

10 Estate management in the Department of Agriculture, Food and the Marine

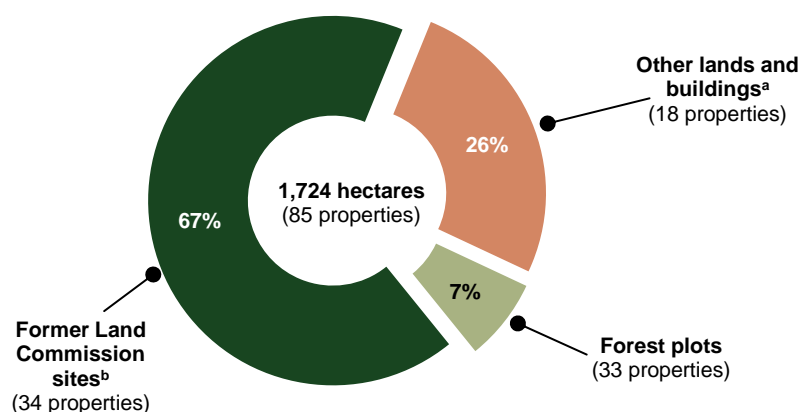
- 10.1** The Department of Agriculture, Food and the Marine (the Department) has a valuable and diverse estate portfolio of 85 buildings and plots of land (1,724 hectares) located across the State (see Figure 10.1).¹
- 10.2** In general, land and buildings are held by Government departments and other public sector bodies to assist in the delivery of public services and to contribute towards the achievement of their overall strategic objectives. All land and buildings owned by the State and controlled or managed by a department should be included in that department's statement of financial position.²
- 10.3** Effective planning for acquisition, safeguarding, use, maintenance and (when appropriate) disposal of assets is a key feature of a good financial management system.³ This examination was undertaken to determine whether the Department
- actively manages its property portfolio, anticipating related risks and ensuring adequate maintenance of the properties
 - accurately accounts for its complete property portfolio in accordance with standard public financial procedures and Department of Public Expenditure, National Development Plan Delivery and Reform (DPENDPDR) guidelines.
- 10.4** As part of the examination, a sample of 14 buildings and land plots (totalling 661 hectares or 38% of the Department's portfolio) were selected for review. This included visits to the sites by the examination team.

¹ Land and buildings at six Fishery Harbour Centres (FHCs) are also vested in the Minister for Agriculture, Food and the Marine. Legislation is currently being prepared to merge the functions of the FHCs into the Department, which will result in a significant increase in the Department's property assets in the future. See Special Report 82 – [Financial Management and Reporting for Fishery Harbour Centres](#).

² [Circular 22/2022: Requirements of Appropriation Accounts 2022](#) (Department of Public Expenditure, National Development Plan Delivery and Reform) provides that where ownership of land and buildings is (a) vested in the Office of Public Works (OPW) or (b) vested in the Minister but in fact controlled/managed by the OPW, they are included in the accounts for the OPW.

³ Public Financial Procedures, Section B.1.22, Department of Public Expenditure, National Development Plan Delivery and Reform.

Figure 10.1 State-owned lands and buildings controlled or managed by the Department



Source: Vote 30 Agriculture, Food and the Marine Appropriation Account 2022

- Notes:
- a For a breakdown of other lands and buildings see paragraph's 10.24 and 10.25.
 - b The Irish Land Commission (ILC) was set up in 1881 as a rent fixing body and subsequently developed by law into a tenant-purchase agency. The ILC was dissolved in 1999 on foot of the provisions of the Irish Land Commission (Dissolution) Act 1992. All ILC land and other property (other than fishing rights and fisheries) transferred to the Minister for Agriculture, Food and the Marine.

Estate management

- 10.5** Land and buildings are valuable assets that need to be managed effectively. An effective property management system should be in place to enable monitoring and management of assets of this nature, and this requires the collation and maintenance of basic data about the assets (see Figure 10.2).

Figure 10.2 Basic data requirements for effective estate management

An estate management system should hold key data for each category of property owned by the Department such as

- precise location
- value of the property
- site size
- basis of ownership title
- Land Registry details
- area of any buildings, building type and current use
- details about the condition and age of the buildings
- facilities available, including the nature of each space/room
- details about programmes of capital and maintenance works completed, underway and/or scheduled
- facilities management data
- schedules of planned and completed site surveys
- details of any easements or obligations (e.g. turbary and grazing rights)^a

Source: Office of the Comptroller and Auditor General

Note: a A turbary right is a right to cut, make, spread and take turf and bog mould from a specific location that is not owned by the turbary right holder.

- 10.6** The Department does not have a centralised estate management system in place. Management of its portfolio is spread across a number of divisions within the Department, depending on the category of the property.

Risk management

- 10.7** Risks associated with a large property portfolio should be identified through a process of assessment that considers the probability of an event occurring and its likely impact. The outcomes from this process should be formally captured in a risk register with control measures assigned to an appropriate risk owner.

- 10.8** The Department's risk register does not contain any risks related specifically to its property portfolio. It only captures risks associated with general asset management and physical access control. The following are the risks that potentially relate to the properties.
- Asset management (low rating) — risk of assets in use around the Department being misappropriated or not being disposed of properly.
 - Physical access control (medium rating) — if appropriate security measures are not in place, this could result in physical access for unauthorised personnel. All Department locations must be secured to prevent unauthorised access.
- 10.9** The physical access control risks identified on the Department's risk register are relevant and appropriate to buildings occupied by the Department. They do not address the risks of potential encroachment or unauthorised/unregulated use of unoccupied buildings or land.
- 10.10** The Department noted that there are certain properties such as bogs, which are unfenced with no physical structure to differentiate between plots, where the Department believes it is not possible to secure them physically.

Review of sample lands and buildings

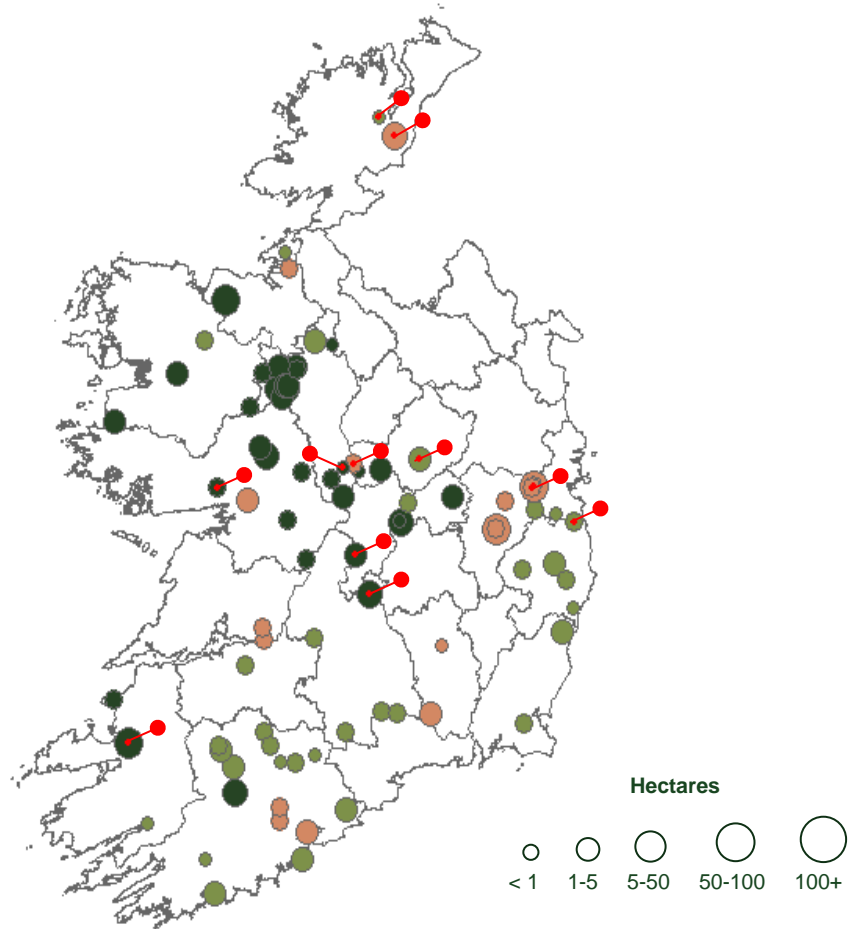
- 10.11** A sample of 14 buildings and land plots located on 12 sites was selected from the Department's listing for examination visits. The examination team found that for one of the selected sites, listed as a forest plot on the Department's asset register as being in Durrow, Co. Laois, the Department was unable to provide location details. It was not clear whether this was a previously-owned plot that should have been removed from the asset register, or whether a site was ever owned at that location. The Department has since removed this from its asset register.
- 10.12** The Department stated that it is conducting a review of the forest plots listed on its asset register to confirm all plots are fully owned. The status of this site will be established as part of this review.
- 10.13** Figure 10.3 illustrates the location of all properties owned by the Department along with the 13 lands and buildings at the 11 sites visited as part of this examination.

Registration of title

- 10.14** It is compulsory for a state authority to register land acquired after 1 January 1967 with the Land Registry.¹ The examination found for the 13 buildings and land plots reviewed that
- eight were correctly registered
 - three forest plots and one former Land Commission site are not recorded in the Land Registry
 - one former Land Commission site was partially registered — only 1.61 hectares of its 44.7 hectares is registered.

¹ Registration of Title Act 1964.

Figure 10.3 Departments lands and buildings locations^a



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a Map key
 ● Former Land Commission lands
 ● Forest plots
 ● Laboratories and other properties
 ● Sites visited by the examination team.

Former Land Commission lands

- 10.15** Lands inherited by the Department from the former Land Commission are the largest category of property held, accounting for 67% (1,155 hectares) of the Department’s land portfolio at the end of 2022. These lands are classified as non-agricultural lands and are mainly bog lands.
- 10.16** At the time of the dissolution of the Land Commission, there was no register available of lands owned or managed by them. The Department set about compiling a register and identified around 2,660 hectares of non-agricultural land, over half of which has since been disposed of.
- 10.17** The Department stated that it had intended on fully disposing of these lands. However, most of the remaining land is subject to turbary rights allotted by the former Land Commission or grazing rights, with the result that they are not easily dealt with.

10.18 Turbary rights can be

- appurtenant (i.e. linked) to a specific dwelling the owner of which has the right to cut turf in a specific place for personal consumption of the household, or
- held in gross, where the plot owner can cut the turf for commercial purposes.

10.19 The Department noted that the former Land Commission lands have both forms of turbary rights allotted. The examination found that the Department does not have a register of turbary right holders for these properties. Therefore, it does not know who has the right of access to these lands and consequently does not have full control over these assets. Department staff do not monitor the levels of turf cutting activity at sites.

10.20 The Department has stated that it was never the policy of the former Irish Land Commission to manage turbary and grazing rights post allotment/vesting. It also stated where turbary rights were allotted by the former Land Commission, it has a record (in paper format), at estate file level, of the persons who were originally allotted such rights. The Department further advised that the holders of turbary rights are not obliged to cut turf.

10.21 Five sites visited by the examination team were former Land Commission sites. There was evidence of recent turf cutting on three of these sites — one bog had a third party contractor on site cutting turf with specialised machinery on the day of the visit.

10.22 The largest former Land Commission site is located in Ballydunlea in County Kerry (285 hectares). A site visit by the examination team noted that

- it is a significant area of unenclosed mountainous land
- seven farmers operate a 'commonage' with turbary and grazing rights
- part of the site forms a military range but the Department stated that it has not been used in recent years by the Defence Forces
- part of the site forms a special area of conservation and there are a number of national monuments on the land.

10.23 The Department has made several attempts to dispose of the lands over a number of years but failed due to a lack of interest. This has included attempts to transfer the land to the farmers with the grazing rights but the intended recipients could not agree on a division of the land.

Other lands and buildings

10.24 The Department's other land and buildings are held for a variety of purposes, and includes lands at Backweston (Backweston farm and Backweston laboratory campus) in Co. Kildare — the largest of the Department's properties in this category at 150 hectares.

10.25 It also includes five regional veterinary laboratories (in Co. Cork, Co. Kilkenny, Co. Limerick, Co. Sligo and Co. Westmeath); a blood testing laboratory in Co. Cork; a dairy science laboratory in Co. Limerick; a potato testing centre in Co. Donegal; Teagasc colleges in Co. Galway and Co. Kilkenny; and Haulbowline Island in Co. Cork.

Lands at Backweston

- 10.26** Backweston laboratory campus and Backweston farm are situated on lands owned by the Department. The laboratory campus and the buildings located within its confines are managed by OPW. These buildings include the Department's Central Laboratory Complex and an administration building where Department staff work.
- 10.27** The campus also accommodates the State Laboratory, a new forensic science laboratory (a Department of Justice facility), a shared services facility and a crèche. The new forensic science laboratory building was recently completed and a shared services public sector data centre is also currently under construction on the campus.

Backweston farm

- 10.28** Backweston farm is operated by the Department and includes offices and farm buildings. The examination team identified a Georgian farmhouse (approximately 235 square metres) during the site visit and found that it was not recorded on either the Department's or the OPW's asset register.
- 10.29** The Department stated that the farm foreman resides in the Georgian farmhouse, and advised that there is no tenancy agreement in place as it is a requirement of the post that the farm foreman resides on the farm. The Department also stated that the building has now been added to the Department's asset register.

Stacumny cottage

- 10.30** Stacumny Cottage is located on the lands at Backweston (adjacent to Backweston farm) and has been in the Department's ownership since circa 1961. It was previously occupied by a farm labourer and his family, and subsequently by his widow, until 2011.
- 10.31** The Department has had a legal tenancy agreement — in place since 2011 — to let the property to a staff member for a nominal annual rent of €104 in order to mitigate against leaving the property vacant for lengthy periods of time and to prevent the property from becoming derelict. The examination found no clear business purpose or policy in place for the use of the cottage. The Department stated that the cottage has also been used to provide shared temporary accommodation for staff on an ad hoc informal basis.
- 10.32** The Department is currently developing a proposal that will prioritise access for visiting scientists to support inter-laboratory collaboration with counterparts in Northern Ireland and other EU member states. This proposal will involve some modification and renovation of the property to make it more suitable for use as short-stay temporary accommodation for visiting scientists and the Department believes the proposal will facilitate active participation in North-South collaboration and EU collaborative activities.

Regional veterinary laboratories

- 10.33** Five regional veterinary laboratories are included on the Department's asset register. During a visit to one regional veterinary laboratory, the examination team found cattle that belong to a local farmer grazing on a portion of the Department's land. There was no formal agreement in place for grazing rights and no related income.

- 10.34** The Department stated that this is an ad hoc arrangement that has been in place for at least 20 years, and that it is mutually beneficial in that the field is maintained at no additional cost to it. It does not consider that there is a risk of a claim or entitlement to grazing rights. The Department further stated that, as the site is due for redevelopment, it intends terminating the arrangement with the cattle owner. Sufficient time, however, will be given to the cattle owner to make alternative arrangements for the animals.

Potato testing centre

- 10.35** The Department's potato testing centre is based at Tops Farm, Raphoe, Co. Donegal and has been in operation since 1988. The main function of the centre is to produce pre-basic mini-tuber seed for participants in the Department's seed potato certification scheme.¹ The centre uses the land for potato propagation, glasshouses, polytunnels and a virus testing laboratory. A visit by the examination team to the centre found it to be well maintained and that there had been a significant investment (around €212,500 inclusive of VAT) on a glass house in 2022.

Forest plots

- 10.36** Since 1989, the commercial State body Coillte has been carrying out forestry activities that had previously been carried out by the Department.² At that time, 396,000 hectares of forest were transferred to Coillte. The Department retained 1,660 hectares (202 properties). In the early 1990s, an evaluation of the retained properties found that many had no realistic resale value, were strategic to Coillte's forest estate or were of conservation interest.
- 10.37** In 1993, the Minister agreed to transfer 134 properties (833 hectares) to Coillte and 12 properties (450 hectares) to the National Parks and Wildlife Service. The Department stated that some of the properties were transferred to Coillte during the intervening years, but the transfers were delayed due to title and legal issues. In conjunction with Coillte, a mechanism for finalising the transfer of lands to Coillte was developed in 2015 and the transfer of the remaining properties commenced.
- 10.38** Coillte stated that it is their understanding that effective control and possession of the 134 properties was given to Coillte with effect from 1993, with legal title to transfer thereafter. For that reason, Coillte has recorded these forest plots as part of its forest inventory and has been responsible for managing those plots continuously since 1993.
- 10.39** There are 33 forest plots (7% of the Department's current portfolio) which remain recorded on the Department's asset register. Three forest plots were visited by the examination team accompanied by Coillte staff. For all three forest plots, Coillte staff were not aware that the Department owned the sites as the plots were being fully managed and controlled by Coillte.
- 10.40** A visit to a forest plot located in Enniskerry, recorded as one site on the Department's asset register, found that there were two separate sites — one in the townland of Lackan and the other in the townland of Monastery. The Lackan site is managed and controlled by Coillte and the Monastery site by the Department. The Monastery site was intended to be disposed of to the National Parks and Wildlife Services, but this has not yet happened.

¹ The seed certification scheme provides a guarantee to the purchaser that the seed is properly labelled, high in quality and free from major pests and diseases.

² Coillte was established under the Forestry Act of 1988 as a private limited company registered under and subject to the Companies Acts 1963-86.

Accounting for land and buildings

- 10.41** The standard accounting policies and principles for the preparation of appropriation accounts provide that all land and buildings owned by the State and controlled or managed by a Department should be included in that Department's statement of financial position. Where appropriate, the basis of valuation of land and buildings should be explained in the Accounting Officer's introduction to the appropriation account.¹
- 10.42** The Department has not determined a valuation for the various properties in its portfolio and consequently, these are not reported in the statement of financial position. Instead, a list of the properties is appended to the Department's appropriation account.
- 10.43** The Department stated that its accounting policy, in the appropriation account, is not to value properties in use for the delivery of its strategic functions. There is no intention to dispose of these properties. If any were to be disposed of, then market valuation would have been applied or alternatively the appropriate DPENDPDR sanction would have been obtained.
- 10.44** The Department further stated that historically, Land Commission properties were valued and sold at an agreed price at time of allotment. It was the intention to value the properties remaining, now in the ownership of the Department, at the time of disposal.

Asset register

- 10.45** An asset register is a key financial management control that enables public bodies to track the value of their assets over time and prevents their loss or misappropriation. The Department's asset register records individual assets with a value of over €10,000 each and includes both financial and non-financial information for each asset. The Department's land and buildings are recorded on its asset register with nil value.
- 10.46** As part of the examination, the lands and buildings recorded on the Department's asset register were compared to those recorded on the OPW's asset register. The examination found that four of the Department's laboratories and lands at Longtown Farm, Co. Kildare are also recorded on the OPW's asset register, and the OPW has determined a valuation for them (see Figure 10.4).
- 10.47** The Department noted that it operates and manages the four laboratories on sites that are owned by OPW and it was for this reason that it had recorded them on its asset register. Both the Department and OPW stated that they will continue to liaise with one another in relation to the duplications with a view to ensuring that there are no duplications between the organisations in future.

¹ [Circular 22/2022: Requirements of Appropriation Accounts 2022](#) (Department of Public Expenditure, National Development Plan Delivery and Reform) provides that where ownership of land and buildings is (a) vested in the Office of Public Works (OPW) or (b) vested in the Minister but in fact controlled/managed by the OPW, they are included in the accounts for the OPW.

Figure 10.4 Duplicate registration of properties in both the Department and OPW

Description	Value ^a €000
Lands and buildings at Longtown	23,792 ^b
Sligo Veterinary Laboratory	780
Kilkenny Veterinary Laboratory	668
Athlone Veterinary Laboratory	610
Limerick Dairy Laboratory	315
	26,165

Source: OPW fixed asset register as of 31 December 2022

Notes: a These assets are valued at cost.

b Includes €7.1 million in respect of Longtown Farm.

Recent property additions and disposals

- 10.48** The examination noted that the Department's list of properties disclosed in its appropriation account changes year on year. A look back over a five-year period (2018 to 2022) of the Department's property additions and disposals, shows that the Department identified 24 buildings or land plots that it either owned or controlled that should have been on its asset register.
- 10.49** The Department stated that former Land Commission sites are often only identified for inclusion on the asset register as a result of external queries on matters such as boundaries, rights of way and legal title.
- 10.50** The largest addition in that period to the Department's asset register was land and buildings at Longtown Farm (see Figure 10.4). These were purchased by the OPW in December 2000, at a cost of around €7.1 million. Following engagement between the OPW and the Department, they were added to the Department's asset register in 2022 on the basis that the Department controlled and managed the farm. Separate from this examination, the audit of the 2022 appropriation account also identified that buildings at Longtown Farm are also being occupied by staff of the Department.
- 10.51** Over the same period (2018 to 2022), the Department disposed of 11 forest plots to Coillte.

Conclusions and recommendations

Estate management

- 10.52** The Department has a large portfolio of lands and buildings located across Ireland. This includes properties listed in an appendix to the Vote for Agriculture, Food and the Marine, and land and buildings at the statutory Fishery Harbour Centres. However, the Department does not have a centralised estate management system in place.
- 10.53** The Department's risk register does not contain any risks related to its property portfolio such as risk of encroachment or unregulated occupation of sites. Examination of a sample of the Department's properties found significant errors and omissions in the registrations of title. In addition, a listed forest plot selected for a visit was found not to exist.

- 10.54** The largest category of property currently held by the Department was inherited from the former Land Commission over 20 years ago. Even though most of these lands are bog land and are subject to turbary or grazing rights, the Department does not maintain a register of these rights which means it does not know who has the right of access to these lands and therefore does not have full control over these assets.
- 10.55** Three of the five former Land Commission sites visited had evidence of recent bog cutting. One bog had a third party contractor on site cutting turf with specialised machinery. Another site was unenclosed with seven farmers operating a commonage with turbary and grazing rights on almost all of the 285 hectares of land.
- 10.56** There was no clear evidence that the Department has appropriate control over the exercise of the legal rights by those entitled to do so. The Department stated that it was never the policy of the former Irish Land Commission to manage turbary and grazing rights post allotment/vesting. It is considered appropriate by the Department that the holders of the rights do so themselves.
- 10.57** For one of the laboratories visited, cattle that did not belong to the Department were found to be grazing on a portion of its land with no formal letting agreement in place and no related income. On another site, the examination team identified a Georgian house which was not recorded on either the Department or OPW's asset registers, in which the farm foreman was currently residing. There was no legal arrangement in place for the occupancy. The Department stated that the foreman was expected to reside on site, but this was not documented in his contract of employment.
- 10.58** Another cottage on the same site was identified as being used by staff on a temporary basis. While Department officials stated that the occupancy had been facilitated to prevent the cottage from becoming derelict, there was no clear business purpose or policy in place for its use. The financial audit also found that buildings at Longtown Farm are also occupied by staff of the Department.

Recommendation 10.1

The Department should put a centralised estate management system in place to manage its property portfolio. At a minimum, the system should capture key information on the nature, location, title, scale, condition and use of its property assets.

Accounting Officer's response

Agreed.

The Department will establish a centralised estate management system, capturing the recommended information categories for each property held. However, management of the property portfolio will remain with the expert Divisions across the Department.

Timeline for implementation

Between one and two years (by 2025) as procurement of software may be necessary.

- 10.59** The gaps and weakness in the Department's management of its property portfolio are significant risks that should be captured in its risk register, in order that an assessment can be made of their likely impact and actions identified to mitigate the impact. The examination found that the Department's risk register does not contain any risks in relation to its property portfolio.

Recommendation 10.2

The Department should include as part of its annual risk assessment exercise consideration of the particular risks attached to the management of its property portfolio. Risks identified from this process should be added to its risk register.

Accounting Officer's response

Agreed.

The Department will consider the risks attached to the management of its property portfolio and add them to its risk register.

Timeline for implementation

Between six and nine months (by June 2024). The annual risk assessment will be conducted alongside drafting of annual divisional business plans.

Accounting for land and buildings

10.60 The Department has not determined a valuation basis for the properties in its portfolio and therefore does not report them in its statement of financial position in its annual appropriation account. They are instead listed by way of an appendix to that account.

10.61 The planned incorporation of the financial statements for the fishery harbour centres into the appropriation account increases the Department's requirement for comprehensive valuation and financial reporting of its property assets.

10.62 A comparison of the Department's asset register with that of the OPW found that five of the Department's properties are also recorded on OPW's asset register, which has the potential to result in confusion over responsibilities. There was a significant delay in adding properties at Longtown Farm to the Department's asset register.

10.63 In addition, in the last five years, the Department has identified 24 land plots and buildings that should have been on its asset register. However, these assets were only discovered as a result of external queries such as estate cases or boundary queries. These findings would indicate that the Department's property portfolio listing is neither accurate nor complete.

Recommendation 10.3

The Department should determine a valuation basis for its properties and include them in its statement of financial position in its annual appropriation account.

Accounting Officer's response

Agreed.

The Department notes that financial reporting reforms have been commenced by the Minister for Public Expenditure, National Development Plan Delivery and Reform and a specific accounting standard to cover property, plant and equipment has been developed. This accounting standard will require all departments to value properties and revalue them on a scheduled basis.

The Department has already had initial discussions with Government Accounting Unit in DPENDPDR on the implementation of an appropriate approach to this valuation exercise. The views of some relevant agencies such as Teagasc and Coillte may be of assistance in this process.

Timeline for implementation

For inclusion in the 2024 appropriation account which will be published by end September 2025.

- 10.64** Around 7% of the lands and buildings held by the Department are forest plots. These plots are deemed strategic to Coillte's forest estate and in most cases form part of larger Coillte sites that are being controlled and managed by Coillte. It was agreed in principle in the 1990s that these would transfer to Coillte, and even though a mechanism was devised for transferring these properties to Coillte in 2015, they have not yet all been transferred.
- 10.65** Site visits to three of the Department's listed forest plots found that all three were being fully managed and controlled by Coillte. One listed property comprised two separate sites: one site being part of Coillte's inventory and the other site retained by the Minister, apparently pending transfer to the National Parks and Wildlife Service.

Recommendation 10.4

The Department should complete the transfer of legal title of the forest plots to Coillte as agreed in 2015.

Accounting Officer's response

Agreed.

The Department's intention remains to divest the remaining 33 plots to Coillte as soon as possible. Title issues, registry issues, administrative and technical legal reasons presenting on the remaining sites need to be resolved before the final transfer can take place. The Department is actively assessing these sites with a view to accelerating the process and will review the necessary steps to transfer the remaining sites with Coillte and the Chief State Solicitor's Office.

Timeline for implementation

The Department is conducting a review of these cases. It is not possible to say at this stage how long these transfers will take. Given the land registration issues involved, it may take a number of years to complete all 33 transfers.