travel and subsistence	80	9
Operations	3,424	1,808
	6,355	3,871

2.15 Contingent liabilities

There is potential for financial liabilities to arise in 2023 and subsequent years depending on the outcomes of current, pending and possible future legal actions including EU 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.

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	39,632	34,052	28,091
ii	Travel and subsistence	819	721	231
iii	Training and development and incidental expenses	1,925	2,909	783
iv	Postal and telecommunications services	440	419	324
v	Office equipment and external IT services	3,516	2,415	3,728
vi	Office premises expenses	1,424	845	614
vii	Consultancy services and value for money and policy reviews	2,402	2,107	1,399
viii	Equipment, stores and maintenance	196	141	120
		50,354	43,609	35,290

Significant variations

This note outlines the reasons for significant variations (+/- 25% and €100,000).

i Salaries, wages and allowances

Estimate provision €39.632 million; outturn €34.052 million

The underspend of €5.58 million relates to recruitment being staggered throughout the year. The budget provided for the full year cost of all staff.

iii Training and development and incidental expenses

Estimate provision €1.925 million; outturn €2.909 million

The additional expenditure of €984,000 is primarily due to advertising expenditure on the national public information campaign Reduce Your Use.

v Office equipment and external IT services

Estimate provision €3.516 million; outturn €2.415 million

The underspend of €1.101 million relates to proposed capital software upgrade programmes being deferred pending the engagement of skilled resources.

vi Office premises expenses

Estimate provision €1.424 million; outturn €845,000

The underspend of €579,000 was due to the delay in the relocation of the Department's National Cyber Security Centre to its temporary office in Crane Street in Dublin 8 and also due to energy savings achieved in the Department's offices through the Reduce Your Use campaign.

Programme A Climate Action and Environment Leadership

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay		8,240	7,079
A.2	Administration – non pay		2,187	1,957
A.3	Environmental Protection Agency		41,619	41,600
A.4	Environmental and climate research			
	<i>Original</i>	16,800		
	<i>Supplementary</i>	(2,500)		
			14,300	13,536
A.5	Carbon Fund			18,043
	<i>Original</i>	8,000		
	<i>Supplementary</i>	(3,500)		
			4,500	—
A.6	International climate change commitments		15,000	16,045
A.7	Climate initiatives			
	<i>Original</i>	5,077		
	<i>Supplementary</i>	6,000		
			11,077	9,776
A.8	Just Transition JTF (IE & EU)		34,000	3,397
A.10	<i>Climate Action Fund</i>		—	—
A.11	Subscriptions to international organisations		3,200	3,400
		134,123	96,790	92,837

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 €37.333 million lower than originally provided. €1.391 million of this related to administration expenditure (see above). The balance of the variance of €35.942 million was mainly due to the following.

A.4 Environmental and climate research

Estimate provision €16.8 million; outturn €13.536 million

The underspend of €3.264 million relates to an underspend in general climate related research across the Department. The EPA submitted a proposal seeking funding in 2022. On review, the Department felt that the proposal required further development and accordingly no funding was advanced.

A.5 Carbon Fund

Estimate provision €8 million; outturn €nil

The 2022 estimate was provided in advance of an updated Government strategy for meeting compliance with our greenhouse gas emissions target under the EU Effort Sharing Decision 406/2009/EC (ESD). Based on an analysis of market conditions, the Department updated its compliance strategy and secured Government approval in Decision S180/20/10/1210E to enter into negotiations for purchasing units from another member state. The purchase of these units will be executed in 2023.

A.6 International climate change commitments

Estimate provision €15 million; outturn €16.045 million

The increased expenditure of €1.045 million relates to an additional virement of just over €1 million to provide support of €2.5 million to United Nations Development Programme initiative agreed during COP27.

A.7 Climate initiatives

Estimate provision €5.077 million; outturn €9.776 million

An increase in expenditure of €4.699 million was incurred as a result of a supplementary estimate of €6 million being provided in 2022. €3.5 million of this was provided for grant funding of Local Authorities to account for costs incurred in the delivery of statutory Local Authority Climate Action Plans (LACAPs). The remaining €2.5 million was provided towards the funding of a specific Climate Action funding round of the Sound and Vision 4 Scheme, joint funded along with the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

A.8 Just Transition JTF (IE & EU)

Estimate provision €34 million; outturn €3.397 million

There was an underspend of €30.603 million. Ireland's Just Transition Programme and Territorial Plan was not approved by the European Commission until 13 December 2022 and as a result, it was not possible to commence programme expenditure on the EU Just Transition. Further underspends were incurred in relation to the National Just Transition due to grantees experiencing a number of challenges in implementation of projects, resulting in delays to drawdowns.

A.11 Subscriptions to international organisations

Estimate provision €3.2 million; outturn €3.4 million

Additional expenditure of €200,000 was due to increased funding provided to support Global Environment Facility (GEF) activities to address plastic pollution, currency fluctuations and an increase in United Nations Environment Programme core budget requirements.

Programme B Energy Transformation

		2022		2021	
		Estimate	Provision	Outturn	
		€000	€000	€000	
B.1	Administration – pay		9,872	8,483	7,038
B.2	Administration – non pay		2,623	2,345	1,708
B.3	Sustainable Energy Authority of Ireland – administration and general expenses		21,475	19,509	16,098
B.4	Residential/community retrofit programmes				
	Original	263,578			
	Deferred surrender	57,917			
	Supplementary	(168,626)			
			152,869	151,329	268,866
B.5	Other energy efficiency programmes		46,065	43,676	22,601
B.6	Other energy programmes (national/international)				
	Original	1,050			
	Supplementary	1,000			
			2,050	625	—
B.7	Energy research programmes		25,010	9,450	10,358
B.8	Gas services		45	42	44
B.9	Renewable energy compliance		10,300	—	—
B.10	Single scheme pension payment to CRU		6	—	—
B.11	Electricity credit				
	Original	1			
	Supplementary	1,591,999			
			1,592,000	1,588,208	—
B.12	Subscription to international organisations		290	312	276
B.13	Emergency generation capacity				
	Original	—			
	Supplementary	350,000			
			350,000	151,000	—
			2,212,605	1,974,979	326,989

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 €1.537 billion higher than originally provided. Administration expenditure was lower than originally provided by €1.667 million (see above). The balance of the variance of €1.538 billion was mainly due to the following.

B.3 Sustainable Energy Authority of Ireland - administration and general expenses

Estimate provision €21.475 million; outturn €19.509 million

The underspend of €1.966 million was due to SEAI receiving an allocation to fund an increase in staff in 2022 to 195 whole time equivalents. At 31 December 2022, they had staffing of 170 whole time equivalents. There are open campaigns to recruit for the remaining roles.

B.4 Residential/community retrofit programmes

Estimate provision €321.495 million; outturn €151.329 million

There was a total underspend of €170.166 million in 2022. The 2022 Revised Estimates Volume originally had an allocation of €263.578 million for the residential/community retrofit programmes. As part of the Government's response to the cost of living crisis, exacerbated by the war in Ukraine, the Government approved a domestic electricity credit scheme. A total of €128.626 million was transferred from the residential/community retrofit programmes subhead (B.4) to electricity credit subhead (B.11) as part of a supplementary estimate in March 2022 to part fund this scheme.

The remaining underspend of €41.54 million was due to industry supply chain and workforce constraints resulting from international and national factors experienced in 2022 and delays in the ramping up of activity under two schemes, the new national home energy upgrade scheme and the better energy communities scheme. The 2022 allocation for the national home energy upgrade scheme provided for works to be delivered via a network of one stop shops.

The new scheme launched in February but it took a number of months for the one stop shops to complete the registration process required for them to be in a position to commence works. The better energy communities scheme for 2022 launched in March to ensure the grants under the scheme aligned to the national home energy upgrade scheme. A later than forecasted start for energy upgrade projects supported under these schemes resulted in a knock-on delay in the completion of projects in year resulting in home completions budgeted for payment in 2022 deferring into 2023.

Following a second supplementary estimate in July 2022, a further €40 million was transferred to subhead B.13 Emergency generation capacity.

B.5 Other energy efficiency programmes

Estimate provision €46.065 million; outturn €43.676 million

The underspend of €2.389 million mainly relates to lower than anticipated demand for the Industrial Engagement (EXEED) programme. SEAI reviewed the EXEED scheme during the year and recommendations to remove barriers and enhance the EXEED process will be implemented in 2023.

There was also an underspend on the Business Renewable Energy programme. The Annual Tariff Review resulted in approval being granted for a number of key changes to the scheme to increase uptake. These underspends were offset by the reallocation of €6 million during the year from the EXEED programme to the Public Sector Energy Efficiency scheme to facilitate the retrofitting of additional buildings in the education sector.

B.6 Other energy programmes

Estimate provision €1.05 million; outturn €625,000

The underspend of €425,000 relates mainly to payments to ESRI being made from the energy research programmes subhead (B.7). A further €1 million was allocated to the subhead through a supplementary estimate to support the establishment of a dedicated regulatory function within An Bord Pleanála. This funding did not progress in 2022.

B.7 Energy research programmes

Estimate provision €25.01 million; outturn €9.45 million

The underspend of €15.56 million was largely due to (i) an underspend in the Renewable Energy Research and Development programme due to the multi annual nature of research projects and the continued impact of Covid on existing research awards, resulting in reduced research activity during the year (ii) an underspend in the Ocean Energy project due to postponed resourcing and grid connections which delayed onshore works on the Atlantic Marine Energy Test Site (iii) resourcing constraints and scoping uncertainty resulting in delays in progressing the ROADMAP project.

B.9 Renewable energy compliance

Estimate provision €10.3 million; outturn €nil

This subhead is a provision for the Renewable Energy Directive in the event that Ireland fails to meet its renewable energy targets. The completion of statistical transfers in 2020 allowed Ireland to meet its obligations under the Renewable Energy Directive in 2022 and no additional purchases were required.

B.11 Electricity credit

Estimate provision €1,000; outturn €1.588 billion

Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes. The first scheme saw €176.22 (ex. VAT) credited to over 2.1 million domestic electricity accounts in April/May 2022. In response to continued price rises, the Government introduced a second scheme of three payments of €183.49 each (ex. VAT) to be credited to over 2.1 million domestic electricity accounts between November 2022 and April 2023. Both schemes were underpinned by primary legislation, which set out the functions of the Distribution System Operator (ESB Networks) and electricity suppliers for the operation of the schemes and assigned responsibility for their oversight to the Commission for Regulation of Utilities (CRU). As they were emergency measures, the cost of these schemes were not included in the original estimate for the Department and was provided through two supplementary estimates.

B.13 Emergency generation capacity

Estimate provision €nil; outturn €151 million

In June 2022, the Commission for Regulation of Utilities directed EirGrid to procure circa 450 MW of additional generation capacity for winter 2023/24 through to winter 2025/26 to offset a potential capacity shortfall of electricity supply. Following the enactment of the EirGrid Electricity and Turf (Amendment) Act in July 2022, €350 million was provided in two supplementary estimates to cover the anticipated financial support required by EirGrid to (i) place orders on the electricity generation units and (ii) to ensure that they are delivered and installed in time for winter 2023/24. However, the complexity of the procurement process led to delays in finalising contracts, and the eventual drawdown by EirGrid was €151 million. EirGrid have confirmed that the remaining costs of the project will be funded through their own corporate resources and transmission use of system charges and that no further Exchequer funding will be required.

Programme C Circular Economy Development

			2022	2021
			Estimate provision	Outturn
			€000	€000
C.1	Administration – pay	9,446	8,117	6,054
C.2	Administration – non pay	2,705	2,385	1,779
C.3	Mining and petroleum services			
	Original	3,264		
	Supplementary	(1,000)		
		2,264	950	378
C.4	Geological survey programmes	12,900	11,406	10,294
C.5	Inland Fisheries	33,449	34,186	27,162
C.6	Waste management programmes	37,010	33,477	34,762
C.7	Subscriptions to international organisations	135	121	24
		97,909	90,642	80,453

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 €8.267 million lower than provided. €1.649 million of this related to administration expenditure (see above). The balance of the variance of €6.618 million was mainly due to the following.

C.3 Mining and petroleum services

Estimate provision €3.264 million; outturn €950,000

The underspend of €2.314 million relates to (i) reduced extraction rates of private minerals by mineral companies under State mining licences, and legal delays resulting in lower than expected compensation payments made to owners of mineral rights and (ii) less than anticipated expenditure works at Avoca and Silvermines pending the commissioning of updated feasibility studies to ascertain the optimal approach to remediation.

C.4 Geological survey programmes

Estimate provision €12.9 million; outturn €11.406 million

The underspend of €1.494 million mainly relates to the Tellus programme being partly suspended due to contracting and procurement issues.

C.6 Waste management programmes

Estimate provision €37.01 million; outturn €33.477 million

The underspend of €3.533 million mainly relates to funding that was allocated to a number of sites for landfill remediation that was not drawn down as works did not progress at the anticipated pace.

Programme D Connectivity and Communications Delivery

		2022		2021
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay	12,074	10,375	7,303
D.2	Administration – non pay	3,207	2,868	1,745
D.3	National Broadband Plan			
	<i>Original</i>	225,000		
	<i>Supplementary</i>	<u>(30,000)</u>		
		195,000	177,282	144,862
D.4	Other communication infrastructure	3,570	2,614	1,750
D.5	Other digital economy programmes	6,206	6,650	6,249
D.6	National Cyber Security Centre	5,100	3,424	1,813
		225,157	203,213	163,722

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 €51.944 million lower than originally provided. €2.038 million of this related to administration expenditure (see above). The balance of the variance of €49.906 million was mainly due to the following.

D.3 National Broadband Plan

Estimate provision €225 million; outturn €177.282 million

The underspend of €47.718 million was primarily due to:

- The timing of subsidy payment claims by National Broadband Ireland (NBI) which has an impact on the level of NBP subsidy payments, where circa €14 million was paid in 2023 related to 2022.
- There was a forecasting calculation error by NBI which resulted in an overstatement of €20 million of NBP subsidy payments forecasted for 2022.
- There was a specific milestone not achieved in 2022, resulting in less NBP subsidy payments claimed in 2022 of €13.5 million. The milestone remains unachieved in 2023.

D.4 Other communication infrastructure

Estimate provision €3.57 million; outturn €2.614 million

The underspend of €956,000 is mainly due to less than anticipated costs in relation to the Eircodes project and undrawn contingency funds for the Eircode monthly pilot.

D.5 Other digital economy programmes

Estimate provision €6.206 million; outturn €6.65 million

The increased expenditure of €444,000 relates to extra funding of circa €1 million provided to assist the Digital Hub Development Agency so that it could meet its running costs and undertake essential health and safety maintenance of its properties as the combination of its commercial income and the original allocation of Exchequer funding was insufficient to do so. This was offset by an underspend of €500,000 on a National Digital Research Centre contract.

D.6 National Cyber Security Centre

Estimate provision €5.1 million; outturn €3.424 million

The underspend of €1.676 million was mainly due to less than anticipated costs in relation to the National Cyber Security Centre's move to a new interim facility in Dublin 8. Due to challenges caused by the listed status of the building, the security infrastructure of the facility was redesigned to a smaller scale with a cost less than initially estimated. In addition, the OPW paid for a larger portion of the fit out project cost than initially anticipated.

Note 4 Receipts

4.1 Appropriations-in-aid

		2022		2021
		Estimated	Realised	Realised
		€000	€000	€000
1	Proceeds of fines in respect of inland fishery offences	50	24	23
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	5,092	1,423	6,605
3	Petroleum Infrastructure Support Group	402	49	35
4	Geological Survey Ireland income	300	347	342
5	Rent on properties in GPO	223	364	85
6	Miscellaneous receipts (note 4.2)	1,000	1,288	1,372
7	Pension contributions from agencies	340	223	380
8	Receipts from additional superannuation contributions on public service remuneration	3,079	3,680	3,188
9	Dormant accounts receipts	—	—	256
Total		10,486	7,398	12,286

Significant variations

The following outlines the reasons for significant variations in appropriation-in-aid (+/- 5% and €100,000). Overall, appropriations-in-aid were €3.088 million less than originally forecast. Explanations for variances are set out below.

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

Estimate provision €5.092 million; realised €1.423 million

The shortfall of €3.669 million was mainly due to the following.

(i) A large amount of petroleum licence income outstanding at 31 December 2022.

(ii) A reduced extraction rate of private minerals by mining companies, under State mining licences, resulted in a lower than expected mining compensation income paid by mining companies.

(iii) There was a delay in issuing mining royalty invoices. These invoices are to be raised in 2023 and are included in the accrued income note.

3 Petroleum Infrastructure Support Group*Estimate €402,000; realised €49,000*

The decrease of €353,000 in PISG income was in line with the reduced number of petroleum licenses. The orderly wind down of the Petroleum Infrastructure Programme has been initiated, and contributions to the Programme for periods commencing 1 July 2021 are not being sought. Additionally, there were a number of unpaid invoices on hand at 31 December 2022 that had been expected to have been paid in the year.

5 Rent on properties in GPO*Estimate €223,000; realised €364,000*

The excess of €141,000 relates to receipt of payment of 2021 invoices in early 2022.

7 Pension contributions from agencies*Estimate €340,000; realised €223,000*

The shortfall of €117,000 relates to SEAI 2022 contributions not received until January 2023.

8 Receipts from additional superannuation contribution on public service remuneration*Estimate €3.079 million; realised €3.68 million*

The excess of €601,000 relates mainly to an increase in staff numbers in the Department, EPA and SEAI.

4.2 Miscellaneous receipts

	2022	2021
	€000	€000
Royalties in respect of metropolitan area networks	979	942
Corrib verification	—	21
Costs recovered from other bodies	130	224
Salary overpayment recoupment from prior years	—	176
Maritime Area Consent application fee	175	—
Other	4	9
Total	1,288	1,372

4.3 Extra receipts payable to the Exchequer

	2022	2021
	€000	€000
Balance at 1 January	165	152
Receipts from emissions trading scheme ^a	215,669	147,694
Galway Mayo telecommunications duct	200	206
Share of surplus on sale of NBP company ^b	42,775	—
Drawdown of RESS performance bonds	1,006	—
Closure of the World Bank's BioCarbon Fund	415	—
Reimbursement of Pobal fees for 2021	109	—
NDRC sale of shares	—	66
Insurance and project receipts	—	99
Voluntary surrender of Ministerial salaries	21	21
Transferred to the Exchequer	(260,360)	(148,073)
Balance at 31 December	—	165

Notes ^a €215.669 million represents Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading Scheme in 2022. €1.547 million was paid over to the EPA in January 2023 for administrative expenses.

^b In the event of a sale of shares in Metallah (Metallah being the parent company of NBII (NBI Infrastructure) and NBID (NBI Deployment)), the Minister is entitled to share in the sales proceeds in respect of the value attributable to NBII only (i.e., excluding NBID) if the shareholders return on investment exceeds a 25% rate of return. Under the contract between NBII and the Minister, the Minister is entitled to a share of 25% of the proceeds in excess of this 25% rate of return threshold. Following the sale of shares of Metallah in 2022, €42.775 million was paid to the Department in November 2022 under this clause.

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents	2022	2021
Number of staff at year end		
Department	534	438
Agencies ^a	961	903
	1,495	1,341

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 included in notes 5.2 and 5.3 below, relate to the same agencies.

5.2 Pay

Remuneration of all staff (Department and agencies) ^a	2022	2021
	€000	€000
Pay	89,245	78,709
Higher, special or additional duties allowances	364	322
Other allowances	1,583	1,644
Overtime	50	48
Employer's PRSI	8,798	7,620
Total pay	100,040	88,343

Remuneration of Department staff

	2022	2021
	€000	€000
Pay	31,125	25,691
Higher, special or additional duties allowances ^b	109	158
Other allowances ^b	—	—
Overtime	25	23
Employer's PRSI	2,793	2,219
Total pay	34,052	28,091

Remuneration of agency staff

	2022	2021
	€000	€000
Pay	58,120	53,018
Higher, special or additional duties allowances	255	286
Other allowances	1,583	1,522
Overtime	25	25
Employer's PRSI	6,005	5,401
Total pay	65,988	60,252

Notes ^a The remuneration arrangements refer to the pay element of subheads A.1, A.3, B.1, B.3, C.1, C.5, D.1 and D.5. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure, National Development Plan Delivery and Reform guidelines (circular 22 of 2022).

^b Prior year figures have been restated to better reflect the guidance note on allowances.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2022 €	2021 €
Department staff				
Higher, special or additional duties allowances ^a	37	2	12,300	20,318
Other allowances ^a	3	—	65	—
Overtime	10	—	8,549	3,799
Extra remuneration in more than one category	7	1	11,628	11,328
Agency staff				
Higher, special or additional duties allowances	78	5	18,873	17,948
Other allowances	312	—	8,763	40,534
Overtime	61	—	3,553	4,513
Extra remuneration in more than one category	59	9	22,394	18,982

Note ^a Prior year figures have been restated to better reflect the guidance note on allowances.

5.4 Department employee pay bands

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

Pay bands (€)		Number of employees	
From	To	2022	2021
20,000	59,999	278	239
60,000	69,999	53	61
70,000	79,999	60	55
80,000	89,999	40	33
90,000	99,999	33	12
100,000	109,999	19	14
110,000	119,999	8	6
120,000	129,999	3	1
130,000	139,999	2	—
140,000	149,999	—	—
150,000	159,999	2	4
160,000	169,999	4	1
170,000	179,999	1	—
180,000	189,999	1	—
190,000	199,999	1	1
200,000	209,999	—	1
210,000	219,999	1	—

5.5 Other remuneration arrangements

One retired civil servant who had been recruited through an open competition in 2019 and was subsequently promoted through an open competition in 2022 received a salary of €71,794 during 2022. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012 and the pension was abated appropriately.

This account includes expenditure of €543,077 in respect of five officers who were serving outside the Department for all of 2022 and whose salaries were paid by the Department.

This account does not include expenditure in relation to twenty four officers who were serving outside the Department for all or part of 2022 in other Government departments/offices and whose salaries were paid by the department/offices in which they worked.

5.6 Payroll overpayments

at 31 December	Number of recipients	2022 €	2021 €
Overpayments	30	105,619	143,663
Recovery plans in place	10	71,966	86,925

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2022 €000	2021 €000
Basic pay	<u>213</u>	<u>201</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the terms of that pension scheme.

Note 6 Miscellaneous

6.1 EU funding

The outturn shown in subheads A.7 and C.4 includes payments in respect of activities which are co-financed by the EU through the Life, Horizon 2020 and Interreg projects.

The Department received funding of €103,000 (2021: €186,000) from the EU in respect of Interreg projects and related expenditure of €38,000 is provided in Subhead C.4 (2021: €173,000).

The Department received funding of €99,000 (2021: €363,000) from the EU in respect of Horizon 2020 projects and related expenditure of €353,000 is provided in Subhead C.4 (2021: €753,000).

Expenditure relating to Life projects in the amount of €290,000 (2021: €nil) is provided in Subhead A.7.

6.2 Fraud and suspected fraud

The Department is aware of an allegation of a suspected fraud which may have occurred in a service provider in receipt of grant funding. This case is under investigation by the appropriate authorities and the Department awaits the outcome.

6.3 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by		Total	Total
	Contractor ^a	Members of the public (notice party ^b)	2022	2021
Number of cases	1	1	2	—
	€000	€000	€000	€000
Payments by/on behalf of Department				
Compensation	15	—	15	—
Legal costs	1	48	49	—
2022 Total ^c	16	48	64	—

Notes ^a Claim in respect of status of consultant's contract.

^b Notice party's legal costs paid pursuant to a court order.

^c Both cases were settled in 2022. The figures shown represent the full costs incurred by the Department in relation to those cases.

6.4 Late interest payments

	2022	2021
	€	€
Interest payments	36,600	21,293

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 2022.

	2022	2021
	€000	€000
Balance at 1 January	5,989	6,072
Receipts	499	685
Payments	(423)	(768)
Balance at 31 December	6,065	5,989

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by the Department. The aim of the programme was 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.

As Ireland moves away from oil and natural gas exploration and production, the Department is of the view that there is no longer a requirement for it to support the continuation of research programmes that support hydrocarbon exploration and development activities.

Accordingly, the orderly wind down of the PIP has been initiated, and contributions to the programme for periods commencing 1 July 2021 will not be sought.

Outstanding receipts in relation to the PIP fund from payments invoiced before this date 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 2022.

	2022 Profile estimate ^a €000	2022 Total €000	2021 €000
Balance at 1 January		165,138	20,261
Receipts from Vote 29		—	160,000
Receipts from IEEI		11,923	5,138
Transfer to Climate Action Fund		(1,212)	(20,261)
Reduce your use campaign		(2,372)	—
Residential/community retrofit programmes	83,041	(49,214)	—
First loss loan scheme	60,000	—	—
Balance at 31 December		124,263	165,138

Note ^a The profile estimate represents the Department's budget set aside for these programmes and schemes in 2022.

Significant variations

The following outlines the reasons for significant variations in expenditures on the EENF (+/- 5% and €100,000). Of the €160 million transferred from Vote 29 in 2021 the Department planned to spend €143.041 million in 2022. The expenditure in the year was €93.827 million lower than originally profiled. This was mainly due to the following.

Residential/community retrofit programmes

Profile estimate €83.041 million; outturn €49.214 million

The underspend of €33.827 million was due to industry supply chain and workforce constraints resulting from international and national factors experienced in 2022 and delays in the ramping up of activity under two schemes, the new national home energy upgrade scheme and the better energy communities scheme.

The 2022 allocation for the national home energy upgrade scheme provided for works to be delivered via a network of one stop shops. The new scheme launched in February but it took a number of months for the one stop shops to complete the registration process required for them to be in a position to commence works.

The better energy communities scheme for 2022 launched in March to ensure the grants under the scheme aligned to the national home energy upgrade scheme. A later than forecasted start for energy upgrade projects supported under these schemes resulted in a knock-on delay in the completion of projects in the year resulting in home completions budgeted for payment in 2022 deferring into 2023.

First loss loan scheme

Profile estimate €60 million; outturn €nil

The development of this innovative scheme is a complex process involving multiple stakeholders both nationally and internationally. Intensive engagement to develop the scheme took place throughout 2022 with extensive due diligence between the European Investment Bank and the Irish banking and credit union sectors. Two open calls to identify participating on-lenders were completed (the "invitation for pre-qualification" and the "invitation for award"). However, no expenditure took place in 2022.

Background and activities of the Energy Efficiency National Fund

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 (i) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (ii) to promote the development of a market for energy efficiency improvement measures.

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, National Development Plan Delivery and Reform, decided not to invest any further funding in IEEI beyond May 2018. The Minister, as shareholder, received distributions from IEEI in 2021 totalling €5.138 million. €1.212 million of these funds were transferred to the Climate Action Fund in 2022. A further €11.923 million was received from IEEI in 2022 following the sale of assets held by the fund. Funds not transferred to the Climate Action Fund remained for use in the EENF. As at the 31 December 2022, the State's investment in IEEI was valued at €555,643.

In December 2021, there was a once-off payment of €160 million from Vote 29 subhead B.4 Sustainable energy programmes to the EENF, with the approval of the Minister for Public Expenditure, National Development Plan Delivery and Reform. This funding was to facilitate additional actions over and above those set out in Budget 2022 to support households by improving the energy efficiency of their homes. The apportionment of the funds was €100 million for energy efficiency retrofit scheme and €60 million for a loan guarantee scheme. Sanction was received in December 2022 to carryover €111.028 million ^a, representing the 2022 unspent balance of the capital surplus of the €160 million in the Fund, with the 2023 allocations as follows

- €60 million for the Residential Retrofit Loan Guarantee Scheme
- €51.028 million for residential/community retrofit programmes

Note ^a €242,000 of refunds received from the SEAI in 2022 was lodged into a Vote bank account. These refunds related to payments made initially through the EENF and were transferred back into the fund in 2023. This €242,000, together with the €110.786 million balance in the fund at 31 December 2022 in respect of amounts that originated from Vote 29, matches the €111.028 million carried over for spending in 2023.

Schemes co-funded between the EENF and Vote 29

The EENF incurred expenditure of €49.021 million in respect of the residential/community retrofit programmes in 2022. A further €114.234 million was incurred in respect of the same programmes in 2022 under subhead B.4 of the Vote.

	2022 Vote €000	2022 EENF €000	2022 Total €000
Better energy warmer homes	57,869	34,834	92,703
Better energy warmth and wellbeing	4,240	1,196	5,436
Better energy homes	28,243	7,867	36,110
Better energy communities	15,179	2,197	17,376
Deep retrofit	216	49	265
One stop shop development scheme	8,487	3,071	11,558
	114,234	49,214	163,448

Separately, the Reduce Your Use Campaign was also co-funded between the EENF and the Vote. €2.372 million was spent from the EENF in 2022 and €1.716 million was charged to training and development and incidental expenses in the Vote. A further €647,000 is included in other debit balances in the Vote pending transfer to the EENF early in 2023. Expenditure on the Reduce Your Use Campaign for 2022 was €4.735 million. The budget for this campaign was €5 million. The underspend on the campaign of €265,000 was due to economies achieved in media buying based on time of year and economies of scale.

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.

The Minister owns land to facilitate the remediation of the Avoca and Silvermines legacy mine sites.

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 and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates the period to which the last audited financial statements relate and 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	2021	20 Apr 2022	20 Apr 2022	24 Jun 2022
Commission for Communications Regulation ^a	2021	31 Jan 2022	25 Feb 2022	29 Jun 2022
Digital Hub Development Agency	2021	17 Jun 2022	26 Jul 2022	5 Jan 2023
Bord na Móna ^b	2021	23 Jun 2021	5 Jul 2021	21 Jul 2021
Commission for the Regulation of Utilities	2021	31 Mar 2022	29 Apr 2022	14 Jul 2022
EirGrid ^c	2021	20 Dec 2021	30 Jan 2022	26 May 2022
ESB	2021	1 Mar 2022	1 Mar 2022	6 Apr 2022
Irish National Petroleum Corporation	2021	21 Jun 2022	26 Aug 2022	21 Oct 2022
National Oil Reserves Agency	2021	23 Jun 2022	26 Aug 2022	28 Sep 2022
Sustainable Energy Authority of Ireland	2021	30 Jun 2022	30 Jun 2022	19 Dec 2022
Inland Fisheries Ireland ^d	2020	20 Dec 2021	21 Dec 2021	1 Apr 2022
Loughs Agency ^d	2020	21 Dec 2021	4 Jan 2022	28 Feb 2022
Environmental Protection Agency	2021	3 Jun 2022	24 Jun 2022	13 Oct 2022
Environment Fund	2021	19 Dec 2022	9 Jan 2023	20 Jan 2023
Climate Action Fund	2021	16 Dec 2022	9 Jan 2023	20 Jan 2023

Notes ^a Period of account 1 July 2020 to 30 June 2021.

^b Period of account 1 April 2020 to 31 March 2021.

^c Period of account 1 October 2020 to 30 September 2021.

^d Annual report and accounts for 2021 not yet laid before the Oireachtas.