

**Appropriation Account 2023**

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**Vote 29**

**Environment, Climate and Communications**

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## 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 2023 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 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €42.241 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, National Development Plan Delivery and Reform in circular 22 of 2023, 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.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

<i>Asset class</i>	<i>Useful life</i>	<i>Rate of amortisation</i>
Software licences	Licence term 2-10 years	50%-10%
Developed software	10 years	10%

## 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***

A control environment comprising 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***

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***

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

### ***Procurement***

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines. Expenditure on goods, professional and other contracted services, amounted to a total of €331.995 million in 2023.

The Department has provided details of twenty six non-competitive contracts in excess of €25,000 in the annual return in respect of circular 40/2002 to 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 ten contracts in excess of €25,000 (exclusive of VAT) totalling €981,869 (exclusive of VAT) as set out below.

- Two contracts with a total value of €124,400 (ex. VAT) have been rolled over until specific technical requirements have been fully established as part of the move to OGCI0 and new office premises in Q2 2024.
- Two contracts related to the rollover of contracts to ensure work was completed as additional services had been required. Those contracts had a total value of €100,219 (ex. VAT) and have expired.
- Three contracts with a total value of €127,750 (ex. VAT) relate to persons chosen by virtue of their specific experience and expertise.
- Two contracts with a total value of €577,500 (ex. VAT) with the same company provided services similar to other work the company conducted in the Department to ensure a consistent approach. Both of these have expired.
- One contract with a value of €52,000 ex VAT for legal advice requiring specific/unique expertise. This has expired.

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

### ***Risk and control framework***

Risk management procedures are in place within the Department to identify, manage and report on risks to the Department's operations. The risk management policy, which includes a risk appetite statement, sets out the key elements of the Department's overall risk management framework, encompassing roles and responsibilities, risk management tools, structures and processes.

### ***Ongoing monitoring and review***

In 2023, monitoring and review of the Department's risk management was through the strategic delivery framework, a strong and agile mechanism in place to ensure that our priorities, resources and people are appropriately aligned and subject to regular review at Management Board and Ministerial level to ensure that they continue to be so. Key strategic actions (KSAs) to support the delivery of the Department's priorities are identified annually through this framework with KSA delivery plans in place and signed off at Assistant Secretary level. In addition to setting out deliverables, these delivery plans specify risks to delivery, mitigations and issues. The risks to the delivery of the KSAs, emerging issues, mitigations and supports are actively considered as part of the KSA reporting to the Management Board and the Minister.

### ***Review of effectiveness***

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.

An internal audit of risk management policy was undertaken in 2023 which made a number of recommendations and the Department is implementing these.

### ***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.

On 20 October 2023, the Supreme Court's decision in the Revenue Commissioners v Karshan (Midlands) Limited Trading as Domino's Pizza [2023] IESC 24 was published.

On 23 November 2023, the Department provided further information to the Revenue. The Department continues to engage with Revenue in relation to this matter.

#### ***Non-compliant transactions***

The Department identified three non-compliant payments during 2023 as follows.

- Non-compliance with circular 13/2014 *Management of and Accountability for Grants from Exchequer Funds* resulting in an overpayment of €833,000. This occurred as a result of pre-funding a non-governmental organisation without receiving formal sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform. These funds have now been repaid by the organisation.

- Non-compliance with delegated sanction for current expenditure for the sum of €234,000. These funds were paid to the Commission for the Regulation of Utilities (CRU) to allow it to undertake a regulatory role in district heating, for the purposes of consumer protection and as required under European Directives. Subsequent legal advice indicated that the CRU were not satisfactorily designated as the regulator of district heating and there was no legal vices for these payments. The advice of the Attorney General has been sought and primary legislation is being drafted to put in place the necessary legal vices.
- Non-compliance with public financial procedures for the sum of €26,221,000 relating to timing of payments. This occurred in advance of a supplementary estimate being passed to increase funding in the subhead.

The procedures around these payments have been reviewed and relevant controls have been revised to minimise the risk of reoccurrence.

**Oonagh Buckley**

Accounting Officer

Department of the Environment, Climate and Communications

19 September 2024

## **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 2023 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 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure National Development Plan 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.

##### ***Non-compliant procurement***

The Accounting Officer has disclosed in the statement of internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2023.

##### ***Non-compliant transactions***

The Accounting Officer has disclosed in the statement on internal financial control that three instances of non-compliance of material payments with relevant public financial procedures were identified in 2023.

**Seamus McCarthy**

Comptroller and Auditor General

19 September 2024

## 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 2023

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Climate action and environment leadership			
	<i>Original</i>	128,588		
	<i>Supplementary</i>	(3,700)		
			124,888	115,894
				96,790
B	Energy transformation			
	<i>Original</i>	529,223		
	<i>Supplementary</i>	897,306		
			1,426,529	1,406,927
				1,974,979
C	Circular economy development			
	<i>Original</i>	114,513		
	<i>Supplementary</i>	(13,300)		
			101,213	87,311
				90,642
D	Connectivity and communications delivery			
	<i>Original</i>	293,736		
	<i>Supplementary</i>	58,300		
			352,036	357,640
				203,213
<b>Gross expenditure</b>				
	<i>Original</i>	1,066,060		
	<i>Supplementary</i>	938,606		
			2,004,666	1,967,772
				2,365,624
	<i>Deduct</i>			
E	<b>Appropriations-in-aid</b>		<b>10,615</b>	<b>17,762</b>
				<b>7,398</b>
<b>Net expenditure</b>				
	<i>Original</i>	1,055,445		
	<i>Supplementary</i>	938,606		
			<b>1,994,051</b>	<b>1,950,010</b>
				<b>2,358,226</b>

**Surplus**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €1.8 million of unspent allocations in respect of the capital elements of subhead A.9 was carried forward to 2024.

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Surplus	44,041,462	301,082,040
Deferred surrender	(1,800,000)	—
<b>Surplus to be surrendered</b>	<b>42,241,462</b>	<b>301,082,040</b>

**Oonagh Buckley**

Accounting Officer

Department of the Environment, Climate and Communications

27 March 2024

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2023

	2023	2022
€000	€000	€000
Programme cost	1,910,644	2,322,015
Pay	43,615	34,052
Non pay	13,513	9,557
<b>Gross expenditure</b>	<b>1,967,772</b>	<b>2,365,624</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>17,762</b>	<b>7,398</b>
<b>Net expenditure</b>	<b>1,950,010</b>	<b>2,358,226</b>
<b>Changes in capital assets</b>		
<b><i>Property, plant and equipment (note 2.1)</i></b>		
Purchases	(3,251)	
Depreciation	532	
Disposals cash	13	
Profit on disposals	(11)	
<b>Intangible assets (note 2.2)</b>		
Amortisation	3	
	(2,714)	200
<b>Changes in net current assets</b>		
Decrease in inventories	10	
Decrease in prepayments	163,843	
Decrease in accrued income	8,349	
Increase in accrued expenses	5,028	
	177,230	(790,642)
<b>Direct expenditure</b>	<b>2,124,526</b>	<b>1,567,784</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	18,140	16,113
Notional rents	1,584	1,584
<b>Net programme cost</b>	<b>2,144,250</b>	<b>1,585,481</b>

**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.

		<b>2023</b>	<b>2022</b>
		<b>€000</b>	<b>€000</b>
Vote 9	Office of the Revenue Commissioners	60	62
Vote 12	Superannuation and Retired Allowances	14,251	12,533
Vote 13	Office of Public Works	3,309	3,307
Vote 18	National Shared Services Office	63	52
Vote 43	Office of the Government Chief Information Officer	262	69
Vote 20	Garda Síochána	114	9
Central Fund – ministerial pensions		81	81
		<b>18,140</b>	<b>16,113</b>

## Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
<b>Fixed assets</b>			
Property, plant and equipment	2.1	3,925	1,570
Intangible assets	2.2	—	3
<b>Total fixed assets</b>		<b>3,925</b>	<b>1,573</b>
<b>Current assets</b>			
Bank and cash	2.3	93,053	137,899
Inventories	2.4	151	161
Electricity credit prepayment	2.5	610,988	793,003
Other prepayments	2.6	21,456	3,284
Accrued income	2.7	5,752	14,101
Other debit balances	2.8	214	1,121
<b>Total current assets</b>		<b>731,614</b>	<b>949,569</b>
<b>Less current liabilities</b>			
Accrued expenses	2.9	23,459	18,431
Other credit balances	2.10	91,198	135,308
Net Exchequer funding	2.11	2,069	3,712
<b>Total current liabilities</b>		<b>116,726</b>	<b>157,451</b>
<b>Net current assets</b>		<b>614,888</b>	<b>792,118</b>
<b>Net assets</b>		<b>618,813</b>	<b>793,691</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.12	<b>618,813</b>	<b>793,691</b>

**2.1 Property, plant and equipment <sup>a, b</sup>**

	<b>Office Furniture</b>	<b>Office and IT equipment</b>	<b>Specialist equipment and motor vehicles</b>	<b>Assets under development</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Cost or valuation</b>					
At 1 January 2023	1,378	7,078	8,872	—	17,328
Additions	—	359	195	2,697	3,251
Disposals	(132)	(30)	(101)	—	(263)
Adjustment: asset verification project <sup>c</sup>	(9)	(2,000)	(978)	—	(2,987)
Adjustment: asset reporting threshold <sup>d</sup>	(1,237)	(3,249)	(425)	—	(4,911)
At 31 December 2023	—	2,158	7,563	2,697	12,418
<b>Accumulated depreciation</b>					
At 1 January 2023	1,277	6,404	8,077	—	15,758
Depreciation for the year	—	162	370	—	532
Depreciation on disposals	(130)	(30)	(101)	—	(261)
Adjustment: asset verification project <sup>c</sup>	(15)	(1,994)	(978)	—	(2,987)
Adjustment: asset reporting threshold <sup>d</sup>	(1,132)	(3,019)	(398)	—	(4,549)
At 31 December 2023	—	1,523	6,970	—	8,493
<b>Net assets</b>					
<b>At 31 December 2023</b>	<b>—</b>	<b>635</b>	<b>593</b>	<b>2,697</b>	<b>3,925</b>
At 31 December 2022	101	674	795	—	1,570

- Note <sup>a</sup> State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.
- <sup>b</sup> With effect from 1 January 2023, acquired and developed software assets were transferred to intangible assets (note 2.2).
- <sup>c</sup> An asset verification exercise was carried out in 2023 and an adjustment was required to remove obsolete assets and assets no longer in existence from the account.
- <sup>d</sup> In line with DPENDPDR circular 21/2020, 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 2023 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

**2.2 Intangible assets <sup>a</sup>**

	<b>Acquired and developed software €000</b>	<b>Total €000</b>
<b>Gross assets</b>		
At 1 January 2023	15,539	15,539
Adjustment: asset verification project <sup>b</sup>	(7,237)	(7,237)
Adjustment: asset reporting threshold <sup>c</sup>	(215)	(215)
At 31 December 2023	8,087	8,087
<b>Accumulated amortisation</b>		
At 1 January 2023	15,536	15,536
Amortisation	3	3
Adjustment: asset verification project <sup>b</sup>	(7,237)	(7,237)
Adjustment: asset reporting threshold <sup>c</sup>	(215)	(215)
At 31 December 2023	8,087	8,087
<b>Net assets</b>		
<b>At 31 December 2023</b>	<b>—</b>	<b>—</b>
At 31 December 2022	3	3

- Note <sup>a</sup> With effect from 1 January 2023, acquired and developed software assets were transferred from property, plant and equipment.
- <sup>b</sup> An asset verification exercise was carried out in 2023 and an adjustment was required to remove obsolete and assets no longer in existence from the account.
- <sup>c</sup> In line with DPENDPDR circular 21/2020, 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 2023 and this adjustment relates to the removal of individual asset values of under €10,000 from the account.

**2.3 Bank and cash**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
PMG balance and cash	31,081	7,571
Energy Efficiency National Fund balance	55,935	124,263
Petroleum Infrastructure Programme Fund	6,037	6,065
	<b>93,053</b>	<b>137,899</b>

**2.4 Inventories**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Equipment	19	28
Publications	132	133
	<b>151</b>	<b>161</b>

**2.5 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 high prices, the Government introduced the third scheme of three payments of €137.61 each (ex. VAT) to be credited to over 2.2 million domestic electricity accounts between December 2023 and April 2024.

In 2023, the Department paid €926.140 million under the third scheme for distribution to customers between December 2023 and April 2024. €610.988 million (2022: €793.003 million) of this was distributed to individual domestic electricity accounts in 2024.

**2.6 Other prepayments**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Administration	1,670	583
Circular economy development	4,045	1,517
Climate action and environment leadership	—	41
Connectivity and communications delivery	2,631	946
Energy transformation	13,110	197
	<b>21,456</b>	<b>3,284</b>



**2.7 Accrued income**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Mining royalty invoices	3,755	11,900
Other debtor invoices	1,997	2,201
	<b>5,752</b>	<b>14,101</b>

**2.8 Other debit balances**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Salaries of seconded staff	123	83
Energy Efficiency National Fund (note 7.2)	—	647
Environment Fund	—	115
Other suspense	91	276
	<b>214</b>	<b>1,121</b>

**2.9 Accrued expenses**

at 31 December	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Administration	694	790
Circular economy development	733	1,689
Climate action and environment leadership	840	313
Connectivity and communications delivery	20,956	15,223
Energy transformation	236	416
	<b>23,459</b>	<b>18,431</b>

**2.10 Other credit balances**

at 31 December	2023	2022
	€000	€000
<b>Amounts due to the State</b>		
Withholding tax	1,024	954
Value added tax	922	690
Exchequer receipts (note 4.3)	20,727	—
PAYE/PRSI	1,186	903
	<u>23,859</u>	<u>2,547</u>
<b>Suspense</b>		
Energy Efficiency National Fund (note 7.2)	55,935	124,263
Petroleum Infrastructure Programme Fund (note 7.1)	6,037	6,065
Energy Efficiency National Fund (note 7.2)	—	242
National Cyber Security Co-ordination and Development Centre	3,019	—
Emergency call answering service	1,543	1,392
Other	805	799
	<u>67,339</u>	<u>132,761</u>
	<u><b>91,198</b></u>	<u><b>135,308</b></u>

**2.11 Net Exchequer funding**

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	42,241	301,082
Deferred surrender	1,800	—
Exchequer grant undrawn	(41,972)	(297,370)
<b>Net Exchequer funding</b>	<u><b>2,069</b></u>	<u><b>3,712</b></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	93,053	137,899
Debit balances: suspense	214	1,121
	<u>93,267</u>	<u>139,020</u>
<b>Creditors</b>		
Due to the State	(23,859)	(2,547)
Credit balances: suspense	(67,339)	(132,761)
	<u>(91,198)</u>	<u>(135,308)</u>
	<u><b>2,069</b></u>	<u><b>3,712</b></u>

**2.12 State funding account**

	Note	2023	2022
		€000	€000
Balance at 1 January		793,691	3,035
Disbursements from the Vote			
Estimate provision	Account	1,994,051	
Deferred surrender	Account	(1,800)	
Surplus to be surrendered	Account	(42,241)	
Net vote		1,950,010	2,358,226
Expenditure (cash) borne elsewhere	1.1	18,140	16,113
Non-cash items — property, plant and equipment net adjustments	2.1	(362)	214
Non-cash expenditure – notional rent	1	1,584	1,584
Net programme cost	1	(2,144,250)	(1,585,481)
<b>Balance at 31 December</b>		<b>618,813</b>	<b>793,691</b>

**2.13 Commitments**

At 31 December	2023	2022
a) Global commitments	€000	€000
Procurement of goods and services	16,766	17,479
Capital grant programmes <sup>a</sup>	395,224	313,573
Capital projects and programmes	2,214,275	2,400,673
<b>Total of legally enforceable commitments</b>	<b>2,626,265</b>	<b>2,731,725</b>
<b>b) Capital grant programmes</b>	<b>2023</b>	<b>2022</b>
At 31 December	€000	€000
Opening balance	313,573	152,748
Grants paid in the year	(183,283)	(40,503)
New grant commitments	316,950	241,581
Grants cancelled	(52,016)	(40,253)
<b>Closing balance</b>	<b>395,224</b>	<b>313,573</b>

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

Programme/project	Cumulative expenditure to 31 December 2022	Expenditure in 2023	Project commitments in subsequent years	Expected total spend lifetime of project 2023	Expected total spend lifetime of project 2022
	€000	€000	€000	€000	€000
National postcodes	31,478	2,150	7,401	41,029	35,485
National Broadband Plan	343,182	280,716	2,074,402	2,698,300	2,698,300
INFOMAR <sup>a</sup>	62,645	4,982	10,066	77,693	69,046
Tellus <sup>b</sup>	27,520	3,768	9,137	40,425	32,087
Post Office Network Funding Scheme	—	9,702	20,000	29,702	—
	<b>464,825</b>	<b>301,318</b>	<b>2,121,006</b>	<b>2,887,149</b>	<b>2,834,918</b>

Notes <sup>a</sup> INFOMAR is a national survey programme which maps the Irish seabed and provides key baseline data for Ireland's marine sector.

<sup>b</sup> 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 2022.

**National postcodes**

*Increase in expected total spend: €5.544 million*

The increase reflects the extension of the Postcode Management Licence Holder contract, as approved by Cabinet, by three years to December 2026. The increase in the expected total spend now covers a thirteen-year timeframe, in contrast to the original ten-year estimate, over the lifetime of the project.

**INFOMAR**

*Increase in expected total spend: €8.647 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 new contracts entered into in 2023, in particular for data acquisition and data processing services, to continue the INFOMAR project which remains on target to complete in 2026.

**Tellus**

*Increase in expected total spend: €8.338 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 contract extensions to continue airborne geophysics and soil sampling acquisition. The Department expects two main phases of the programme to be complete in 2026, with delivery of airborne and soil datasets.

**2.14 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.

	<b>Expenditure to end 2022 €000</b>	<b>Expenditure in 2023 €000</b>	<b>Contractual commitment €000</b>	<b>Total €000</b>
Avoca	4,860	372	—	5,232
Silvermines	11,190	—	—	11,190
Environmental monitoring	1,832	81	472	2,385
Other emergency works	13	32	—	45
	<b>17,895</b>	<b>485</b>	<b>472</b>	<b>18,852</b>

**2.15 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.

	<b>2023 €000</b>	<b>2022 €000</b>
Administration - pay	5,024	2,851
Administration – non pay	257	80
Operations	8,284	3,424
	<b>13,565</b>	<b>6,355</b>

## 2.16 Contingent liabilities

There is potential for financial liabilities to arise in 2024 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.

The European Court of Justice judgement in relation to the European Commission's infringement proceedings against Ireland for the late transposition of the European Electronic Communications Directive was delivered on 14 March 2024. The Court has imposed a financial sanction on Ireland of €4.5 million, to be met by Exchequer funding.

There is also the potential for financial liabilities should Ireland fail to meet its EU mandated greenhouse gas emissions reductions and energy targets. Given the range of uncertainties, it is not possible to accurately quantify the potential liability to the Exchequer at this point.

## 2.17 Expenditure on retrofit and energy efficiency programmes, by scheme, 2023

	2023 Estimate €000	2023 Outturn €000
<b>B.4 Residential/ community retrofit programmes</b>		
Better Energy – Homes	49,600	55,947
Better Energy - Warmer Homes	147,119	148,188
Better Energy - Communities	65,300	27,188
Retrofit	1,150	891
Demand generation - national retrofit	1,050	992
Deep retrofit	65	241
Solar PV	30,080	54,201
Solar PV – medical vulnerable	6,770	—
BER supports	1,800	1,800
Community Activation Fund	5,380	2,103
One stop shop development	45,850	27,662
Renewable Electricity Support Scheme - Communities	1,101	1,144
	<b>355,265</b>	<b>320,357</b>
<b>B.5 Other energy efficiency programmes</b>		
Business Energy Efficiency	3,100	3,225
Business Renewable Energy	3,940	1,426
Market surveillance	1,575	1,365
Public sector energy efficiency	61,900	71,944
Industrial engagement (EXCEED)	7,500	2,382
Schools	400	210
Energy Show	150	150
Non-domestic microgen	200	—
Non-domestic microgen - commercial	2,000	12,419
Non-domestic retrofit support	2,000	265
	<b>82,765</b>	<b>93,386</b>

### Note 3 Vote Expenditure

#### Analysis of administration expenditure

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

		2023		2022
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	47,000	43,615	34,052
ii	Travel and subsistence	822	1,379	721
iii	Training and development and incidental expenses	2,000	2,021	2,909
iv	Postal and telecommunications services	500	436	419
v	Office equipment and external IT services	7,092	4,997	2,415
vi	Office premises expenses	1,578	1,055	845
vii	Consultancy services and value for money and policy reviews	3,401	3,446	2,107
viii	Equipment, stores and maintenance	196	179	141
		<b>62,589</b>	<b>57,128</b>	<b>43,609</b>

#### Significant variations

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

#### ii Travel and subsistence

*Estimate provision €822,000; outturn €1.379 million*

The additional expenditure of €557,000 primarily relates to increased level of EU related travel and the ongoing rise in the cost of travel in general.

#### v Office equipment and external IT services

*Estimate provision €7.092 million; outturn €4.997 million*

The underspend of €2.095 million primarily relates to

- Proposed capital software upgrades deferred from 2023 to 2024 pending engagement of skilled resources.
- Infrastructure and server replacement and upgrades deferred from 2023 to 2024 as supports provided for an additional year.
- Delay in purchase of IT equipment for the relocation from Adelaide Road to Beggars Bush due to delays in the handover of the building to the Department.

#### vi Office premises expenses

*Estimate provision €1.578 million; outturn €1.055 million*

The underspend of €523,000 relates to less than anticipated costs associated with the relocation to the new building at Beggars Bush due to delays in the handover of the building to the Department.

**Programme A Climate Action and Environment Leadership**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
A.1	Administration – pay	8,225	7,633	7,079
A.2	Administration – non pay	2,696	2,352	1,957
A.3	Environmental Protection Agency	43,761	44,430	41,600
A.4	Environmental and climate research			
	<i>Original</i>	17,250		
	<i>Supplementary</i>	(600)		
		16,650	16,173	13,536
A.5	Carbon Fund	2,905	2,905	—
A.6	International climate change commitments	26,500	26,408	16,045
A.7	Climate initiatives	10,931	9,132	9,776
A.8	Just Transition JTF (IE & EU)			
	<i>Original</i>	12,420		
	<i>Supplementary</i>	(3,100)		
		9,320	5,118	3,397
A.9	Shared Island Fund	1,800	—	—
A.10	Subscriptions to international organisations	2,100	1,743	3,400
		<b>124,888</b>	<b>115,894</b>	<b>96,790</b>

**Significant variations**

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

**A.4 Environmental and climate research**

*Estimate provision €17.25 million; outturn €16.173 million*

The underspend of €1.077 million relates mainly to an underspend in the land use project. The bulk of the expenditure for this project will fall due in the second phase of the land use review, which was delayed until quarter four 2023 and will run into 2024.

**A.7 Climate initiatives**

*Estimate provision €10.931 million; outturn €9.132 million*

The underspend of €1.799 million primarily relates to less than anticipated expenditure on Climate Action Regional Offices (CAROs) and the local authority training project. This underspend was due to staff vacancies in the CAROs and cost savings in the local authority training project due to a higher level of online training than envisaged.



**A.8 Just Transition JTF (IE & EU)**

*Estimate provision €12.42 million; outturn €5.118 million*

The underspend of €7.302 million is due to some of the larger national Just Transition Fund projects still experiencing a number of challenges in implementing their projects, resulting in delays to drawdowns. These factors include unanticipated inflationary costs, particularly in relation to construction, and procurement. As a result, extensions have been agreed to project completion deadlines in a number of cases, resulting in lower payments for 2023 than initially envisaged.

Further underspends were incurred in the EU Just Transition Fund due to delays in programme operationalisation requirements during 2023, including the Local and Regional Enterprise Strategic Support Scheme design and launch, resulting in lower programme expenditure with no payments to grantees during 2023.

**A.9 Shared Island Fund**

*Estimate provision €1.8 million; outturn €nil*

There were delays to the rollout of the Community Climate Action Programme which resulted in no expenditure in 2023.

This was due to delays in the hiring of the Community Climate Action Officers (CCAO) in local authorities needed to deliver the programme and a delay in getting the template grant agreements agreed with the local authorities.

**A.10 Subscriptions to international organisations**

*Estimate provision €2.1 million; outturn €1.743 million*

The underspend of €357,000 is due to less than anticipated expenditure on the United Nations environment programme.

**Programme B Energy Transformation**

		2023		2022
		Estimate Provision		Outturn
		€000	€000	€000
B.1	Administration – pay		14,688	13,630
B.2	Administration – non pay		4,808	4,200
B.3	Sustainable Energy Authority of Ireland – administration and general expenses		27,971	25,171
B.4	Residential/community retrofit programmes			
	Original	355,265		
	Supplementary	(27,700)		
			327,565	320,357
B.5	Other energy efficiency programmes			151,329
	Original	82,765		
	Supplementary	12,000		
			94,765	93,386
B.6	Other energy programmes (national/international)			43,676
	Original	7,506		
	Supplementary	(700)		
			6,806	3,846
B.7	Energy research programmes			625
	Original	30,350		
	Supplementary	(10,600)		
			19,750	18,010
B.8	Gas services		45	45
B.10	Single scheme pension payment to CRU		6	—
B.11	Electricity credit			
	Original	—		
	Supplementary	926,606		
			926,606	926,140
B.12	Subscription to international organisations		350	318
B.13	Emergency generation capacity		—	—
B.14	Regulation of district heating		689	234
B.15	Residential Retrofit Loan Scheme			
	Original	4,780		
	Supplementary	(2,300)		
			2,480	1,590
			1,426,529	1,406,927
				1,974,979

### Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

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

*Estimate provision €27.971 million; outturn €25.171 million*

The 2023 allocation included the full year cost to fund an increase of SEAI staff to 235 full time equivalents. However, delays were experienced with on boarding of the new staff which resulted in an underspend of €2.8 million.

#### B.4 Residential/community retrofit programmes

*Estimate provision €355.265 million; outturn €320.357 million*

The 2023 estimates reflect the best forecasts available to inform funding requirements at individual scheme level. Due to the demand led nature and differing complexity of these programmes it is necessary to carefully manage overall budgets between schemes. Underspends in some schemes, outlined below, were effectively reallocated to the Solar PV scheme which saw an increase in expenditure of over €24 million. This increase in expenditure reflects the sustained growth in applications due to increasing customer awareness of the benefits of Solar PV combined with high energy cost. The removal of planning permission restrictions and the removal of VAT on supply and fit of domestic Solar PV Systems also positively impacted the scheme. The underspend in other schemes of €34.908 million primarily relates to (i) a number of large and complex projects submitted in 2023 under the Better Energy - Community Energy Grants Scheme which required a longer timeframe to deliver with contracts carried over to 2024. (ii) Solar PV Medical Vulnerable Scheme launched in late 2023 with no payments made in 2023 more suppliers will start roll out in 2024 and payments will commence. (iii) A number of One-Stop-Shops (OSSs) were still building capacity to deliver the number of upgrades expected under the scheme that commenced in February 2022. See note 2.17 for breakdown of residential/community retrofit programmes by individual scheme.

#### B.5 Other energy efficiency programmes

*Estimate provision €82.765 million; outturn €93.386 million*

The increased expenditure of €10.621 million was incurred as a result of a supplementary estimate of €12 million being provided in 2023 to support growth in applications for the non-domestic microgen scheme. The growth was attributable to the scheme being enhanced on a pilot basis to provide supports for applicants up to one megawatt. See note 2.17 for breakdown of other energy efficiency programmes by individual scheme.

**B.6 Other energy programmes**

*Estimate provision €7.506 million; outturn €3.846 million*

The underspend of €3.66 million relates mainly to an underspend in offshore wind consultancy. The 2023 budget was calculated based on a full 12 months of expenditure. However, first contracts to avail of the offshore wind consultancy programme fund were not signed until mid-2023 due to unforeseen delays establishing the procurement framework.

**B.7 Energy research programmes**

*Estimate provision €30.35 million; outturn €18.01 million*

The underspend of €12.34 million is mainly attributable to (i) commissioned renewable energy research and development being slower than expected to procure and (ii) the Atlantic Marine Energy Test Site (AMETS) project experiencing significant delays in the spatial designations process (DMAPs). 2023 estimates anticipated the offshore design works to have commenced in 2023 but this considerable spend was not realised and has currently shifted to a pending status.

**B.11 Electricity credit**

*Estimate provision €nil; outturn €926.14 million*

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 the continued high prices in 2023, the Government introduced the third scheme of three payments of €137.61 each (ex. VAT) to be credited to over 2.2 million domestic electricity accounts between December 2023 and April 2024.

As this was an emergency measure, the cost of this scheme was not included in the original estimate for the Department and was provided through a supplementary estimate.

**B.14 Regulation of district heating**

*Estimate provision €689,000; outturn €234,000*

The underspend of €455,000 mainly relates to a delay in recruiting additional staff resources to district heating and professional fees which were not incurred before the year end.

**B.15 Residential Retrofit Loan Guarantee Scheme**

*Estimate provision €4.78 million; outturn €1.59 million*

The underspend of €3.19 million was due to a legal agreement required to facilitate the payment of some costs not finalising in the timeline initially expected which impacted on the timing of invoices.

**Programme C Circular Economy Development**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
C.1	Administration – pay	11,970	11,108	8,117
C.2	Administration – non pay	4,116	3,423	2,385
C.3	Mining and petroleum services	3,264	761	950
C.4	Geological survey programmes			
	<i>Original</i>	14,800		
	<i>Supplementary</i>	<u>(2,500)</u>		
		12,300	12,064	11,406
C.5	Inland Fisheries	36,838	36,973	34,186
C.6	Waste management programmes			
	<i>Original</i>	42,890		
	<i>Supplementary</i>	<u>(10,800)</u>		
		32,090	22,848	33,477
C.7	Subscriptions to international organisations	135	134	121
C.8	Environmental sustainability	500	—	—
		<b>101,213</b>	<b>87,311</b>	<b>90,642</b>

**Significant variations**

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

**C.3 Mining and petroleum services**

*Estimate provision €3.264 million; outturn €761,000*

The underspend of €2.503 million mainly relates to reduced extraction rates of private minerals by mineral companies under state mining facilities, resulting in lower than expected compensation payments made to owners of mineral rights.

A further underspend was incurred due to delays in procuring mining consultancies and longer lead times than expected, resulting in projects being due for completion in 2024 instead of 2023, with payments arising on completion.

**C.4 Geological survey programmes**

*Estimate provision €14.8 million; outturn €12.064 million*

The underspend of €2.736 million mainly relates to (i) delays in procurement of new contracts for service for geoscience initiative projects (ii) the Interreg (Geothermal) project not commencing in 2023 due to delays regarding the launch of the call.

**C.6 Waste management programmes**

*Estimate provision €42.89 million; outturn €22.848 million*

The underspend of €20.042 million was primarily due to (i) funding allocated to a number of sites for landfill remediation not drawn down as works did not progress at the anticipated pace (ii) progress on the development of the National Environmental Management Information System (NEMIS) and the Waste Enforcement Regional Lead Authorities (WERLAs) being slower than anticipated, partly due to recruitment issues.

**C.8 Environmental sustainability**

*Estimate provision €500,000; outturn €nil*

Funding was not required in 2023 due to delays in recruiting specialist staff for the Barriers Removal Project.

**Programme D Connectivity and Communications Delivery**

		<b>2023</b>		<b>2022</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
D.1	Administration – pay	12,117	11,245	10,375
D.2	Administration – non pay	3,969	3,537	2,868
D.3	National Broadband Plan			
	<i>Original</i>	212,200		
	<i>Supplementary</i>	67,400		
		279,600	290,100	177,282
D.4	Other communication infrastructure			
	<i>Original</i>	9,870		
	<i>Supplementary</i>	(2,700)		
		7,170	3,527	2,614
D.5	Other digital economy programmes	7,734	8,107	6,650
D.6	National Cyber Security Centre			
	<i>Original</i>	10,950		
	<i>Supplementary</i>	(3,500)		
		7,450	8,284	3,424
D.7	Emergency alert service			
	<i>Original</i>	3,000		
	<i>Supplementary</i>	(2,900)	100	42
				—
D.8	Brexit Adjustment Reserve – An Post	23,896	23,096	—
D.9	Post Office Network	10,000	9,702	—
		<b>352,036</b>	<b>357,640</b>	<b>203,213</b>

### Significant variations

The following outlines the reasons for significant variations in non-administration programme expenditures (+/- 5% and €100,000).

#### D.3 National Broadband Plan

*Estimate provision €212.2 million; outturn €290.1 million*

The outturn was €77.9 million more than the original provision. A supplementary estimate of €67.4 million increased the National Broadband Plan (NBP) budget provision to €279.6 million. An additional virement of €10.5 million was approved in December 2023 to facilitate the remaining increase in expenditure.

National Broadband Ireland continued to make significant progress in the deployment and connections of the NBP network during 2023 and had exceeded the cumulative target of 185,000 premises passed agreed with NBI by early October 2023.

The timing of claims by NBI has an impact on the level of NBP payments. Payments are directly linked with the completion of programme deployment and connection milestones. The actual outturn for 2023 reflects the significant progress made.

#### D.4 Other communication infrastructure

*Estimate provision €9.87 million; outturn €3.527 million*

The underspend of €6.343 million relates primarily to delays in the procurement of equipment which is needed for the Ireland QCI project. Delays in procuring the equipment was due to a number of factors, including worldwide demand on quantum technology (all 27 member states are dealing with a limited number of commercial vendors), lack of components (shortages since Covid affect all supply chains for quantum technology), few suppliers outside and within the EU27 member states and lengthy internal and Government procurement processes due to the novelty and complexity of the quantum technology.

There was also an underspend in the Eircode project as expenditure originally scheduled for 2023 was deferred to 2024 due to an extension to the Postcode Management Licence Holder (PMLH) contract from December 2023 out to December 2026. Finally, the Sub Sea Cables Consultancy Project started later in 2023 than planned. The remainder of the work will be completed in 2024.

#### D.6 National Cyber Security Centre

*Estimate provision €10.95 million; outturn €8.284 million*

The underspend of €2.666 million is mainly due to the delayed occupation of the new facility in Beggars Bush. This has delayed the expansion of the NCSC's capacity and infrastructure projects in line with the National Cyber Security Strategy 2019-24 along with the NCSC Internal Technology Strategy.

**D.7 Emergency alert system**

*Estimate provision €3 million; outturn €42,000*

This subhead was new in 2023 and the €3 million allocated was to cover the procurement of the Government interface component of the Public Warning System (PWS).

However, due to the complexity of the technological solution required, the PWS Procurement Working Group deemed it necessary to procure advisory services relating to the implementation, testing, management and maintenance of the PWS in order to reduce the risks associated with going straight to procurement with limited in-house capacity and capability. Therefore, the majority of the 2023 budget to procure the technical solution was not spent.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

		<b>2023</b>		<b>2022</b>
		<b>Estimated</b>	<b>Realised</b>	<b>Realised</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
1	Proceeds of fines in respect of inland fishery offences	50	41	24
2	Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	5,000	11,287	1,423
3	Petroleum Infrastructure Support Group	402	17	49
4	Geological Survey Ireland income	300	290	347
5	Rent on properties in GPO	223	292	364
6	Miscellaneous receipts (note 4.2)	1,000	1,132	1,288
7	Pension contributions from agencies	340	461	223
8	Receipts from additional superannuation contributions on public service remuneration	3,300	4,242	3,680
<b>Total</b>		<b>10,615</b>	<b>17,762</b>	<b>7,398</b>

**Significant variations**

The following outlines the reasons for significant variations in appropriation-in-aid (+/- 5% and €100,000).

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

*Estimate provision €5 million; realised €11.287 million*

The excess of €6.287 million relates to a delay in issuing 2021 and 2022 mining royalty invoices. These invoices were raised in 2023.



**3 Petroleum Infrastructure Support Group***Estimate €402,000; realised €17,000*

The decrease of €385,000 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.

**7 Pension contributions from agencies***Estimate €340,000; realised €461,000*

The excess of €121,000 relates to SEAI 2022 contributions not received until January 2023.

**8 Receipts from additional superannuation contributions on public service remuneration***Estimate €3.3 million; realised €4.242 million*

The excess of €942,000 relates mainly to an increase in staff numbers in the Department, EPA and SEAI.

**4.2 Miscellaneous receipts**

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Royalties in respect of metropolitan area networks	1,002	979
Corrib verification	25	—
Costs recovered from other bodies	46	130
Fixed assets disposal proceeds	13	—
Salary overpayment and expenses recoupment from prior years	45	—
Maritime area consent application fee	—	175
Other	1	4
<b>Total</b>	<b>1,132</b>	<b>1,288</b>

**4.3 Extra receipts payable to the Exchequer**

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	165
Receipts from emissions trading scheme <sup>a</sup>	156,707	215,669
Galway Mayo telecommunications duct	306	200
Share of surplus on sale of NBP company	—	42,775
Drawdown of RESS performance bonds	2,146	1,006
Closure of the World Bank's BioCarbon Fund	—	415
Reimbursement of Pobal fees for 2022	—	109
Refund of unused Electricity Costs Emergency Benefit Scheme funding <sup>b</sup>	22,611	—
Annual levies for maritime area consents <sup>c</sup>	7,249	—
Voluntary surrender of Ministerial salaries	21	21
Transferred to the Exchequer	(168,313)	(260,360)
<b>Balance at 31 December</b>	<b>20,727</b>	<b>—</b>

- Note <sup>a</sup> €156.707 million represents Ireland's gross share of receipts arising from auctioning of allowances in the EU Emissions Trading Scheme in 2023. €1.547 million was paid over to the EPA in January 2023 for 2022 administrative expenses and €1.794 million was paid over to the EPA in February 2024 for 2023 administrative expenses.
- <sup>b</sup> Funding was provided to ESB Networks in 2022 to cover the Electricity Costs Emergency Benefit Scheme for all domestic customers. ESB Networks returned unused funds totalling €22.611 million in 2023.
- <sup>c</sup> Receipts for maritime area consents annual levies for seven offshore renewable energy projects.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2023	2022
Number of staff at year end		
Department	646	534
Agencies <sup>a</sup>	1,066	961
	<b>1,712</b>	<b>1,495</b>

Note <sup>a</sup> 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) <sup>a</sup>	2023	2022
	€000	€000
Pay	102,943	89,245
Higher, special or additional duties allowances	543	364
Other allowances	1,576	1,583
Overtime	40	50
Employer's PRSI	10,300	8,798
Severance pay	228	—
<b>Total pay</b>	<b>115,630</b>	<b>100,040</b>

**Remuneration of Department staff**

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Pay	39,337	31,125
Higher, special or additional duties allowances	328	109
Overtime	23	25
Employer's PRSI	3,699	2,793
Severance pay	228	—
<b>Total pay</b>	<b>43,615</b>	<b>34,052</b>

**Remuneration of staff of agencies**

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Pay	63,606	58,120
Higher, special or additional duties allowances	215	255
Other allowances	1,576	1,583
Overtime	17	25
Employer's PRSI	6,601	6,005
<b>Total pay</b>	<b>72,015</b>	<b>65,988</b>

Note <sup>a</sup> 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 2023).

**5.3 Allowances and overtime payments**

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Highest individual payment</b>	
			<b>2023</b>	<b>2022</b>
			<b>€</b>	<b>€</b>
<b>Department staff</b>				
Higher, special or additional duties allowances	48	14	34,172	12,300
Other allowances	—	—	—	65
Overtime	10	—	8,345	8,549
Extra remuneration in more than one category	6	3	16,545	11,628
<b>Agency staff</b>				
Higher, special or additional duties allowances	73	5	20,586	18,873
Other allowances	322	1	10,131	8,763
Overtime	14	—	3,807	3,553
Extra remuneration in more than one category	56	5	16,879	22,394

#### 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	2023	2022
20,000	59,999	329	278
60,000	69,999	74	53
70,000	79,999	70	60
80,000	89,999	62	40
90,000	99,999	37	33
100,000	109,999	18	19
110,000	119,999	14	8
120,000	129,999	6	3
130,000	139,999	2	2
140,000	149,999	1	—
150,000	159,999	3	2
160,000	169,999	2	4
170,000	179,999	3	1
180,000	189,999	1	1
190,000	199,999	1	1
200,000	209,999	—	—
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 €79,006 during 2023. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012 and the Department of Public Expenditure, National Development Plan Delivery and Reform abatement waiver was granted until July 2024 for this officer.

This account includes expenditure of €542,501 in respect of six officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

The salaries of a further 21 officers of the Department who served for all or part of 2023 in other Government departments/offices were not incurred by the Vote for the relevant periods.

**5.6 Payroll overpayments**

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	46	159,702	105,619
Recovery plans in place	15	69,414	71,966

**5.7 Severance**

During 2023, the Accounting Officer of this Department retired and received a severance payment of €228,000. This payment was consistent with the terms of Government Decision SO7567E of 2011.

**5.8 Remuneration and benefits of Accounting Officer**

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

	2023 €000	2022 €000
Oonagh Buckley basic pay	74	—
Mark Griffin severance payment	228	—
Mark Griffin basic pay	157	213
	<u>459</u>	<u>213</u>

The value of retirement benefits earned in the period is not included above.

Mark Griffin 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.

Oonagh Buckley is a member of the post-1995 superannuation scheme for established civil servants and her 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, A.8, B.4, B.7 and C.4 includes payments in respect of activities which are co-financed by the EU through various projects set out below.

Subhead	EU Fund	2023 Outturn €000	2022 Outturn €000	2023 Funding received €000	2022 Funding received €000
A.7 Climate initiatives	Life project	—	290	—	—
A.8 Just Transition JTF (IE&EU)	EU Just Transition Fund	1,153	—	—	—
B.4 Residential/ community retrofit	ERDF	34,216	—	—	—
B.7 Energy research programmes	ERA-Net	77	—	—	—
C.4 Geological survey	EU Horizon	119	353	109	99
C.4 Geological survey	Interreg	135	38	75	103

### 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 during 2021. This case is still 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
	Employee	Members of the public	2023	2022
Number of cases	1	4	5	2
	€000	€000	€000	€000
Payments by/on behalf of Department				
Compensation	—	36	36	15
Legal costs	10	557	567	49
<b>2023 Total <sup>b</sup></b>	<b>10</b>	<b>593</b>	<b>603</b>	<b>64</b>
<b>2022 Total</b>	<b>—</b>	<b>64</b>		<b>64</b>

Notes <sup>a</sup> At 31 December 2023, 22 general litigation cases were outstanding

<sup>b</sup> All cases were settled in 2023. The figures shown represent the full costs incurred by the Department in relation to those cases.

### 6.4 Late interest payments

	2023	2022
	€	€
Interest payments	<b>47,116</b>	<b>36,600</b>

### 6.5 Deferred surrender

Deferred surrender comprises savings in 2023 of €1.8 million in capital expenditures in subhead A.9 Shared Island Fund carried over to 2024.



## 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 2023.

	<b>2023</b>	<b>2022</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	6,065	5,989
Receipts	168	499
Payments	(196)	(423)
Balance at 31 December	<b>6,037</b>	<b>6,065</b>

The Petroleum Infrastructure Programme (PIP) was set up by the Department in 1997 in order to promote hydrocarbon exploration and development activities. It was funded by contributions from companies holding petroleum authorisations for offshore Ireland.

Following on from Government statement of September 2019, the decision was made to wind-down the PIP programme, therefore as at 1 July 2021 no new annual contribution requests are issued for this programme.

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 currently 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 2023.

	2023 Profile estimate <sup>a</sup> €000	2023 Total €000	2022 €000
Balance at 1 January		124,263	165,138
Receipts from IEEI		322	11,923
Transfer to Climate Action Fund		—	(1,212)
Reduce Your Use campaign	(5,000)	(5,225)	(2,372)
Residential/community retrofit programmes	(50,786)	(10,825)	(49,214)
First loss loan scheme	(60,000)	(52,600)	—
Balance at 31 December		<b>55,935</b>	<b>124,263</b>

Note <sup>a</sup> The profile estimate represents the Department's budget set aside for these programmes and schemes in 2023.

### 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 €110.786 million in 2023. In December 2022, sanction was granted from the Minister of Public Expenditure, NDP Delivery and Reform to utilise funding from the EENF as follows: (i) €60 million on the first loss loan scheme; and (ii) c. €51 million on the SEAI Residential and Community Retrofit Support Schemes, contingent on further information being provided on the specific intended use of the funds.

€5 million was profiled in 2023 for the Reduce Your Use campaign.

The expenditure in the year was €47.136 million lower than originally profiled.

### Residential/community retrofit programmes

*Profile estimate €50.786 million; outturn €10.825 million*

In 2023, expenditure under the EENF comprised €10.825 million in grant support for retrofits to homeowners under the SEAI Residential and Community Energy Efficiency Upgrades Schemes. Of this expenditure, 94% (€10.19 million) was spent under the Warmer Homes Scheme which provides free energy upgrades to low-income homeowners in, or at risk of, energy poverty.

The Home Energy Upgrade Loan Scheme is a critical programme to support homeowners to upgrade their home and gain access to State grants. Following engagement in relation to the optimal use of EENF funds and the approval of the Home Energy Upgrade Loan Scheme by Government, in December 2023, sanction was received to utilise a total of €110.8 million from the EENF to meet the costs arising from the implementation of the loan scheme and funding for residential and community retrofit. This includes the funds unspent that was initially allocated for other upgrade Schemes.

**First loss loan scheme**

*Profile estimate €60 million; outturn €52.6 million*

Expenditure of €52.6 million was incurred under the first loss loan scheme in late December. The M/PENDR consented to the carryover of up to €47.2 million of this sum to cover any remaining monies for any payments which could not be made in 2023.

Once the loan scheme has fully run its term of 13 years in 2037 there may be funds remaining in the first loss allocation which is being operated by the European Investment Fund and the Strategic Banking Corporation of Ireland SBCI and the interest rate subsidy being managed by SBCI. In this case, the funds will be returned to the Department upon closure of the loan scheme.

**Schemes co-funded between the EENF and Vote 29**

The EENF incurred net expenditure of €10.825 million in respect of the residential/community retrofit programmes in 2023. A further €204.376 million was incurred in respect of the same programmes in 2023 under subhead B.4 of the Vote.

	<b>2023 Vote €000</b>	<b>2023 EENF €000</b>	<b>2023 Total €000</b>
Better Energy Warmer Homes	148,188	10,190	158,378
Better Energy Homes	55,947	400	56,347
Deep retrofit	241	476	717
SEAI 2022 refund allocated in 2023 <sup>a</sup>	—	(241)	(241)
	<b>204,376</b>	<b>10,825</b>	<b>215,201</b>

Note <sup>a</sup> €241,000 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.

**Reduce Your Use campaign**

The Reduce Your Use campaign was also co-funded between the EENF and the Vote. €5.225 million was spent from the EENF in 2023 and €7,000 was charged to training and development and incidental expenses in the Vote. The budget for this campaign was €5 million. The extra expenditure on the campaign of €225,000 was due to the payment of 2022 invoices in early 2023.

### **Background and activities of the Energy Efficiency National Fund (EENF)**

Funding resulting from the disposal of the Carbon Revenue Levy account transferred into the EENF.

The Ireland Energy Efficiency Fund was launched in March 2014 to provide funding to public and private sector energy efficiency projects with the investment criteria to be met set out in the Fund documents. The Minister was a minority shareholder in the Fund.

A total of €14.03 million from the EENF was invested in Ireland Energy Efficiency Investments plc (IEEI). Private sector funding comprised the slightly greater amount of the investment at the initial drawdown and this has increased since 2018 with the Minister now holding 26.1%. The Minister, along with the other investors, has been represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on IEEI's performance. The Minister, as shareholder, received distributions from IEEI in 2021, 2022 and 2023 totalling €17.383 million. As at the 30 September 2023, the State's investment in IEEI was valued at €149,688 and the fund is in the process of being wound down and is planned to be fully closed in 2024.

## **Appendix A Schedule of lands and buildings**

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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.