

## **Appropriation Account 2020**

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### **Vote 30**

### **Agriculture, Food and the Marine**

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## Introduction

As Accounting Officer for Vote 30, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2020 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums:

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

A surplus of €104.353 million is liable for surrender to the Exchequer.

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

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in circular 22 of 2020, have been applied in the preparation of the account with the exception of the following:

### ***Capital assets***

For 2020, the Department has continued to include assets under the €10,000 threshold on the asset register. It is however intended that there will be full compliance with circular 21 of 2020 from 2021 onwards.

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

### ***Depreciation***

Depreciation is charged on a monthly basis for the life of the assets. The depreciation policy is that a full month's depreciation is charged in the month of acquisition/ commissioning and no depreciation is charged in the month of disposal.

## Statement on Internal Financial Control

### ***Responsibility for the system of internal financial control***

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

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

### ***Shared services***

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 payroll and human resource function.

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

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

### ***Financial control environment***

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

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

### ***Administrative controls and management reporting***

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

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

### ***Internal audit and Audit Committee***

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

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

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

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2020, the Department was subject to approximately 2,267 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 1306/2013.

#### ***Non-compliance with procurement rules***

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

The Department complied with the guidelines with the exception of 64 contracts, totalling €3,446,701 (ex. VAT) details are set out below.

- Thirteen contracts with a value of €521,898 were previously awarded but exceeded the relevant thresholds for that competitive process.
- Three contracts with a value of €52,936 arose due to transitional delays in migrating to new service providers.
- Seven contracts with a value of €29,464 were for small non-competitive procurements which were not included in a previously approved compliant non-competitive process.
- Forty-one contracts with a value of €2,842,403 arose due to delays in undertaking a competitive process, due to the highly technical nature of the items involved.

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

The Department has provided details of non-competitive contracts in the annual return in respect of circular 40 of 2002 to the Comptroller and Auditor General and the Department of Public and Reform.

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

Development and enhancement of the Department's risk management system has continued throughout 2020.

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

**Ongoing monitoring and review**

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

**Significant financial risks****Brexit**

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

The Department incurred significant costs associated with Brexit in 2020. These arose in respect of the Department's share of the cost of providing new physical infrastructure in Dublin and Rosslare ports associated with the carrying out of significantly increased official controls on agri-food goods, together with the related recruitment of additional staff and the provision of enhanced IT infrastructure. Infrastructure costs were apportioned across the relevant departments and offices in agreement with OPW and paid by way of supplementary estimate, while staffing and IT costs were met from voted expenditure notified to DPER as part of the estimates process.

Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2020 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

**Weaknesses in control over fixed assets**

A dedicated asset management unit was formed in January 2017. The unit has been charged with verifying the Department's asset registers. This work encompasses checking for existence, categorisation, the capture of capital assets under construction and full asset detailing. As the categories of assets are verified by the unit, adjustments may be made to the asset register as appropriate. Due to the travel restrictions in place because of the Covid-19 pandemic, the asset verification project has been rescheduled for completion in 2022.

**ICT security**

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

***Review of effectiveness***

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

***Covid-19 pandemic***

Notwithstanding the onset of the Covid-19 pandemic in early 2020, the Department's inspectorate and certification processes continued to function as before. The pandemic did result in some changes to the working and control environment in other business areas within the Department with remote and virtual working becoming the norm. Under the Department's risk and control framework, management carried out a full risk assessment of the Covid-19 impact on the control environment. I confirm that the controls both existing and those introduced because of the Covid-19 pandemic continue to be effective.

***Internal financial control issues***

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

**Brendan Gleeson**  
Accounting Officer  
Department of Agriculture, Food and the Marine

29 March 2021

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 30 Agriculture, Food and the Marine**

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2020 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2020, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### **Basis of opinion**

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

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

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

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

##### ***Non-compliance with procurement rules***

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2020.

**Seamus McCarthy**  
Comptroller and Auditor General

16 September 2021

## Vote 30 Agriculture, Food and the Marine

### Appropriation Account 2020

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Programme expenditure</b>				
A	Food Safety, Animal and Plant Health and Animal Welfare			
	<i>Original</i>	277,701		
	<i>Supplementary</i>	14,963		
			292,664	261,782
B	Farm/Sector Support and Controls			
	<i>Original</i>	924,302		
	<i>Deferred surrender</i>	19,800		
	<i>Supplementary</i>	(16,844)		
			927,258	874,064
C	Policy and Strategy			
	<i>Original</i>	379,072		
	<i>Supplementary</i>	21,674		
			400,746	356,672
D	Seafood Sector			
	<i>Original</i>	159,039		
	<i>Supplementary</i>	(2,993)		
			156,046	142,603
<b>Gross expenditure</b>				
	<i>Original</i>	1,740,114		
	<i>Deferred surrender</i>	19,800		
	<i>Supplementary</i>	16,800		
			1,776,714	1,635,121
	<i>Deduct</i>			
E	<b>Appropriations-in-aid</b>		<b>354,255</b>	<b>388,443</b>
<b>Net expenditure</b>				
	<i>Original</i>	1,385,859		
	<i>Deferred surrender</i>	19,800		
	<i>Supplementary</i>	16,800		
			<b>1,422,459</b>	<b>1,286,506</b>
				<b>1,246,678</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 spend in the following year. €31.6 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2021 (Note 6.7).

	<b>2020</b>	<b>2019</b>
	€	€
Surplus	135,953,184	98,428,934
Deferred surrender	<u>(31,600,000)</u>	<u>(19,800,000)</u>
<b>Surplus to be surrendered</b>	<b><u>104,353,184</u></b>	<b><u>78,628,934</u></b>

**Brendan Gleeson**

Accounting Officer

Department of Agriculture, Food and the Marine

29 March 2021

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	1,389,124	1,361,106
Pay	192,835	180,355
Non pay	93,035	93,660
<b>Gross expenditure</b>	<b>1,674,994</b>	<b>1,635,121</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>388,488</b>	<b>388,443</b>
<b>Net expenditure</b>	<b>1,286,506</b>	<b>1,246,678</b>
<b>Changes in capital assets</b>		
Purchases cash	(6,065)	
Gain on disposal	(65)	
Disposals cash	66	
Depreciation	4,659	(1,405)
	(1,405)	(253)
<b>Changes in net current assets</b>		
Increase in closing accruals	8,504	
Decrease in stock	33	(39,441)
	8,537	(39,441)
<b>Direct expenditure</b>	<b>1,293,638</b>	<b>1,206,984</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	77,664	77,168
Notional rents	8,027	7,898
<b>Net programme cost</b>	<b>1,379,329</b>	<b>1,292,050</b>

#### 1.1 Net allied services expenditure

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

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	13	2
Vote 12 Superannuation and Retired Allowances	73,040	72,722
Vote 13 Office of Public Works	3,472	3,826
Vote 18 National Shared Services Office	369	344
Vote 43 Office of the Government Chief Information Officer	495	—
Central Fund – ministerial pensions	275	274
	<b>77,664</b>	<b>77,168</b>

## Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
<b>Capital assets</b>	2.1	14,051	12,647
<b>Current assets</b>			
Bank and cash	2.2	82,501	45,747
Stocks	2.3	2,287	2,320
<i>Accrued income:</i>			
EAFRD funding due from the EU		152,437	165,262
Other amounts due from the EU		5,562	6,924
Scheme overpayments	6.2	1,367	2,640
Due for services		11,227	7,416
Prepayments	2.4	44,332	33,615
Other debit balances	2.5	1,157	7,765
<b>Total current assets</b>		<b>300,870</b>	<b>271,689</b>
<b>Less current liabilities</b>			
Accrued expenses		13,494	5,926
Deferred income		4	—
Other credit balances	2.6	26,593	22,431
Net Exchequer funding	2.7	57,065	31,081
<b>Total current liabilities</b>		<b>97,156</b>	<b>59,438</b>
<b>Net current assets</b>		<b>203,714</b>	<b>212,251</b>
<b>Net assets</b>		<b>217,765</b>	<b>224,898</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.8	<b>217,765</b>	<b>224,898</b>

## 2.1 Capital assets

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
<b>Gross assets</b>					
Cost or valuation at 1 January 2020	143,686	7,045	14,717	91,754	257,202
Additions	3,114	986	84	1,881	6,065
Disposals	(1,102)	(159)	—	(1,041)	(2,302)
Transfers to Fishery Harbour Centres Fund	(2)	—	—	—	(2)
Movement within categories	—	19	(6)	(13)	—
Cost or valuation at 31 December 2020	145,696	7,891	14,795	92,581	260,963
<b>Accumulated depreciation</b>					
Opening balance at 1 January 2020	137,159	5,845	14,171	87,380	244,555
Depreciation for the year	2,395	457	91	1,716	4,659
Depreciation on disposals	(1,101)	(159)	—	(1,041)	(2,301)
Transfers to Fishery Harbour Centres Fund	(1)	—	—	—	(1)
Depreciation on movement within categories	—	16	(6)	(10)	—
Cumulative depreciation at 31 December 2020	138,452	6,159	14,256	88,045	246,912
<b>Net assets at 31 December 2020</b>	<b>7,244</b>	<b>1,732</b>	<b>539</b>	<b>4,536</b>	<b>14,051</b>
Net assets at 31 December 2019	6,527	1,200	546	4,374	12,647

## 2.2 Bank and cash

at 31 December	2020	2019
	€000	€000
PMG balances	81,123	45,345
Commercial bank account balances	1,378	402
	<b>82,501</b>	<b>45,747</b>

**2.3 Stocks**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Veterinary supplies	1,415	1,158
Laboratory supplies and chemicals	516	479
Livestock	202	244
Agricultural stock	111	111
Oil stocks	16	29
Safety equipment	22	—
Cleaning supplies	5	9
Stationary supplies	—	279
Computer supplies	—	11
	<b>2,287</b>	<b>2,320</b>

**2.4 Prepayments**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Contributions to World Food Programme (Note 6.5)	25,000	22,300
Future Growth Loan Scheme	11,000	—
Research, quality and certification grants	2,711	6,456
Information management technology	2,937	3,000
Subscriptions	2,194	1,341
Other	490	518
	<b>44,332</b>	<b>33,615</b>

**2.5 Other debit balances**

at 31 December	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Salaries advances	551	46
Imprests and recoupable travel costs	104	203
Advance payments to OPW	381	6,354
Other debit suspense items	121	1,162
	<b>1,157</b>	<b>7,765</b>

**2.6 Other credit balances**

at 31 December	2020	2019
	€000	€000
<b>Amounts due to the State</b>		
Income tax	2,880	2,602
Pay related social insurance	1,781	1,564
Withholding tax	1,493	1,291
Value added tax	804	1,428
Relevant contracts tax	15	1
Pension contributions	721	1,105
Local property tax	30	23
Universal social charge	572	529
	<u>8,296</u>	<u>8,543</u>
Securities	2,506	2,527
Pesticides licencing fees	180	270
EU advances	13,007	8,845
Miscellaneous	2,604	2,246
	<u>26,593</u>	<u>22,431</u>

**2.7 Net Exchequer funding**

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	104,353	78,629
Deferred surrender	31,600	19,800
Exchequer grant undrawn	(78,888)	(67,348)
<b>Net Exchequer funding</b>	<u>57,065</u>	<u>31,081</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	82,501	45,747
Debit balances: suspense	1,157	7,765
	<u>83,658</u>	<u>53,512</u>
<b>Creditors</b>		
Due to the State	(8,296)	(8,543)
Credit balances: suspense	(18,297)	(13,888)
	<u>(26,593)</u>	<u>(22,431)</u>
	<u>57,065</u>	<u>31,081</u>

## 2.8 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		224,898	185,218
Disbursements from the Vote			
Estimate provision	Account	1,422,459	
Deferred surrender	Account	(31,600)	
Surplus to be surrendered	Account	(104,353)	
Net vote		1,286,506	1,246,678
Expenditure (cash) borne elsewhere	1.1	77,664	77,168
Non cash items - transferred assets	2.1	(1)	(14)
Non cash expenditure - notional rent	1	8,027	7,898
Net programme cost	1	(1,379,329)	(1,292,050)
<b>Balance at 31 December</b>		<b>217,765</b>	<b>224,898</b>

## 2.9 Commitments

Global commitments		
at 31 December	2020	2019
	€000	€000
Procurement of goods and services	78,672	39,457
Non-capital grant programmes	395,731	558,905
Capital grant programmes	617,319	609,011
Major capital project	600	561
<b>Total of legally enforceable commitments</b>	<b>1,092,322</b>	<b>1,207,934</b>

**Non-capital grant commitments**

	<b>2020</b>			<b>2019</b>
	<b>Due 2021 €000</b>	<b>Subsequent years €000</b>	<b>Total €000</b>	<b>Total €000</b>
Green, low-carbon agri-environment scheme	202,174	40,016	242,190	303,768
Food research	18,500	43,958	62,458	71,737
Locally led schemes – current	17,028	17,643	34,671	43,512
Sheep welfare	17,000	2,500	19,500	27,979
Grants to the organic sector	12,738	3,209	15,947	15,500
Beef data genomics programme	10,464	4,720	15,184	57,132
European Maritime and Fisheries Fund - current	2,429	507	2,936	5,554
European innovation partnership	484	393	877	1,398
Land annuity payments	149	1,351	1,500	—
School milk and fruit	111	222	333	444
Knowledge transfer	110	25	135	6,000
World Food Programme	—	—	—	25,700
Agri-environment options scheme	—	—	—	109
Rural environment protection scheme	—	—	—	72
<b>Total of legally enforceable commitments</b>	<b>281,187</b>	<b>114,544</b>	<b>395,731</b>	<b>558,905</b>

**Capital grant programme commitments**

	<b>2020</b>	<b>2019</b>
	<b>Total €000</b>	<b>Total €000</b>
Opening balance	609,011	697,528
Grants paid in the year	(171,655)	(192,966)
New commitments	214,386	172,640
Grants decommitments	(34,423)	(68,191)
<b>Closing balance</b>	<b>617,319</b>	<b>609,011</b>

**Capital grant programme commitments**

	<b>Due 2021</b>	<b>Subsequent years</b>	<b>2020 Total</b>	<b>2019 Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Afforestation	76,642	429,226	505,868	505,686
Targeted agriculture modernisation schemes	64,662	—	64,662	74,394
Fishery Harbour Centres capital programme	17,399	1,331	18,730	16,944
SBCI- Brexit Loan Scheme	14,000	—	14,000	—
LEADER food initiative	5,500	2,430	7,930	—
Horticulture scheme	2,651	—	2,651	1,385
Food Innovation Hub	1,150	—	1,150	7,150
Capital investment grants	901	—	901	2,078
European Maritime and Fisheries Fund - capital	643	714	1,357	1,357
Locally led schemes - capital	70	—	70	17
<b>Total of legally enforceable commitments</b>	<b>183,618</b>	<b>433,701</b>	<b>617,319</b>	<b>609,011</b>

**Major capital project commitments**

<b>Project</b>	<b>Cumulative expenditure to 31 December 2019</b>	<b>Expenditure in 2020</b>	<b>Project commitments in subsequent years</b>	<b>Expected total spend lifetime of project 2020</b>	<b>Expected total spend lifetime of project 2019</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Haulbowline remediation project	24,760	577	600	25,937	25,321

**Significant variations**

An explanation is provided below in relation to any major commitment where the expected total spend has changed by more than €500,000 compared to 2019.

**Haulbowline remediation project**

*Increase in expected total spend: €616,000*

The increase in expenditure was due to residual (retention payment) project costs, site maintenance and post-construction environmental monitoring commitments to the former East Tipp project.

## 2.10 Contingent liabilities

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### EU operations

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

The Minister has since introduced regulations which fully meet the relevant requirements in relation to sea fishing boat licence holders. To finalise compliance with the EU requirements, the Minister is seeking as a matter of urgency, to progress heads of a bill to allow for the introduction of appropriate legislation for masters of fishing vessels.

While Ireland is making every effort to comply with the obligations under the EU Fisheries Control Regulation, in 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €24.437 million in suspended payments as at the end of 2020.

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

2. The Department is aware of potential sanctions in relation to matters identified following an Administrative Inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Minister is in receipt of the EU Commission findings and the Department and the Sea Fisheries Protection Authority, which is legally responsible for operational control, is undertaking a full engagement with the Commission on the matters identified. The nature and timing of any potential liabilities is still uncertain.
3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.

2019 EAFRD non-IACS audit - The audit was conducted in November 2019 and a bilateral meeting to discuss the findings took place in November 2020. The Department is currently awaiting a response to information provided to DG AGRI in February 2021.

2020 Area Aid audit - This audit was conducted in July 2020 and a bilateral meeting to discuss the findings is scheduled to take place in June 2021.

2020 BEAM audit - This audit took place in November 2020 and the letter of findings was received in February 2021. A bilateral meeting to discuss the findings is scheduled to take place in September 2021.

### Other

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

## Note 3 Vote Expenditure

### Analysis of administration expenditure

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

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	197,373		
	<i>Supplementary</i>	<u>(4,000)</u>		
		193,373	192,835	180,355
ii	Travel and subsistence	8,300	5,706	9,002
iii	Training and development and incidental expenses	6,606	5,101	5,305
iv	Postal and telecommunication services	5,102	4,376	4,547
v	Office equipment and external IT services	46,101	42,299	37,106
vi	Office premises expenses			
	<i>Original</i>	16,687		
	<i>Supplementary</i>	<u>17,300</u>		
		33,987	26,818	30,715
vii	Consultancy services and value for money and policy reviews	423	85	92
viii	Supplementary measures to protect the financial interests of the EU	900	837	760
ix	Laboratory services	7,626	7,813	6,133
		<b><u>302,418</u></b>	<b><u>285,870</u></b>	<b><u>274,015</u></b>

### Significant variations

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

#### ii Travel and subsistence

*Estimate provision €8.3 million; outturn €5.706 million*

The shortfall in expenditure of €2.594 million relative to the estimate provision is due to decreased travel as a result of the Covid-19 pandemic. In line with the government restrictions, only essential travel was recommended by the Department, and this led to an overall reduction in travel and subsistence related costs for the year.

#### iii Training and development and incidental expenses

*Estimate provision €6.606 million; outturn €5.101 million*

The shortfall in expenditure of €1.505 million relative to the estimate provision was mainly due to savings in staff travel cost resulting from travel restrictions imposed under the Covid-19 pandemic, and the increase in on-line training. Savings also arose in the PeoplePoint service charge as staff numbers were lower during the year as Covid-19 resulted in a temporary pause in recruitment.

**vi Office premises expenses**

*Estimate provision €16.687 million; outturn €26.818 million*

The increase in expenditure of €10.131 million relative to the original estimate provision was due to the Department incurring ongoing costs associated with provision of physical infrastructure in Dublin and Rosslare ports and Dublin airport to facilitate increased export/import controls on agri-food goods. Due to delays caused by Covid-19 restrictions, the full supplementary budget could not be used in 2020.

**vii Consultancy services and value for money and policy reviews**

*Estimate provision €423,000; outturn €85,000*

The shortfall in expenditure of €338,000 relative to the estimate provision was due to a combination of planned consultancies no longer being needed and planned reviews not being undertaken in 2020.

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

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	115,346		
	<i>Supplementary</i>	<u>(2,337)</u>		
			113,009	112,694
A.2	Administration – non pay			
	<i>Original</i>	56,440		
	<i>Supplementary</i>	<u>17,300</u>		
			73,740	61,956
A.3	Food safety, animal health and plant health and animal welfare			
			105,915	104,033
			<u>292,664</u>	<u>278,683</u>
				<u>261,782</u>

**Programme B Farm/Sector Support and Controls**

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay			
	<i>Original</i>	56,442		
	<i>Supplementary</i>	<u>(1,144)</u>		
			55,298	53,389
B.2	Administration – non pay		23,797	19,094
B.3	Agri-environmental schemes		244,590	236,500
B.4	Areas of natural constraint scheme		250,000	248,552
B.5	Development of agriculture and food (farm)			
	<i>Original</i>	84,762		
	<i>Deferred surrender</i>	19,800		
	<i>Supplementary</i>	<u>(6,500)</u>		
			98,062	83,650
B.6	Beef sustainability schemes		135,350	87,108
B.7	Knowledge transfer		5,000	22,167
B.8	Animal welfare scheme for sheep		18,000	17,382
B.9	Early retirement scheme		220	187
B.10	Forestry and bio energy			
	<i>Original</i>	92,929		
	<i>Supplementary</i>	<u>(8,000)</u>		
			84,929	89,732
B.11	Control and other support scheme costs			
	<i>Original</i>	12,618		
	<i>Supplementary</i>	<u>(1,200)</u>		
			11,418	14,213
B.12	Other Schemes		594	2,090
			<u>927,258</u>	<u>874,064</u>
			<u>871,290</u>	<u>874,064</u>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €72.812 million lower than originally provided. An underspend of €3.998 million in administration expenditure has already been explained. The balance of the variance of €68.814 million was mainly due to the following.

**B.3 Agri-environmental schemes**

*Estimate provision €244.59 million; outturn €228.164 million*

The shortfall in expenditure of €16.426 million relative to the estimate was mainly due to the following reasons. There was €3.879 million in savings in the locally led agri-environment schemes as due to the Covid-19 pandemic there was a delay in the hen harrier and pearl mussel schemes, with a number of submissions not received until 2021. The European Innovation Partnership open call groups also experienced delays due to the pandemic. There were savings of €3.555 million in the organic farming scheme as some participants were delayed in meeting the payment criteria by year end but will do so in 2021. There was also a saving of €7 million as the Coillte bog rewetting scheme had not cleared the planning and procurement stage during 2020, so the planned expenditure did not occur.

**B.5 Development of agriculture and food (farm)**

*Estimate provision €104.562 million; outturn €81.193 million*

The shortfall in expenditure of €23.369 million relative to the original estimate was mainly due to the following reasons. Savings of €15.648 million arose in the TAMS II scheme due to a large amount of approvals that expired in 2020. Due to the impact of Covid-19 on the horticulture sector, savings of €1.138 million arose as a significant number of 2020 projects did not proceed and were deferred into 2021. Savings of €1.159 million arose in the organic sector as some events were not held due to the pandemic and others were held virtually, reducing the budget needed. However, extensions to allow for the completion of contracts were agreed. Additionally, €425,000 savings were made in pilot waste processing scheme due to an overestimation of final costs.

**B.7 Knowledge transfer**

*Estimate provision €5 million; outturn €2.476 million*

The shortfall in expenditure of €2.524 million relative to the estimate was attributable for the most part to a higher than expected level of non-compliance with the scheme requirements. As these requirements are tied to both participant and facilitator payments, this has resulted in a significant reduction in actual outturn. Additionally, the continuation of participant withdrawals from the scheme has also contributed to lower payments than originally anticipated.

**B.8 Animal welfare scheme for sheep**

*Estimate provision €18 million; outturn €16.755 million*

The shortfall in expenditure of €1.245 million relative to the estimate was mainly because the number of applicants qualifying for payments was lower than expected.

**B.9 Early retirement scheme**

*Estimate provision €220,000; outturn (€30,000)*

The shortfall in expenditure of €250,000 relative to the estimate was due to an overestimation of expenditure coupled with the continued recovery of previous overpayments.

**B.10 Forestry and bio energy**

*Estimate provision €92.929 million; outturn €79.218 million*

The shortfall in expenditure of €13.711 million relative to the original estimate was mainly due to savings in the afforestation scheme which is demand led, and demand was not as great as anticipated in 2020. Additionally, some individuals choose to allow their premiums to build-up, to bulk claim at a future date.

The volume of appeals to the granting of forestry licenses for planting, and for construction of forest roads, has caused significant backlogs and impacted the issuing of payments. Fundamental changes made to the internal appropriate assessment procedures, introduced in response to decisions made by the Court of Justice of the European Union, have in the short term led to delays in issuing licenses.

Covid-19 restrictions meant that knowledge transfer groups could not be run to full capacity or be completed in 2020.

**B.11 Control and other support schemes**

*Estimate provision €12.618 million; outturn €9.752 million*

The shortfall in expenditure of €2.866 million relative to the original estimate was mainly due to savings of €1.9 million in the public storage costs of agricultural products as a result of favourable market conditions.

Savings of €974,000 in lower intervention losses arose following conformity audits on the eligibility of EU expenditure. The timing of any charges is difficult to predict.

**B.12 Other schemes**

*Estimate provision €594,000; outturn €71,000*

The shortfall in expenditure of €523,000 relative to the original estimate was due to provision being made for a possible pilot relocation scheme which didn't proceed during the year.

**Programme C Policy and Strategy**

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay			
	<i>Original</i>	16,085		
	<i>Supplementary</i>	(326)		
			15,759	15,216
C.2	Administration – non pay		6,209	5,258
C.3	Research, quality and certification		26,712	26,094
C.4	Development and promotion of agriculture and food (non-farm)			
	<i>Original</i>	14,821		
	<i>Supplementary</i>	(2,300)		
			12,521	3,999
C.5	Teagasc grant		144,132	144,373
C.6	An Bord Bia grant		48,229	46,935
C.7	Horse and Greyhound Racing Fund		84,000	84,000
C.8	Cedra Rural Innovation and Development Fund		1,500	1,497
C.9	Food aid donations – World Food Programme			
	<i>Original</i>	700		
	<i>Supplementary</i>	24,300		
			25,000	25,700
C.10	SBCI loan schemes		20,372	25,705
C.11	Other services		16,312	13,532
			<b>400,746</b>	<b>392,808</b>
				<b>356,672</b>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme C was €13.736 million higher than originally provided. The underspend of €1.321 million in administration expenditure has already been explained. The balance of the offsetting overspend of €15.057 million was mainly due to the following.

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

*Estimate provision €14.821 million; outturn €3.999 million*

The shortfall in expenditure of €10.822 million relative to the original estimate was mainly due to the following reasons.

€5 million in savings arose for the funding of the prepared consumer food centre, due to the Covid-19 pandemic. The resultant restrictions gave rise to construction delays which consequently delayed the purchasing and commissioning of the necessary equipment.

Savings of €1.843 million arose in the Brexit food capital investment fund as uptake of the scheme was low due to the uncertainties caused by Brexit. These uncertainties were further exacerbated by the Covid-19 pandemic, and it is very difficult to predict uptake as companies have taken a more cautious approach to new projects. Savings of €500,000 arose in the Brexit food competitiveness fund as Enterprise Ireland confirmed in late 2020 that funding would not be required by them under this scheme.

Savings of €350,000 arose in the Lean Principles Programme for Pig Farmers as Covid-19 travel restrictions meant farm visits by Lean Principles consultants, required under the programme, could not take place.

Savings of €1.462 million arose in the promotion of the school fruit scheme (Food Dudes) because schools were closed as a consequence of Covid-19. Savings of €704,000 arose in the Leader food initiative as economic uncertainty caused by both Brexit and the Covid pandemic resulted in lower participation in the initiative.

Savings of €203,000 arose in the beef modernisation scheme as due to the emergence of the Covid-19 pandemic the required upgrading work could not be undertaken in the meat plants approved under the scheme during 2020.

#### **C.9 Food aid donations – World Food Programme**

*Estimate provision €700,000; outturn €25.7 million*

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement of €25 million in respect of the Irish 2021 contribution under the strategic partnership agreement 2019-2021 which was made in December 2020 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

#### **C.10 SCBI loan schemes**

*Estimate provision €20.372 million; outturn €25.705 million*

The increase in expenditure of €5.333 million relative to the estimate was due to savings mainly from the Brexit loan scheme which were subsequently offset against the commencement of contributions on the Future Growth Loan Scheme.

#### **C.11 Other services**

*Estimate provision €16.312 million; outturn €13.532 million*

The shortfall in expenditure of €2.78 million relative to the estimate was mainly due to savings in legal costs as the full amount of this prudent provision was not required by the Department during the year.

**Programme D Seafood Sector**

		2020		2019
		Estimate provision		Outturn
		€000	€000	€000
D.1	Administration – pay			
	<i>Original</i>	9,500		
	<i>Supplementary</i>	<u>(193)</u>		
			9,307	8,986
D.2	Administration – non pay		5,299	4,724
D.3	Fisheries			
	<i>Original</i>	49,698		
	<i>Supplementary</i>	<u>(1,600)</u>		
			48,098	41,562
D.4	Marine Institute grant		38,381	37,105
D.5	Bord Iascaigh Mhara grant		38,500	37,500
D.6	Sea Fisheries Protection Authority			
	<i>Original</i>	17,361		
	<i>Supplementary</i>	<u>(1,200)</u>		
			16,161	13,197
D.7	Haulbowline remediation project		300	577
			<u>156,046</u>	<u>132,213</u>
				<u>142,603</u>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme D was €26.826 million lower than originally provided. The variation of €793,000 in administration expenditure has already been explained. The balance of the variance of €26.033 million was mainly due to the following.

**D.3 Fisheries**

*Estimate provision €49.698 million; outturn €29.828 million*

The shortfall in expenditure of €19.87 million relative to the original estimate was mainly due to savings of €15.585 million in the capital expenditure programme, and savings of €3.719 million in the environmental compliance and seafood development programmes. These savings arose as a result of delays in projects getting started and delays on expenditure on other projects, due to Covid-19 restrictions.

**D.6 Sea Fisheries Protection Authority**

*Estimate provision €17.361 million; outturn €13.197 million*

The shortfall in expenditure of €4.164 million relative to the original estimate was mainly due to €2 million savings in pay due to the timing of the recruitment of approved numbers of staff, and €329,000 savings in superannuation due to a lower than expected number of retirements. Non-pay savings of €1.6 million arose mainly due to a reduction in travel and subsistence costs as a consequence of the Covid-19 pandemic. Savings in capital of €235,000 arose due to the deferral of some capital projects to 2021.

**D.7 Haulbowline remediation project**

*Estimate provision €300,000; outturn €577,000*

The increase in expenditure of €277,000 relative to the estimate was mainly due to residual (retention payment) project costs, site maintenance and post-construction environmental monitoring commitments to the former East Tipp project.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	Subhead	2020		2019	
		Estimated €000	Realised €000	Realised €000	
1	Recoupment of salaries, etc. of officers on loan to outside bodies	650	1,122	690	
2	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements	1	6	187	
3	Refunds from veterinary fees for inspection at poultry and other meat plants	A.3	17,945	19,362	19,531
4	Receipts from veterinary inspection fees for live exports	A.3	723	928	664
5	Receipts from fees for dairy premises inspection services	A.3	6,750	8,116	8,143
6	Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	A.3	675	530	602
7	Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	C.3	1,929	2,970	2,766
8	Receipts from farmer contributions towards the cost of eradicating bovine disease	A.3	7,000	7,853	7,637
9	Land Commission receipts		300	194	380
10	Other receipts		2,701	2,587	3,129
11	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	B.11	975	—	300
12	Intervention stock losses, etc.	B.11	—	1,027	960
13	EAFRD (European Agricultural Fund for Rural Development)	B.4, B.3, B.5 and B.9	270,000	306,002	299,533
14	Veterinary Fund	A.3	7,205	7,865	9,279
15	Other Guarantee receipts from EU (Agriculture)	B.11	45	33	36
16	Proceeds of fines and forfeitures in respect of sea fisheries	D.3	100	40	292
17	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	D.3	100	76	188
18	EU recoupment in respect of expenditure on the conservation and management of fisheries	D.3	—	—	—
19	Aquaculture licence fees	D.3	412	529	578
20	EU receipts for EMFF	D.3	25,000	19,482	23,030
21	EFF (Fisheries) 2007-2013	D.3	—	—	—
22	Receipts from Sustainable Food Systems Ireland		200	59	74

	Subhead €000	2020		2019
		Estimated €000	Realised €000	Realised €000
23 Receipts from additional superannuation contributions on public service remuneration		11,544	9,707	10,444
<b>Total</b>		<b>354,255</b>	<b>388,488</b>	<b>388,443</b>

### Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €34.233 million greater than the original estimate. Explanations for variances are set out below.

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

*Estimate €650,000; realised €1.122 million*

The increase of €472,000 was due to the recoupment in 2020 of monies due from earlier years in respect of seconded officers.

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

*Estimate €17.945 million; realised €19.362 million*

The increase of €1.417 million was mainly due to an increase of €1.74 million in slaughter and cutting activity levels together with an increased emphasis by the division on the collection of outstanding fees and the timely payment of all invoices. This was offset by lower inspection fees at borders due to a decline in imports.

#### 4 Receipts from veterinary inspection fees for live exports

*Estimate €723,000; realised €928,000*

The increase of €205,000 was mainly due to payment of overdue accounts, and to an increase in the number of cattle exported aged over 3 months, which has a higher inspection fee than for cattle under 3 months.

#### 5 Receipts from fees for dairy premises inspection services

*Estimate €6.75 million; realised €8.116 million*

The increase of €1.366 million was due to an increased milk production in 2020.

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

*Estimate €675,000; realised €530,000*

The decrease of €145,000 was mainly due to a shortfall in the receipts for veterinary laboratory testing, as a result of a reduction in demand for testing from private veterinary practices.

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

*Estimate €1.929 million; realised €2.97 million*

The increase of €1.041 million was mainly due to extra receipts for registration fees, following the onset of the Covid-19 pandemic, received for PPE and biocidal products placed on the national register. This reflects a stronger than anticipated level of registrations driven by external commercial interest and demand particularly in the area of hand sanitisers.

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

*Estimate €7 million; realised €7.853 million*

The increase of €853,000 was due to continued expansion in the dairy sector.

**9 Land Commission receipts**

*Estimate €300,000; realised €194,000*

The decrease of €106,000 was due to the Covid-19 pandemic which has impacted negatively on receipts in 2020.

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

*Estimate €975,000; realised €nil*

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

**12 Intervention stock losses, etc.**

*Estimate €nil; realised €1.027 million*

Revenue under this heading is derived from provisions in CAP legislation which enables accredited paying agencies to retain 20% of irregularities and 25% of cross compliance debt recovered on the EAGF fund in a financial year. The increase of €1.027 million arose following the clearance of the 2019 EAGF account. By their nature these receipts are difficult to predict as they are dependent on the level of determined irregularities and their subsequent recovery.

**13 EAFRD (European Agricultural Fund for Rural Development)**

*Estimate €270 million; realised €306.002 million*

Receipts under this heading correspond to an EU contribution on eligible EAFRD expenditure incurred in the financial year 2020. A higher than forecast rate on advance payments permitted under EU Regulation 1306/2013 (Article 75) for RDP measures at 85% advance rather than 75% advance on ANC payments issued in September resulted in an increased reimbursement in December 2020. The timing of a higher than forecast level of EAFRD related expenditure pre 16 October 2020 impacted the reimbursement in 2020 rather than the forecasted 2021 reimbursement resulting in the increase of €36.002 million.

**14 Veterinary Fund**

*Estimate €7.205 million; realised €7.865 million*

The increase of €660,000 was mainly due to the 2019 EC vet refund claim being refunded at a higher rate than was expected. These monies were received in 2020.

**19 Aquaculture licence fees**

*Estimate €412,000; realised €529,000*

The increase of €117,000 was due to an increase in licensed aquaculture sites in recent years.

**20 EU receipts for EMFF***Estimate €25 million; realised €19.482 million*

The decrease of €5.518 million was due to estimate provided for 2020 receipts being prepared based on the expected resolution of an ongoing control and enforcement issue which has resulted in the Commission retaining part of the projected receipts. Progress is being made in this area and it is hoped that the outstanding funds retained over recent years, which at close of 2020 amounted to over €24 million, will be released in 2021.

**22 Receipts from Sustainable Food Systems Ireland***Estimate €200,000; realised €59,000*

The decrease of €141,000 was due to the 2020 reimbursement (relevant to 2019 costs) from two agencies not being received in 2020.

**23 Receipts from additional superannuation contributions on public service remuneration***Estimate €11.544 million; realised €9.707 million*

The decrease of €1.837 million was mainly due to the following.

There was €1.15 million less receipts for the DAFM pension levy due to Covid-19 as the Department temporarily paused recruitment during the initial lockdown phase, before recommencing in a stronger capacity in quarter 3. In addition, it was anticipated that the full complement of Brexit staff would be required for all of 2020, incurring additional payroll expenditure. Due to the implementation of transitional Brexit arrangements, Brexit recruitment took place later in 2020 than initially planned, with some recruitment being put on hold in 2021.

The remaining shortfall in receipts was from the State agencies, mainly due to projected staff numbers not being achieved due to Covid-19 combined with some estimates being too high as they didn't factor in the change to the overall ASC bands and the reductions of the rate for the Single Scheme.

**4.2 Extra receipts payable to the Exchequer**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Recovery of administration errors	112	—
Clearance of suspense accounts	6	—
1% superlevy surplus	—	705
Proceeds of SFPA fleet sale	—	419
Transferred to the Exchequer	(118)	(1,124)
<b>Balance at 31 December</b>	<b>—</b>	<b>—</b>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

Full time equivalents	2020	2019
Number of staff at year end		
Department	3,565	3,358
Agencies <sup>a</sup>	1,594	1,609
	<b>5,159</b>	<b>4,967</b>

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

### 5.2 Pay

Remuneration of Department staff	2020	2019
	€000	€000
Pay	174,077	163,536
Redundancy and severance	265	—
Higher, special or additional duties allowances	284	242
Other allowances	1,456	1,528
Overtime	2,617	3,011
Shift allowances	925	659
Employer's PRSI	13,156	11,671
<b>Total pay</b>	<b>192,780</b>	<b>180,647</b>

#### Agency remuneration

	2020	2019
	€000	€000
Pay	82,198	79,470
Higher, special or additional duties allowances	1,112	979
Other allowances	607	588
Overtime	132	162
Gratuity payments	847	307
Employer's PRSI	3,752	3,551
<b>Total pay</b>	<b>88,648</b>	<b>85,057</b>

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

### 5.3 Allowances and overtime payments

at 31 December	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	86	2	11,937	12,410
Shift allowances	230	22	19,939	20,741
Other allowances	774	10	22,088	20,614
Overtime	725	74	28,563	28,171
Extra remuneration in more than one category	338	112	33,620	39,614

### 5.4 Other remuneration arrangements

In total, €1,105,701 was paid to 62 retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 were applied in the payment of these fees.

### 5.5 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	166	531,512	746,314
Recovery plans in place	96	319,081	392,782

### 5.6 Redundancy and severance

During 2020, seven staff members whose employment was terminated, were paid a total of €55,812 in redundancy payments and severance payments totalling €209,468.

## Note 6 Miscellaneous

### 6.1 EU funding

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

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

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D include expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €831,197 for EU Funding which has been disallowed due to conformity clearance decisions and €88,245 in late payments.

The account includes interest of €164,260 paid on short-term borrowings of €750 million borrowed in 2019 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2020 along with interest.

A total of €670 million in short-term funds were borrowed in 2020 to fund EAGF Guarantee expenditure pending EU recoupment in 2021. These loans are reflected in the financial statements of the European Agricultural Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), Irish operations.

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

	2020	2019
	€m	€m
Direct payment/basic payment scheme	1,187	1,204
Intervention/aid to private storage	—	(12)
Other market supports	6.9	61.8
Other	(4)	(3)
<b>Co-funded receipts (measures co-funded by the EU) <sup>a</sup></b>		
	<b>2020</b>	<b>2019</b>
	<b>€m</b>	<b>€m</b>
EAFRD Rural Development Programmes	306	299
Veterinary Fund	7	9
Other co-financing receipts	1	1
<b>Fisheries</b>		
EMFF - European Maritime and Fisheries Fund 2014-2020 <sup>b</sup>	19	23
<b>Total pay</b>	<b>1,523</b>	<b>1,583</b>

Notes <sup>a</sup> Only the EU co-funding on these programmes is shown in this table.  
<sup>b</sup> EMFF receipts of €13 million are held in a suspense account (EU advances) in accordance with public financial procedures.

**6.2 Scheme overpayments**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Scheme overpayments at 1 January	2,640	2,281
Adjustment for early retirement scheme	—	(6)
Overpayments raised in the year	13,330	15,506
Corrections	(1,212)	(816)
Recoveries	(12,672)	(14,058)
Write-offs (note 6.3)	(719)	(267)
<b>Scheme overpayments at 31 December</b>	<b>1,367</b>	<b>2,640</b>

**6.3 Write-offs**

The following sums were written off in the year	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
<b>Scheme overpayments:</b>		
Afforestation scheme	379,174	22,060
Rural environment protection scheme	126,024	229,546
Miscellaneous EU premia and area based schemes	2,936	13,121
Miscellaneous Vote premia	1,539	846
Early retirement scheme	208,354	—
Private veterinary practitioners	753	1,174
	<b>718,780</b>	<b>266,747</b>
<b>Customers:</b>		
Customers no longer trading	107,022	1,630,294
Aquaculture licenses expired/surrendered and not renewed	—	7,429
Salary related debts	22,960	—
Other reasons	10,100	6
	<b>140,082</b>	<b>1,637,729</b>

**6.4 Compensation and legal costs**

				<b>2020</b>	<b>2019</b>
	<b>Number of cases</b>	<b>Legal costs paid by the Department</b>	<b>Compensation awarded</b>	<b>Legal costs awarded</b>	<b>Total</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Claims by employees of the Department</b>	1	6	4	23	33
<b>Claims by members of the public</b>	28	45	527	458	1,030
		<b>51</b>	<b>531</b>	<b>481</b>	<b>1,063</b>
				<b>1,063</b>	<b>1,700</b>

## 6.5 Food aid donations

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The World Food Programme-Ireland Strategic Partnership Agreement 2019-2021, was signed by the World Food Programme (WFP) Executive Director and the Department in December 2018. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €20 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €70 million.

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

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

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2021 allocation. The Department agreed to an early payment of €25 million of the 2021 allocation, with payment being made in December 2020, and this amount is included in prepayments in the statement of financial position.

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

Subscriptions and additional voluntary contributions to the FAO are used to provide aid to 130 countries to help them in the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2020 amounted to €3.675 million (2019: €2.605 million).

## 6.6 Ex-gratia payments

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An ex-gratia payment of €2,110 was made to a herd owner as compensation for a disputed herd restriction.

## 6.7 Deferred surrender

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Deferred surrender comprises savings in 2020 of €31.6 million in capital expenditures, in the following subheads, that were carried over to 2021.

	<b>€000</b>
A.3 Food safety, animal health and plant health and animal welfare	2,200
B.3 Agri-environment schemes	968
B.5 Development of agriculture and food (farm)	8,700
B.10 Forestry and bio energy	2,900
C.4 Development and promotion of agriculture and food (non-farm)	7,000
D.3 Fisheries	9,832
	<b>31,600</b>

## Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2020

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Receipts (subhead C.7)	84,000	84,000
Payments		
Horse Racing Ireland	67,200	67,200
Rásaíocht Con Éireann	16,800	16,800
<b>Balance at 31 December</b>	<b>—</b>	<b>—</b>

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

Property	Area Hectares
<b>Cork</b>	
Haulbowline Island (including bridge and access road)	45.7
Blood testing laboratory, Model Farm Road	—
Regional veterinary laboratory, Model Farm Road	2.8
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Duhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
<b>Donegal</b>	
Potato testing centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
<b>Dublin</b>	
Forest plot, Killakee	0.7
<b>Galway</b>	
Land Commission non-agricultural lands	
Kilcooley	1.7
Kylenalmelly	1.3
Sylaun	1.7
Rosmore	3.2
Meelickmore	12.4
Cooloo	52.1
Lands, Teagasc College, Athenry	14.0
Forest plot, Ballinahinch	60.7
Forest plot, Oughterard	7.0
<b>Kerry</b>	
Land Commission non-agricultural lands	
Glanlea	4.0
Ballydunlea	284.6
Forest plot, Kenmare	0.2
<b>Kildare</b>	
Stacumny Cottage, Backweston	—
Lands, Backweston	150.0

**Kilkenny**

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

**Laois**

Forest plot, Durrow	2.2
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**Limerick**

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

**Longford**

Land Commission non-agricultural land, Rossbeg	79.0
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**Mayo**

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

**Offaly**

Land Commission non-agricultural lands	
Clorhane	8.2
Ballyegan	44.7
Forest plot, Tullamore	2.5

**Roscommon**

Land Commission non-agricultural lands	
Ballynahouna/Ballaghcullia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3
Forest plot, Lough Key	16.0

**Sligo**

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

**Tipperary**

Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Carrick-on-Suir	2.5
Forest plots, Kilsheelan	1.9

**Westmeath**

Regional Veterinary Laboratory, Athlone	1.7
Forest plot, Lough Ennel	14.5

**Wexford**

Forest plot, Forth	4.8
Forest plots, Gorey	11.1

**Wicklow**

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

**Property at fishery harbours**

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

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

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

Body/Departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aquaculture Licenses Appeals Board	2019	22 Dec 2020	28 Jan 2021	Not yet presented
Bord Bia	2019	30 Jun 2020	2 Jul 2020	1 Dec 2020
Bord na gCon	2019	27 Aug 2020	2 Sep 2020	9 Nov 2020
Bord Iascaigh Mhara	2019	16 Nov 2020	16 Dec 2020	18 Feb 2021
Coillte Teoranta <sup>a</sup>	2019	30 Mar 2020	31 Mar 2020	13 Jul 2020
Fishery Harbour Centres Fund	2019	7 Dec 2020	27 Jan 2021	5 Feb 2021
Horse Racing Ireland	2019	6 Jul 2020	23 Sep 2020	21 Dec 2020
Irish Horse Racing Regulatory Board	2019	30 Nov 2020	1 Dec 2020	3 Feb 2021
Irish National Stud Company Ltd <sup>b</sup>	2019	20 Apr 2020	22 Apr 2020	18 May 2020
Marine Institute	2019	16 Dec 2020	5 Feb 2021	Not yet presented
National Milk Agency <sup>c</sup>	2019	26 Mar 2020	21 Jul 2020	18 Feb 2021
Sea Fisheries Protection Authority	2019	20 May 2020	24 Jun 2020	11 Nov 2020
Teagasc	2019	29 Jun 2020	30 Jun 2020	30 Jul 2020
The Public Trustee of Ireland	2019	1 Apr 2020	1 Apr 2020	22 May 2020

Notes <sup>a</sup> Coillte Teoranta, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.

<sup>b</sup> Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act, 1945 under which it was established.

<sup>c</sup> National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.