

## **Appropriation Account 2018**

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### **Vote 29**

### **Communications, Climate Action and Environment**

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## Introduction

As Accounting Officer for Vote 29, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2018 for the salaries and expenses of the Office of the Minister for Communications, Climate Action and Environment, including certain services administered by that Office and for payment of certain grants.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2018, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2018 out of unspent 2017 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €19.015 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 24 of 2018, have been applied in the preparation of the account, except for the following:

### ***Depreciation***

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

### ***Capital assets***

Land and buildings which are vested in the Minister but are controlled or managed by an outside body are not included as assets of the Department. A schedule of these land and buildings is listed in Appendix A.

### ***Major capital projects and grant programme commitments***

Details of all major capital projects, non-capital and capital grant programmes where the value of the project or programme exceeds €10 million are separately disclosed in note 2.8.

## **Statement on Internal Financial Control**

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

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

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

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

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services. I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department.

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

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

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

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

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. This includes the following elements;

- 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.

**Procurement**

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. In 2018, the Department complied with the guidelines with the exception of five contracts to the value of €8,820,592 (excluding VAT), which were non-compliant with procurement rules as they extended beyond the period permitted under the terms of the original contracts.

- Four contracts (€3,570,592 excluding VAT) relating to expert advisory services for the National Broadband Plan, were extended, following legal advice, beyond the original contract term (at existing terms and rates agreed when the contracts were originally awarded in 2014) without competitive procurement. Having regard to the complexity of the procurement process for this major national infrastructure project, continuity of expertise was critical in the period to contract award; the experience accrued by the incumbent advisors would also have made it very difficult for any other party to compete at that point in the NBP procurement process.
- One concession agreement (€5,250,000 excluding VAT (€1,750,000 of which relates to 2018)) relating to the management and operation of the National Digital Research Centre was extended beyond the original contract term without competitive procurement, to ensure continuity of services pending completion of a formal procurement process

Three further contracts were awarded without competitive tendering processes:

- One contract (€100,000 excluding VAT) for additional services to an existing contractor for ongoing legal services
- One contract (€100,000 excluding VAT) relating to urgent specialist technical expertise due to public safety concerns, and
- One contract (€68,293 excluding VAT) for the supply of security-sensitive IT equipment for the National Cyber Security Centre.

Of the €9,088,885 (excluding VAT) committed in respect of the foregoing non-competitive procurements, an amount of €1,939,356 (excluding VAT) was paid in 2018, with a balance of €7,149,529 (excluding VAT) being carried into 2019.

**Internal audit and audit committee**

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

***Risk and control framework***

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis, while risks relating to key projects are subject to ongoing review. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

***Ongoing monitoring and review***

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

***Review of effectiveness***

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

***Internal financial control issues***

No weaknesses in internal financial control were identified in relation to 2018 that require disclosure in the Appropriation Account.

**Mark Griffin**

Accounting Officer

Department of Communications, Climate Action and Environment

19 September 2019

## **Comptroller and Auditor General**

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

#### **Vote 29 Communications, Climate Action and Environment**

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

I have audited the appropriation account for Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2018 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2018
- 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 Communications, Climate Action and Environment 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 2018.

##### ***Greenhouse gas related financial transactions***

Chapter 9 of my report on the accounts of the public services for 2018 presents an overview of financial transactions related to Ireland's greenhouse gas emissions, the European Emissions Trading System, climate action targets and carbon taxes.

**Seamus McCarthy**  
Comptroller and Auditor General

23 September 2019

## Vote 29 Communications, Climate Action and Environment

### Appropriation Account 2018

	2018		2017
	Estimate provision		Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A Communications			
<i>Current year provision</i>	40,032		
<i>Deferred surrender</i>	1,000		
		41,032	27,515
			31,483
B Broadcasting		255,100	253,105
C Energy		161,052	153,297
D Natural resources			
<i>Current year provision</i>	26,469		
<i>Deferred surrender</i>	200		
		26,669	20,794
			24,785
E Inland fisheries			
<i>Current year provision</i>	33,201		
<i>Deferred surrender</i>	1,200		
		34,401	34,198
			30,318
F Environment and waste management			
<i>Current year provision</i>	65,084		
<i>Deferred surrender</i>	3,600		
		68,684	63,456
			50,639
<b>Gross expenditure</b>			
<i>Current year provision</i>	580,938		
<i>Deferred surrender</i>	6,000		
		<b>586,938</b>	<b>552,365</b>
			<b>502,916</b>
<i>Deduct</i>			
G Appropriations-in-aid		<b>237,855</b>	<b>237,297</b>
			<b>232,412</b>
<b>Net expenditure</b>			
<i>Current year provision</i>	343,083		
<i>Deferred surrender</i>	6,000		
		<b>349,083</b>	<b>315,068</b>
			<b>270,504</b>

**Surplus**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year. €15 million of unspent 2018 capital allocations was carried forward to 2019.

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Surplus	34,014,630	32,259,657
Deferred surrender	(15,000,000)	(6,000,000)
<b>Surplus to be surrendered</b>	<b>19,014,630</b>	<b>26,259,657</b>

**Mark Griffin**

Accounting Officer

Department of Communications, Climate Action and Environment

29 March 2019

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2018

	2018	2017
	€000	€000
Programme cost	521,188	475,795
Pay	23,503	20,510
Non pay	7,674	6,611
<b>Gross expenditure</b>	<b>552,365</b>	<b>502,916</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>237,297</b>	<b>232,412</b>
<b>Net expenditure</b>	<b>315,068</b>	<b>270,504</b>
<b>Changes in capital assets</b>		
Purchases cash	(1,007)	
Depreciation	1,100	
	93	(417)
<b>Changes in net current assets</b>		
Decrease in closing accruals	(575)	
Decrease in stock	73	
	(502)	(498)
<b>Direct expenditure</b>	<b>314,659</b>	<b>269,589</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	15,558	15,584
Notional rents	1,530	1,466
<b>Net programme cost</b>	<b>331,747</b>	<b>286,639</b>

#### 1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

	2018	2017
	€000	€000
Vote 9 Office of the Revenue Commissioners	56	45
Vote 12 Superannuation and Retired Allowances	11,500	10,791
Vote 13 Office of Public Works	3,907	4,648
Vote 18 National Shared Services Office	38	41
Central Fund - Ministerial pensions	57	59
	<b>15,558</b>	<b>15,584</b>

## Note 2 Statement of Financial Position as at 31 December 2018

	Note	2018 €000	2017 €000
<b>Capital assets</b>	2.2	2,439	2,532
<b>Current assets</b>			
Bank and cash	2.3	30,414	10,939
Stocks	2.4	261	334
Prepayments		600	424
Accrued income		560	799
Other debit balances	2.5	122	356
<b>Total current assets</b>		<u>31,957</u>	<u>12,852</u>
<b>Less current liabilities</b>			
Accrued expenses		575	1,213
Other credit balances	2.6	4,824	4,005
Net Exchequer funding due	2.7	25,712	7,290
Deferred income		101	101
<b>Total current liabilities</b>		<u>31,212</u>	<u>12,609</u>
<b>Net current assets</b>		<u>745</u>	<u>243</u>
<b>Net assets</b>		<u><b>3,184</b></u>	<u><b>2,775</b></u>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<u><b>3,184</b></u>	<u><b>2,775</b></u>

### 2.1 State funding account

	Note	2018 €000	2017 €000
Balance at 1 January		2,775	2,822
Disbursements from the Vote			
Estimate provision	Account	349,083	
Deferred surrender	Account	(15,000)	
Surplus to be surrendered	Account	<u>(19,015)</u>	
Net vote		315,068	270,504
Expenditure (cash) borne elsewhere	1	15,558	15,584
Non cash expenditure – notional rent	1	1,530	1,466
Adjustment – historic depreciation		—	(103)
Adjustment – restatement of land & buildings		—	(859)
Net programme cost	1	<u>(331,747)</u>	<u>(286,639)</u>
<b>Balance at 31 December</b>		<u><b>3,184</b></u>	<u><b>2,775</b></u>

## 2.2 Capital assets

	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000
<b>Gross assets</b>				
Cost or valuation at 1 January 2018	1,286	21,617	5,695	28,598
Additions	71	453	483	1,007
Disposals	(10)	(147)	(1)	(158)
Cost or valuation at 31 December 2018	1,347	21,923	6,177	29,447
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2018	1,238	20,408	4,420	26,066
Depreciation for the year	20	499	581	1,100
Depreciation on disposals	(10)	(147)	(1)	(158)
Cumulative depreciation at 31 December 2018	1,248	20,760	5,000	27,008
<b>Net assets at 31 December 2018</b>	<b>99</b>	<b>1,163</b>	<b>1,177</b>	<b>2,439</b>
Net assets at 31 December 2017	48	1,209	1,275	2,532

## 2.3 Bank and cash

Bank and cash represents the balances held at year end in the Department's Paymaster General account.

## 2.4 Stocks

at 31 December	2018	2017
	€000	€000
Geological Survey Ireland	239	323
Stationery	22	11
	<b>261</b>	<b>334</b>

## 2.5 Other debit balances

at 31 December	2018	2017
	€000	€000
Imprests for academic fees	—	94
Salaries of seconded staff	6	79
Gratuities	—	57
Other suspense	116	126
	<b>122</b>	<b>356</b>

**2.6 Other credit balances**

at 31 December	2018	2017
	€000	€000
<b>Amounts due to the State</b>		
Withholding Tax	536	481
Value Added Tax	323	511
Extra Exchequer receipts (note 4.3)	1,257	—
Contributory pension scheme	2	—
PAYE/PRSI	563	752
	<u>2,681</u>	<u>1,744</u>
Suspense (emergency call answering service/payroll deduction)		
ECAS	1,464	—
Payroll	56	—
Other	623	—
	<u>2,143</u>	<u>2,261</u>
	<u><b>4,824</b></u>	<u><b>4,005</b></u>

**2.7 Net Exchequer funding due**

at 31 December	2018	2017
	€000	€000
Surplus to be surrendered	19,015	26,260
Deferred surrender	15,000	6,000
Exchequer grant undrawn	(8,303)	(24,970)
<b>Net Exchequer funding due</b>	<u><b>25,712</b></u>	<u><b>7,290</b></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	30,414	10,939
Debit balances: suspense	122	356
	<u>30,536</u>	<u>11,295</u>
<b>Creditors</b>		
Due to the State	(2,681)	(1,744)
Credit balances: suspense	(2,143)	(2,261)
	<u>(4,824)</u>	<u>(4,005)</u>
	<u><b>25,712</b></u>	<u><b>7,290</b></u>

**2.8 Commitments**

Global commitments	2018	2017
at 31 December	€000	€000
Procurement of goods and services	984	1,413
Grant and capital programmes	102,193	71,019
<b>Total of legally enforceable commitments</b>	<u><b>103,177</b></u>	<u><b>72,432</b></u>

**Major commitments**

(Projects costing €10,000,000 or more)

<b>Programme / project</b>	<b>Cumulative expenditure to 31 December 2017</b>	<b>Expenditure in 2018</b>	<b>Project commitments end 2018</b>	<b>Expected total spend lifetime of project 2018</b>	<b>Expected total spend lifetime of project 2017</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Communications</b>					
National Broadband Plan – Advisory Services	16,471	8,331	6,888	31,690	17,099
National Postcodes	23,234	1,867	5,880	30,981	27,659
National Digital Research Centre	44,689	3,500	3,500	51,689	46,569
<b>Energy</b>					
National energy retrofit programme	450,820	71,347	27,042	549,209	473,545
Electric vehicles	12,515	7,680	3,552	23,747	13,559
Public sector energy efficiency	5,749	13,049	124	18,922	5,749
Ocean energy	29,571	4,392	2,735	36,698	32,883
Renewable energy RD&D	7,180	2,900	6,690	16,770	8,099
<b>Natural resources</b>					
Geoscience initiatives	14,325	1,798	5,880	22,003	18,435
Geoscience research awards	11,845	1,572	3,813	17,230	16,049
INFOMAR <sup>a</sup>	43,059	4,184	14,300	61,543	53,091
Tellus <sup>b</sup>	13,625	2,399	7,451	23,475	22,575
	<b>673,083</b>	<b>123,019</b>	<b>87,855</b>	<b>883,957</b>	<b>735,312</b>

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

<sup>b</sup> Tellus is a national survey programme which gathers geophysical and geochemical data across Ireland via airborne geophysical surveying using a low-flying aircraft and ground-based geochemical surveying of soil, stream water and stream sediment.

**Significant variations**

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

<b>Programme / Project</b>	<b>Amount of increase/decrease €000</b>	<b>Explanation</b>
<i>Communications</i>		
National Broadband Plan – Advisory services	14,591	The increase of €14.591 million in the expected total spend is due to additional expenditure and commitments on advisory services due to the extended duration of the NBP procurement process.
National Postcodes	3,322	The increase of €3.322 million reflects increased commitments and expenditure in relation to the Eircodes project.
National Digital Research Centre	5,120	The increase reflects additional expenditure and commitments due to the extension of the concession agreement to end 2019
<i>Energy</i>		
National energy retrofit programme	75,664	The increase reflects the growth in demand for grants under the Better Energy Programme
Electric vehicles	10,188	The increase is due to additional expenditure and commitments on grants for electric vehicles
Public sector energy efficiency	13,173	This new project commenced in 2017 following the publication of the Public Sector Energy Efficiency Strategy, and supports public sector bodies to achieve 33% energy efficiency.
Ocean energy	3,815	The increase is due to increased financial support for a number of research projects
Renewable energy RD&D	8,671	The increase is due to the introduction of multi-annual capital arrangements for research projects
<i>Natural resources</i>		
Geoscience Initiatives	3,568	The increase is due to additional expenditure and commitments under geoscience initiatives
Geoscience research awards	1,181	The increase is due to increased commitments under the Griffith Fellowship Scheme
INFOMAR	8,452	The increase reflects the costs and commitments associated relating to the INFOMAR survey programme
Tellus	900	The increase reflects increased commitments relating to the next phase (Ground Surveying) of the Tellus mapping programme.

## 2.9 Land remediation

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### Avoca Mine Site

A multi-disciplinary team was appointed in December 2013 for three years to provide specialist design, procurement and project management services to oversee a project to address the priority public health and safety works. In 2016, the capping and regrading of the spoil heaps at Tigroney West was undertaken together with capping and making safe a number of shafts at other locations. During 2017, the remainder of the capital work of the first phase was completed, health and safety measures were implemented across the site and the drainage network across the capped area was completed. The spend for 2018 amounted to €0.25 million, bringing the total cost of the project to €3.78 million. It is now proposed to build on the original feasibility study and develop an overall remediation project plan for the site during 2019.

### Silvermines

A provision of €0.4 million was made available in 2018 in respect of land acquisition and contingencies that may have arisen from ongoing environmental monitoring designed to detect any changes at the Silvermines site. No expenditure was incurred in 2018 and a similar provision has been made available for 2019. Future funding will be provided to cover any additional costs that may arise.

### Environmental Monitoring at Avoca and Silvermines

Essential specialist monitoring cost €0.16 in 2018 (2017: €1 million). It is estimated that an additional amount of €0.16 million will be required for 2019 and 2020 in respect of continued monitoring of the Avoca and Silvermines sites. This monitoring is to ensure that no significant change in conditions occurs at either of the sites without detection.

## 2.10 Cyber security

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The Department is responsible for cyber security policy in Ireland and for coordinating the governmental emergency response to any national level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre. Expenditure relating to Cyber Security is reported under the Communications Programme.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Cyber security	2,072	2,107

## 2.11 Contingent liabilities

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There is potential for financial liabilities to arise in 2019 and subsequent years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

### Note 3 Vote Expenditure

#### Analysis of administration expenditure

	2018		2017
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i Salaries, wages and allowances	25,755	23,503	20,510
ii Travel and subsistence	942	979	841
iii Training and development and incidental expenses	1,389	1,221	952
iv Postal and telecommunications services	600	370	431
v Office equipment and external IT services	3,244	2,640	2,297
vi Office premises expenses	963	830	763
vii Consultancy services and value for money and policy reviews	1,801	1,417	1,083
viii Equipment, stores and maintenance	296	217	244
	<b>34,990</b>	<b>31,177</b>	<b>27,121</b>

#### Significant variations

Administration expenditure has been apportioned across the programmes, to present complete programme costings. The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

#### iv Postal and telecommunications services

Estimate provision: €600,000, outturn: €370,000

The savings of €230,000 relative to the estimate provision reflects the Department's ongoing efforts to reduce administrative costs.

**Programme A Communications**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	6,668	6,085	4,471
A.2	Administration – non pay	1,588	1,340	1,141
A.3	Information and communications technology programme	19,040	11,182	15,024
A.4	Multimedia developments	4,522	4,521	5,604
A.5	Information society			
	<i>Current year provision</i>	7,714		
	<i>Deferred surrender</i>	<u>1,000</u>		
		8,714	4,387	5,243
A.6	Other capital (incl. capital contingency)	500	—	—
		<b>41,032</b>	<b>27,515</b>	<b>31,483</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €13.517 million lower than provided. €831,000 of this related to administration expenditure and the balance of the variance of €12.686 million was mainly due to the following:

**A.3 Information and communications technology programme**

Estimate provision: €19.04 million, outturn: €11.182 million

The savings of €7.858 million relative to the estimate provision was due, in the main, to a delay in the rollout of the National Broadband Plan as a result of the extended duration of the complex procurement process for this State-led intervention project.

**A.5 Information society**

Estimate provision: €8.714 million, outturn: €4.387 million

The savings of €4.327 million relative to the estimate provision was due, in the main, to lower than anticipated expenditure in respect of the demand-led Trading Online Voucher Scheme (€2.05 million), and the National Cyber Security Centre (€1.46 million).

**A.6 Other capital**

Estimate provision: €500,000, outturn: Nil

The savings of €500,000 relative to the estimate provision arose as the capital contingency funds were not required in 2018.

**Programme B Broadcasting**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	1,138	1,038	902
B.2	Administration – non pay	287	243	381
B.3	Grant to Raidió Telefís Éireann in respect of broadcasting licence fees	190,724	188,567	184,801
B.4	Payment to An Post for collection of broadcasting licence fees	12,457	11,969	11,916
B.5	Deontas i leith Theilifís na Gaeilge	35,790	36,775	34,240
B.6	Broadcasting Fund	14,704	14,513	14,073
B.7	RTÉ spectrum	—	—	7,976
		<b>255,100</b>	<b>253,105</b>	<b>254,289</b>

**Programme C Energy**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	4,765	4,348	4,594
C.2	Administration — non pay	1,718	1,435	1,336
C.3	Sustainable Energy Authority of Ireland - administration and general expenses	10,870	11,017	8,579
C.4	Sustainable energy programmes	134,068	127,778	90,118
C.5	Energy research programmes	9,300	8,433	6,505
C.6	Gas services	41	39	23
C.7	Subscriptions to international organisations	290	247	247
		<b>161,052</b>	<b>153,297</b>	<b>111,402</b>

**Significant variations**

Overall, the expenditure in relation to Programme C was €7.755 million lower than provided. €700,000 of this related to administration expenditure and the balance of the variance of €7.055 million was mainly due to the following:

**C.4 Sustainable energy programmes**

Estimate provision: €134.068 million, outturn: €127.778 million

The savings of €6.29 million relative to the estimate provision relates mainly to the delayed launch of the second phase of the Support Scheme for Renewable Heat.

**C.5 Energy research programmes**

Estimate provision: €9.3 million, outturn: €8.433 million

The savings of €867,000 relative to the estimate provision was due to reduced activity on the Ocean Energy Programme owing to a judicial review on the Galway test bed site.

**Programme D Natural Resources**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
D.1	Administration – pay		6,225	5,681
D.2	Administration – non pay		3,300	2,657
D.3	Petroleum services			
	<i>Current year provision</i>	504		
	<i>Deferred surrender</i>	<u>200</u>		
			704	342
D.4	Mining services		3,750	915
D.5	GSI services		12,555	11,081
D.6	Subscriptions to international organisations		135	118
			<u>26,669</u>	<u>20,794</u>
				<u>24,785</u>

**Significant variations**

Overall, the expenditure in relation to Programme D was €5.875 million lower than provided. €1.187 million of this related to administration expenditure and the balance of the variance of €4.688 million was mainly due to the following:

**D.3 Petroleum services**

Estimate provision: €704,000, outturn: €342,000

The savings of €362,000 relative to the estimate provision was due (1) to lower than expected contributions to the vote neutral Petroleum Infrastructure Programme Fund due to a reduction in the number of frontier licences held and (2) a delay in the procurement process relating to the digitisation of petroleum archives.

**D.4 Mining services**

Estimate provision: €3.75 million, outturn: €915,000

The savings of €2.835 million relative to the estimate provision relates to (1) lower than expected compensation payments made to private land owners as a result of less than anticipated extraction activity by mining companies, and legal delays in settling compensation cases, (2) delays in relation to remediation works at Avoca and (3) delays in acquiring a site as part of the rehabilitation of Silvermines.

**D.5 GSI services**

Estimate provision: €12.555 million, outturn: €11.081 million

The savings of €1.474 million relative to the estimate provision was due to a delayed start to the Tellus Airborne Survey Programme.

**Programme E Inland Fisheries**

		2018		2017
		Estimate provision	Outturn	Outturn
		€000	€000	€000
E.1	Administration - pay		814	743
E.2	Administration - non pay		500	405
E.3	Inland fisheries			
	<i>Current year provision</i>	31,887		
	<i>Deferred surrender</i>	1,200		
			33,087	33,050
			<b>34,401</b>	<b>34,198</b>
				<b>29,243</b>
				<b>30,318</b>

**Programme F Environment and Waste Management**

		2018		2017	
		Estimate provision		Outturn	
		€000	€000	€000	
F.1	Administration – pay		6,145	5,608	3,938
F.2	Administration – non pay		1,842	1,594	1,298
F.3	Environmental Protection Agency				
	<i>Current year provision</i>	34,800			
	<i>Deferred surrender</i>	2,600			
			37,400	35,303	32,002
F.4	Carbon Fund		800	599	431
F.5	International climate change commitments		2,500	4,500	2,500
F.6	Landfill remediation		11,000	10,250	5,721
F.7	Climate Initiatives				
	<i>Current year provision</i>	2,850			
	<i>Deferred surrender</i>	1,000			
			3,850	1,208	613
F.8	Subscriptions to international organisations		3,000	2,971	2,778
F.9	National dialogue		—	—	—
F.10	Waste campaign		1,600	1,423	1,358
F.11	Other services		547	—	—
			<b>68,684</b>	<b>63,456</b>	<b>50,639</b>

**Significant variations**

Overall, the expenditure in relation to Programme F was €5.228 million lower than provided. €785,000 of this related to administration expenditure and the balance of the variance of €4.443 million was mainly due to the following:

*F.3 Environmental Protection Agency*

Estimate provision: €37.4 million, outturn: €35.303 million

The savings of €2.097 million relative to the estimate provision was due to the timing of the final drawdown request.

*F.4 Carbon fund*

Estimate provision: €800,000, outturn: €599,000

The savings of €201,000 relative to the estimate provision was due to a lower than expected contribution required under the Bio-Carbon Fund. The Fund is administered by the World Bank and contributions are agreed on an annual basis. The World Bank's fiscal year runs from July to June and therefore it is not possible to anticipate in advance the precise funding required for the following year's contribution to the Fund.

*F.5 International climate change commitments*

Estimate provision: €2.5 million, outturn: €4.5 million

The increase in expenditure of €2 million relative to the estimate provision was due to increased contributions in respect of two UN Conventions relating to climate change. Contributions were made to the UN Convention to Combat Desertification which supports the further development of climate adaptation initiatives in Africa (€1.2 million) and to the UNFCCC Trust Fund for Supplementary Activities which supports gender responsive climate action (€800,000).

*F.6 Landfill remediation*

Estimate provision: €11 million, outturn: €10.25 million

The savings of €750,000 relative to the estimate provision was due to delayed progress on a small number of remediation projects.

*F.7 Climate initiatives*

Estimate provision: €3.85 million, outturn: €1.208 million

The savings of €2.642 million relative to the estimate provision was due to (1) delays in concluding contractual arrangements with external research organisations under the Technical Research and Modelling group and (2) lower than expected operational costs relating to the Climate Action Regional Offices.

*F.10 Waste campaign*

Estimate provision: €1.6 million, outturn: €1.423 million

The savings of €177,000 relative to the estimate provision was due to the late receipt of invoices.

*F.11 Other services*

Estimate provision: €547,000 outturn: €Nil

The savings of €547,000 relative to the estimate provision arose as the contingency funds were not required in 2018.

## 4 Receipts

### 4.1 Appropriations-in-aid

	2018		2017
	Estimate provision	Realised	Realised
	€000	€000	€000
1 Proceeds of fines in respect of inland fishery offences	50	13	10
2 Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	8,795	10,630	11,333
3 Petroleum Infrastructure Support Group	437	332	349
4 Broadcasting licence fees	222,130	219,295	215,035
5 Geological Survey Ireland income	300	704	293
6 Rent on properties in GPO	223	204	215
7 Miscellaneous receipts (note 4.2)	1,070	1,190	1,153
8 Pension contribution from agencies	732	832	368
9 Receipts from pension-related deduction on public service remuneration	4,118	4,097	3,656
<b>Total</b>	<b>237,855</b>	<b>237,297</b>	<b>232,412</b>

#### Significant variations

Overall, appropriations-in-aid were €558,000 less than the estimate.

Explanations for significant variances are set out below

- 2 *Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960*  
 Estimate provision: €8.795 million, outturn: €10.63 million  
 The increase of €1.835 million was due to increased extraction rates of State-owned minerals by mining companies, resulting in higher than expected royalties being paid to the Department.
- 3 *Petroleum Infrastructure Support Group*  
 Estimate provision: €437,000, outturn: €332,000  
 The shortfall of €105,000 was due to lower than expected contributions from holders of frontier exploration licences.
- 5 *Geological Survey Ireland income*  
 Estimate provision: €300,000, outturn: €704,000  
 The increase of €404,000 was due to the approval and receipt of grant income under a number of new EU-funded projects.
- 7 *Miscellaneous*  
 Estimate provision: €1.07 million, outturn: €1.19 million  
 The increase of €120,000 was due to higher than expected costs recouped from other bodies.
- 8 *Pension contributions from agencies*  
 Estimate provision: €732,000, outturn: €832,000  
 The increase of €100,000 was due to the delayed receipt in 2018 of 2017 contributions from agencies.

**4.2 Miscellaneous receipts**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Costs recovered from other bodies	234	100
Royalties in respect of metropolitan area networks	877	878
Other	79	175
<b>Total</b>	<b><u>1,190</u></b>	<b><u>1,153</u></b>

**4.3 Extra receipts payable to the Exchequer**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Balance on 1 January	—	100
Receipts from emissions trading scheme <sup>a</sup>	140,813	52,298
Galway Mayo telecommunications duct	96	114
EU Carbon Fund	98	—
Voluntary surrender of Ministerial salaries	16	—
Transferred to the Exchequer	<u>(141,023)</u>	<u>(52,512)</u>
Balance at 31 December	<u>—</u>	<u>—</u>

Note <sup>a</sup> Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading System (ETS) in 2018 amounted to €142.07 million. €1.26 million is deducted for the Environmental Protection Agency's administrative expenses, resulting in a net receipt of €140.81 million for return to the Exchequer.

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers (full time equivalents)

Number of staff at year end	2018	2017
Department	395	374
Agencies <sup>a</sup>	1,098	1,045
	<b>1,493</b>	<b>1,419</b>

Note <sup>a</sup> The agencies included here are the Digital Hub Development Agency, Sustainable Energy Authority of Ireland, Inland Fisheries Ireland, the Loughs Agency and the Environmental Protection Agency. Agency pay details following relate to the same agencies.

### 5.2 Pay

Remuneration of all staff (Department and agencies)	2018	2017
	€000	€000
Pay	67,535	61,967
Higher, special or additional duties allowance	239	276
Other allowances	1,464	1,389
Overtime	53	53
Employer's PRSI	6,047	5,533
<b>Total pay</b>	<b>75,338</b>	<b>69,218</b>

Note The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, C.1, C.3, D.1, E.1, E.3, F.1 and F.3. These figures include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (Circular 17/2013).

### 5.3 Department staff

	2018	2017
	€000	€000
Pay	21,670	18,997
Higher, special or additional duties allowance	58	57
Other allowances	106	63
Overtime	30	30
Employer's PRSI	1,639	1,363
<b>Total pay</b>	<b>23,503</b>	<b>20,510</b>

**Allowances and overtime payments**

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	21	1	17,124	16,597
Other allowances	12	2	19,424	20,614
Overtime	30	—	3,076	8,091
Extra remuneration in more than one category	4	—	7,677	10,913

**5.4 Agency staff**

	2018	2017
	€000	€000
Pay	45,865	42,970
Higher, special or additional duties allowance	181	219
Other allowances	1,358	1,326
Overtime	23	23
Employer's PRSI	4,408	4,170
<b>Total pay</b>	<b>51,835</b>	<b>48,708</b>

**Allowances and overtime payments**

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2018	2017
			€	€
Higher, special or additional duties	38	—	9,120	10,971
Other allowances	328	1	11,500	10,000
Overtime	17	—	3,000	4,000
Extra remuneration in more than one category	47	1	11,000	9,589

**5.5 Other remuneration arrangements**

Three public sector workers in receipt of public sector pensions were re-engaged on a contract basis at a total cost of €93,338. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €545,779 in respect of nine officers who were serving outside the Department for all or part of 2018 and whose salaries were paid by the Department.

### **5.6 Payroll overpayments**

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Overpayments at year end were €120,744 (38 individuals) (2017: €103,990, 29 individuals) of which €86,557 (17 individuals) have recovery plans in place (2017: €69,386, 12 individuals).

### **5.7 Severance/redundancy**

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During 2018, four ministerial staff members whose employment was terminated were paid redundancy payments totalling €10,308 and severance payments totalling €49,309.

## Note 6 Miscellaneous

### 6.1 Compensation and legal costs

	Number of cases	Legal costs paid by Department €000	Compensation awarded €000	Legal costs awarded €000	2018 Total €000	2017 Total €000
Claims by:						
External organisations / individuals	1	—	—	155	155	—

### 6.2 EU Funding

The outturn shown in the subheads below includes payments in respect of activities which are co-financed by the EU. Estimates of expenditure and actual outturns were as follows;

	2018		2017
	Estimate €000	Outturn €000	Outturn €000
C.4 Sustainable energy programmes	134,068	127,778	90,118
D.4 Mining services	—	—	1,488
D.5 GSI services	12,555	11,081	14,789
E.3 Inland Fisheries	—	—	29,243
<b>Total</b>	<b>146,623</b>	<b>138,859</b>	<b>135,638</b>

EU funding of €795,979 was received in 2018 in respect of activities funded through subheads C.4 and D.5, of which €460,361 is recorded as appropriations-in-aid and €335,618 was credited to suspense.

The income was received in appropriations-in-aid subheads G.5 Geological Survey of Ireland Income (€368,107) and G.7 Miscellaneous Income (€92,254).

## Note 7 Miscellaneous Accounts

### 7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2018.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	6,211	6,358
Receipts	335	482
Payments	(628)	(629)
Balance at 31 December	<u><b>5,918</b></u>	<u><b>6,211</b></u>

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by Petroleum Affairs Division. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead D.3.

The Fund is administered by the Petroleum Affairs Division of the Department.

### 7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2018.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	31,810	31,810
Receipts	—	—
Investments	(10,842)	—
Balance at 31 December	<u><b>20,968</b></u>	<u><b>31,810</b></u>

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are to (i) support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (ii) promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Revenue Levy Fund to the EENF. Funding is invested in a qualifying investor fund (QIF), authorised and regulated by the Central Bank of Ireland. The State funding is matched by private sector funding. The Minister, along with other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on the QIF's performance.

The total investment and set up costs met by the State to 31 December 2018 is €14.03 million, leaving a balance remaining in the Fund at that date of €20.97 million. At 31 December 2018, the State's investment in the QIF was valued at €11.81 million (2017: €1.45 million)

## Appendix A Schedule of land and buildings

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The Minister owns the following General Post Office (GPO) properties:

- 1 GPO Building
- 2 GPO Arcade
- 3 1-6 Post Office Buildings
- 4 24-30 Henry Street

These properties are managed under leases and/or licences granted by the State.

The Minister owns the Galway Fishery in Galway City and the Owenea/Owentocker Fishery in Co. Donegal, both of which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

## Appendix B Accounts of bodies and funds under the aegis of the Department of Communications, Climate Action and Environment

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

Body/ departmental fund	Year	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
An Post	2017	5 Apr 2018	6 Apr 2018	21 May 2018
Commission for Communications Regulation <sup>1</sup>	2017	29 Mar 2018	13 Apr 2018	31 May 2018
Digital Hub Development Agency <sup>2</sup>	2017	19 Dec 2018	14 Mar 2019	—
Broadcasting Authority of Ireland	2017	29 Jun 2018	12 Sep 2018	21 Nov 2018
RTÉ	2017	26 Apr 2018	1 May 2018	26 Jun 2018
TG4	2017	11 May 2018	6 Jun 2018	2 Aug 2018
Bord na Móna	2018	27 Jun 2018	27 Jun 2018	23 Jul 2018
Commission for the Regulation of Utilities	2017	16 Jul 2018	10 Sep 2018	7 Feb 2019
Eirgrid <sup>3</sup>	2017	22 Dec 2017	11 Feb 2018	21 May 2018
ESB	2018	1 Mar 2019	2 Mar 2019	20 Mar 2019
Irish National Petroleum Corporation	2017	27 Feb 2018	8 Mar 2018	23 May 2018
National Oil Reserves Agency	2017	29 Jun 2018	29 Jun 2018	26 Jul 2018
Sustainable Energy Authority of Ireland	2017	29 Jun 2018	30 Jun 2018	10 Aug 2018
Inland Fisheries Ireland <sup>2</sup>	2017	18 Dec 2018	2 Jan 2019	—
Loughs Agency	2017	16 Aug 2018	23 Nov 2018	19 Mar 2019
Environmental Protection Agency	2017	21 Dec 2018	24 Jan 2019	12 Mar 2019
Environment Fund	2017	3 Dec 2018	3 Dec 2018	18 Dec 2018

Note <sup>1</sup> Period of account 1 July 2016 to 30 June 2017

<sup>2</sup> Annual report and accounts for 2017 not yet laid before the Oireachtas

<sup>3</sup> Period of account 1 October 2016 to 30 September 2017