

Appropriation Account 2020

Vote 42

Rural and Community Development

Introduction

As Accounting Officer for Vote 42, 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 Rural and Community Development, including certain services administered by that Office and for the payment of grants.

The expenditure outturn is compared with the sums 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.

A surplus of €5.521 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 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 21 of 2020, have been applied in the preparation of the account, except the following:

Valuation of capital assets

As provided for in Circular 21 of 2020, the Department has applied a threshold of €1,000 for the capitalisation of its capital assets.

Payments to Pobal

Funds are advanced to Pobal in relation to the delivery of certain programmes on an agency basis. The total amount paid to Pobal in the year was charged against the relevant subheads in the year (see Note 6.3).

Transfer of functions

The formal transfer of responsibility for the development of the offshore Islands transferred from the Minister for Culture, Heritage and the Gaeltacht to the Minister for Rural and Community Development, under SI 379/2020 Islands (Transfer of Department Administration and Ministerial Functions) Order 2020 with effect from 23 September 2020.

This appropriation account has been prepared on a full-year basis (i.e. with effect from 1 January 2020) and follows the form and format of the Vote for Rural and Community Development as presented in the *Revised Estimates for Public Services 2020*. It reflects the Islands-related transactions on a full-year basis.

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 of Rural and Community Development.

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

Payroll and human resource functions are being provided on a shared services basis by the National Shared Services Office (Vote 18).

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 the National Shared Services Office that the appropriate controls are exercised in the provision of human resources and payroll shared services to this Department.

Financial shared services are provided by the Financial Shared Service Centre of the Department of Justice (Vote 24). I have fulfilled my responsibilities in relation to the requirements of the service management agreement between the Department and the Financial Shared Service Centre of the Department of Justice.

I rely on a letter of assurance from the Accounting Officer of the Justice Vote that the appropriate controls are exercised in the provision of financial shared services to my 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.
- There are systems in place to safeguard the assets of the Department.

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
- the Office of the Government Chief Information Officer (OGCIO) has a delegated responsibility for ensuring the security of ICT under a memorandum of understanding
- there are appropriate capital investment control guidelines in place.

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. 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. As part of the continued development of the internal audit function, it will be periodically reviewed by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Compliance with procurement rules

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

The Department complied with these guidelines in 2020.

It is the policy of this Department to avail of all centrally available frameworks as soon as they come on stream and to engage with the Office of Government Procurement in relation to more specific requirements. Controls remain in place to ensure compliance in this area.

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

A Risk Committee is also in place to oversee the system of risk management and its implementation. The Committee includes all members of the Management Board and meets on a quarterly basis. The risk register is reviewed and updated at each quarterly meeting.

The outcome of these assessments are used to plan and allocate resources to ensure risks are managed to an acceptable level.

Ongoing monitoring and review

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

Review of effectiveness

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

Covid-19 pandemic

Assessments of the impact of Covid-19 were carried out in early March and on an ongoing basis throughout 2020, which included presentations to the Audit Committee. Informed by these assessments the financial administrative procedures were amended to ensure that payments processing could continue in a remote working environment, and that the effectiveness of internal financial controls was maintained in the new working environment. Under the Departments risk and control framework, management carried out risk assessment of the impact of the Covid-19 pandemic on the control environment, and I confirm that the controls, both existing and those introduced as a result of the pandemic, continue to be effective. The Department was provided with significant voted money to assist in the Government response to the pandemic, including an initial €27 million under the B.X Dormant Accounts – Covid Supports sub-head. This mainly funded the Covid-19 Stability Fund and a supplementary estimate subsequently increased this provision to €37 million. In total, the Department incurred expenditure of €64.908 million on Covid related supports in 2020.

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. The Department will continue to apply a strong focus on the operation and continuous review of internal financial controls in 2021.

Kevin McCarthy
Accounting Officer
Department of Rural and Community Development

29 March 2021

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 42 Rural and Community Development

Opinion on the appropriation account

I have audited the appropriation account for Vote 42 Rural and Community Development 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 42 Rural and Community Development 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 Rural and Community Development 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*.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

16 September 2021

Vote 42 Rural and Community Development

Appropriation Account 2020

		2020	2019
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme expenditure			
A	Rural Development and Regional Affairs		
	<i>Original</i>	171,129	
	<i>Supplementary</i>	(570)	
		170,559	152,735
B	Community Development		
	<i>Original</i>	189,096	
	<i>Supplementary</i>	10,571	
		199,667	202,511
C	Charities Regulatory Authority	4,606	4,172
			3,870
Gross expenditure			
	<i>Original</i>	364,831	
	<i>Supplementary</i>	10,001	
		374,832	359,418
	<i>Deduct</i>		
D	Appropriations-in-aid		
	<i>Original</i>	71,390	
	<i>Supplementary</i>	10,000	
		81,390	84,677
Net expenditure			
	<i>Original</i>	293,441	
	<i>Supplementary</i>	1	
		293,442	274,741

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. €13.18 million of unspent allocations in respect of the capital elements of subhead A.4 rural supports and A.8 rural regeneration and development was carried forward to 2021.

	2020	2019
	€	€
Surplus	18,701,021	10,303,538
Deferred surrender	(13,180,000)	—
Surplus to be surrendered	5,521,021	10,303,538

Kevin McCarthy
Accounting Officer
Department of Rural and Community Development

29 March 2021

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2020

	2020	2019
	€000	€000
Programme cost	349,096	279,929
Pay	9,318	8,755
Non pay	1,004	1,999
Gross expenditure	359,418	290,683
<i>Deduct</i>		
Appropriations-in-aid	84,677	40,305
Net expenditure	274,741	250,378
Changes in capital assets		
Purchases cash	(137)	
Depreciation	137	(48)
Changes in net current assets		
Decrease in closing accruals	(17,900)	(25,229)
Increase in stock	(5)	—
Direct expenditure	256,836	225,101
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	1,984	1,932
Net programme cost	258,820	227,033

1.1 Net allied services expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 42 borne elsewhere.

	2020	2019
	€000	€000
Vote 9 Office of the Revenue Commissioners	12	—
Vote 11 Department of Public Expenditure and Reform	—	131
Vote 12 Superannuation and Retired Allowances	328	363
Vote 13 Office of Public Works	1,111	1,091
Vote 18 National Shared Services Office	21	18
Vote 24 Justice	337	329
Vote 43 Office of the Government Chief Information Officer	175	—
	1,984	1,932

Note 2 Statement of Financial Position as at 31 December 2020

	Note	2020 €000	2019 €000
Capital assets	2.1	10,697	388
Current assets			
Bank and cash		15,825	300
Stocks		5	—
Prepayments	2.2	48,850	28,349
Other debit balances	2.3	207	309
Accrued income	2.5	9,117	11,931
Total current assets		74,004	40,889
Less current liabilities			
Accrued expenses		22	235
Net Exchequer funding	2.4	15,414	(45)
Other credit balances	2.6	618	654
Total current liabilities		16,054	844
Net current assets		<u>57,950</u>	<u>40,045</u>
Net assets		<u>68,647</u>	<u>40,433</u>
Represented by:			
State funding account	2.7	<u>68,647</u>	<u>40,433</u>

2.1 Capital assets

	Buildings	IT and office equipment	Furniture and fittings	Total
	€000	€000	€000	€000
Gross assets				
Cost or valuation at 1 January 2020	—	873	211	1,084
Additions	5	133	—	138
Transfer in ^a	11,597	—	—	11,597
Disposals	—	—	(1)	(1)
Cost or valuation at 31 December 2020	11,602	1,006	210	12,818
Accumulated depreciation				
Opening balance at 1 January 2020	—	672	24	696
Depreciation for the year	39	77	21	137
Depreciation accumulated for transfer in	1,289	—	—	1,289
Depreciation on disposals	—	—	(1)	(1)
Cumulative depreciation at 31 December 2020	1,328	749	44	2,121
Net assets at 31 December 2020	10,274	257	166	10,697
Net assets at 31 December 2019	—	201	187	388

Note ^a Assets transferred from Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media as a result of a transfer of functions in relation to the Islands. This is reflected in the State funding account (see note 2.7).

2.2 Prepayments

at 31 December	2020	2019
	€000	€000
Rural regeneration and development	27,945	16,929
Town and village renewal	8,760	8
Library development and archive service	3,907	5,935
Regional economic development	2,449	1,946
Community Services Programme	2,420	—
Rural supports	1,494	1,642
Leader – rural economy sub programme	1,242	1,252
Dormant accounts measures	472	—
Local community development committees	85	—
Administration	76	180
Supports for community and voluntary sector	—	457
	48,850	28,349

2.3 Other debit balances

at 31 December	2020	2019
	€000	€000
Travel pass schemes	5	62
Leader- food initiative	—	215
Salary suspense	202	22
Office of Public Works	—	10
	<u>207</u>	<u>309</u>

2.4 Net Exchequer funding

at 31 December	2020	2019
	€000	€000
Surplus to be surrendered	5,521	10,304
Deferred surrender	13,180	—
Exchequer grant undrawn	(3,287)	(10,349)
Net Exchequer funding	<u>15,414</u>	<u>(45)</u>

Represented by:**Debtors**

Bank and cash	15,825	300
Debit balances: suspense	207	299
	<u>16,032</u>	<u>599</u>

Creditors

Credit balances: suspense	(618)	(644)
	<u>(618)</u>	<u>(644)</u>

	<u>15,414</u>	<u>(45)</u>
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2.5 Accrued income

at 31 December	2020	2019	
	€000	€000	
Subhead	Description		
A.5	Leader – rural economy sub programme	6,816	6,613
A.4	Rural supports (local improvement schemes)	—	20
B.8	Programme for Peace and Reconciliation	2,301	5,276
C.3	Charities Regulatory Authority	—	22
		<u>9,117</u>	<u>11,931</u>

2.6 Other credit balances

at 31 December	2020	2019
	€000	€000
Amounts due to the State		
Income tax	199	171
Pay related social insurance	94	84
Professional services withholding tax	26	97
Value added tax	16	13
	<u>335</u>	<u>365</u>
Tidy towns	230	230
Other	53	59
	<u>618</u>	<u>654</u>

2.7 State funding account

	Note	2020	2019
		€000	€000
Balance at 1 January		40,433	15,156
Disbursements from the Vote			
Estimate provision	Account	293,442	260,682
Deferred surrender		(13,180)	—
Surplus to be surrendered	Account	<u>(5,521)</u>	<u>(10,304)</u>
Net vote		274,741	250,378
Expenditure (cash) borne elsewhere	1.1	1,984	1,932
Non-cash items – capital assets transferred	2.1	10,309	—
Net programme cost	1	<u>(258,820)</u>	<u>(227,033)</u>
Balance at 31 December		<u>68,647</u>	<u>40,433</u>

2.8 Commitments

a) Global commitments		
at 31 December	2020	2019
	€000	€000
Procurement of goods and services	61	237
Non-capital grant programmes	106,703	110,497
Capital grant programmes	191,459	232,283
Total of legally enforceable commitments	298,223	343,017
b) Non-capital grant programmes		
	2020	2019
	€000	€000
Opening balance	110,497	42,564
Grants paid in the year	(188,823)	(136,966)
New grant commitments	185,029	204,899
Closing balance	106,703	110,497
c) Capital grant programmes		
	2020	2019
	€000	€000
Opening balance	232,283	241,795
Grants paid in the year	(154,232)	(137,729)
New grant commitments	113,408	128,217
Closing balance	191,459	232,283

2.9 Contingent liabilities

The Department is involved in a pending legal proceeding 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	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	9,600	9,318	8,755
ii	Travel and subsistence	250	129	455
iii	Training and development and incidental expenses	764	325	777
iv	Postal and telecommunications services	165	146	66
v	Office equipment and external IT services	485	320	258
vi	Office premises expenses	363	64	214
vii	Consultancy and value for money and policy reviews	330	20	229
viii	Research	100	—	—
		12,057	10,322	10,754

Significant variations

The following note presents 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 €250,000; outturn €129,000

The shortfall in expenditure of €121,000 on expenditure on travel and subsistence was due to reductions in the level of travel due to public health restrictions and increased use of online meeting facilities.

iii Training and development and incidental expenses

Estimate provision €764,000; outturn €325,000

The shortfall in expenditure of €439,000 relative to the estimate was due to the pandemic impacting on training and development opportunities and also on incidental expenses. The latter are variable in nature and were less than anticipated.

v Office equipment and external IT services

Estimate provision €485,000; outturn €320,000

The shortfall in expenditure of €165,000 relative to the estimate provision was due to lower than an anticipated expenditure on office equipment and IT services. While additional costs arose in response to the Covid-19 pandemic, significant savings were made due to delays in commencing work on planned new systems for grant application and management, giving rise to overall savings of €165,000.

vi Office premises expenses

Estimate provision €363,000; outturn €64,000

The shortfall in expenditure of €299,000 relative to the estimate provision was due to expenditure on office premises and facilities in both Ballina and Trinity Point sites being less than anticipated due to continuing delays in planned upgrades due to the impact of the Covid-19 public health restrictions.

vii Consultancy and value for money and policy reviews

Estimate provision €330,000; outturn €20,000

The shortfall in expenditure of €310,000 relative to the estimate provision was as a result of delays in procurement of some consultancies, the award of other consultancies late in the year and the pandemic impacting on use of consultants.

viii Research

Estimate provision €100,000; outturn €nil

The shortfall in expenditure of €100,000 relative to the estimate provision relates to changed timelines for delivery of a multi-annual research project.

Programme A Rural Development and Regional Affairs

		2020		2019	
		Estimate provision		Outturn	
		€000	€000	€000	
A.1	Administration – pay		5,276	5,218	4,902
A.2	Administration – non pay		1,206	572	1,123
A.3	Western Development Commission		2,049	1,969	2,015
A.4	Rural supports ^a				
		<i>Original</i>	20,343		
		<i>Supplementary</i>	(570)		
			19,773	18,702	23,867
A.5	Leader – rural economy sub programme		40,000	45,439	45,188
A.6	Tidy Towns Competition		1	—	1
A.7	Regional economic development		2,670	3,374	2,071
A.8	Rural regeneration and development ^b		88,000	67,996	31,285
A.9	Islands ^c		11,584	9,465	—
	<i>Town and village regeneration</i>		—	—	12,999
	<i>Local improvement schemes</i>		—	—	13,629
			170,559	152,735	137,080

- Notes
- ^a A4 – Rural supports – consists of the CLÁR programme and Walks Programme (both formerly part of national rural development schemes) and the local improvement schemes.
 - ^b A8 – Rural regeneration and development – Town and village regeneration and the Outdoor Recreational Infrastructure Scheme (ORIS) (formerly part of national rural development schemes) were integrated into rural regeneration and development, in line with commitments in the *National Development Plan*.
 - ^c A9 – Islands – In 2019, expenditure of €10.556 million was incurred under subhead C.9 Islands on Vote 33 Culture, Heritage and the Gaeltacht.

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme A was €18.394 million lower than (originally) provided. €692,000 of this related to administration expenditure and has already been explained and the balance of the variance of €17.702 million was mainly due to the following:

A.4 Rural supports

Estimate provision €20.343 million; outturn €18.702 million

This subhead provides funding for a number of schemes including the walks scheme and CLÁR, as well as some other initiatives supporting rural development. The shortfall in expenditure of €1.641 million relative to the estimate provision was largely due to the fact that anticipated expansion of the walks schemes was delayed and delays in the construction sector as a result of Covid-19 restrictions. €570,000 of this saving was repurposed by way of technical supplementary for use under the Community Enhancement Programme.

A.5 Leader – rural economy sub programme

Estimate provision €40 million; outturn €45.439 million

The increase in expenditure of €5.439 million relative to the estimate provision was due to Leader being a multi annual programme and delivery in 2020 exceeded anticipated levels.

A.7 Regional economic development

Estimate provision €2.67 million; outturn €3.374 million

The increase in expenditure of €704,000 relative to the estimate provision was primarily due to increased activity establishing broadband connection points under the National Broadband Plan.

A.8 Rural regeneration and development

Estimate provision €88 million; outturn €67.996 million

Significant capital funding has been approved under this multi-annual scheme to promote large-scale, integrated, rural capital projects involving a number of project partners. The design, procurement and delivery of these projects has taken longer to progress than originally anticipated. However, for 2020 the shortfall in expenditure of €20.004 million relative to the estimate provision is mainly due to the impact of Covid-19 restrictions which delayed projects under construction and also delayed new projects entering the construction phase.

Prepayments were issued under the rural regeneration and development and town and village renewal schemes (see note 2.2) and a deferred surrender of €11.6 million was carried forward under these schemes to 2021.

A.9 Islands

Estimate provision €11.584 million; outturn €9.465 million

The shortfall in expenditure of €2.119 million relative to the estimate provision was largely due to delays in progressing capital projects on offshore islands to completion resulting in lower than anticipated drawdown of funding. This can be explained in part by the impact of Covid-19 restrictions which delayed projects under construction, but also by the difficulty in contracting capital projects for the islands given the level of demand within the construction sector. It has been challenging to contract islands works given the additional burden on contractors in bringing machinery to and from the islands.

Programme B Community Development

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B.1	Administration – pay	4,177	4,007	3,765
B.2	Administration – non pay	1,172	424	857
B.3	Supports for community and voluntary sector (National Lottery)	15,995	16,246	13,241
B.4	SICAP, local/regional development supports (National Lottery)	44,065	44,065	43,165
B.5	Local community development committees (support)			
	<i>Original</i>	2,405		
	<i>Supplementary</i>	(199)		
		2,206	2,193	1,904
B.6	Supports for disadvantaged communities	6,500	6,500	7,000
B.7	Dormant account measures	12,570	12,570	12,756
B.X	Dormant accounts (Covid-19 supports)			
	<i>Original</i>	27,000		
	<i>Supplementary</i>	10,000		
		37,000	37,000	—
B.8	Programme for Peace and Reconciliation	6,967	9,862	8,345
B.9	Water Safety Ireland	1,124	1,154	1,118
B.10	Library development and archive service	7,731	7,731	7,331
B.11	Community Enhancement Programme			
	<i>Original</i>	9,500		
	<i>Supplementary</i>	770		
		10,270	11,237	4,000
B.12	Community Services Programme	46,890	46,890	43,855
B.13	Social inclusion units	550	325	546
B.14	Public participation networks	2,450	2,307	1,750
B.15	Other services	—	—	100
		199,667	202,511	149,733

Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). The original estimate was €189.096 million. A supplementary estimate of €10.571 million was obtained. Overall, the expenditure in relation to Programme B was €13.415 million higher than originally provided. There was a shortfall of €918,000 related to administration expenditure that has already been explained. The additional €12.497 million over and above original allocations was mainly due to the following:

B.5 Local community development committees (support)

Estimate provision €2.405 million; outturn €2.193 million

The shortfall in expenditure of €212,000 relative to the estimate provision was due to the sub-head meeting actual support costs for the local community development committees and overall actual costs being slightly less than anticipated. €199,000 of this saving was repurposed by way of technical supplementary for use under the Community Enhancement Programme.

B.X Dormant accounts (Covid-19 supports)

Estimate provision €27 million; outturn €37 million

The increase in expenditure of €10 million relative to the original estimate provision was due to a technical supplementary estimate of €10 million to meet demand under the Covid-19 Stability Fund. As this was financed from the Dormant Accounts Fund it did not impact on net voted expenditure.

B.8 Programme for Peace and Reconciliation

Estimate provision €6.967 million; outturn €9.862 million

The increase in expenditure of €2.895 million relative to the estimate provision is due to the multi annual nature of the Peace Programme. The Special EU Programmes Body (SEUPB) which manages the programme notified the Department of increased costs and claimed the funding required to support these costs. These increased costs are arising as the current PEACE IV programme 2014-2020 is coming towards the end of its financial period resulting in a need to accelerate projects and the associated costs.

B.11 Community Enhancement Programme

Estimate provision €9.5 million; outturn €11.237 million

Increased expenditure of €1.737 million relative to the estimate provision was as a direct result of increased resources utilised to support community organisations to maintain services in the context of the Covid-19 pandemic. €770,000 of this increased resource was provided by way of technical supplementary estimate as no current funding provision for the community enhancement programme was made in the original estimate.

B.13 Social inclusion units

Estimate provision €550,000; outturn €325,000

The shortfall in expenditure of €225,000 relative to the estimate reflected reduced demand for funding in this area due to availability of other funding envelopes.

B.14 Public participation networks

Estimate provision €2.45 million; outturn €2.307 million

The shortfall in expenditure of €143,000 relative to the estimate reflected reduced activity due to public health restrictions in the context of the Covid-19 pandemic e.g. the public participation networks national conference did not take place in 2020.

Programme C Charities Regulatory Authority

		2020		2019
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	147	93	88
C.2	Administration – non pay	79	8	19
C.3	Charities Regularity Authority	4,370	4,071	3,762
C.4	Charities Appeal Tribunal	10	—	1
		4,606	4,172	3,870

Significant variations

The following outlines the reasons for significant variations in programme expenditures (+/- 5% and €100,000). Overall, the expenditure in relation to Programme C was €434,000 lower than provided. €125,000 of this relates to administration expenditure and has already been explained. The balance of the variance of €309,000 was mainly due to the following.

C.3 Charities Regulatory Authority

Estimate provision €4.37 million; outturn €4.071 million

The shortfall in expenditure of €299,000 relative to the estimate provision arose due to pay related programme costs in the Charities Regulatory Authority being less than anticipated due to continued recruitment delays.

Note 4 Receipts

4.1 Appropriations-in-aid

	2020		2019
	Estimated €000	Realised €000	Realised €000
1 Miscellaneous	50	180	148
2 Leader - rural economy sub programme	25,000	27,821	24,355
3 Programme for Peace and Reconciliation	6,400	6,724	2,566
4 Dormant accounts – programme expenditure			
	<i>Original</i>	39,570	
	<i>Supplementary</i>	10,000	
		49,570	12,756
5 SICAP – Social Inclusion and Community Activation Programme	—	5	35
6 Receipts from additional superannuation contributions on public service remuneration	370	377	445
Total	81,390	84,677	40,305

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €13.287 million more than the original estimate. Explanations for variances are set out below:

1 Miscellaneous

Estimate €50,000; realised €180,000

The excess receipts of €130,000 for 2020 was due to a number of refunds received under the CLÁR and local improvement schemes which had not been anticipated.

2 Leader - rural economy sub programme

Estimate €25 million; realised €27.821 million

The excess receipts of €2.821 million was due to increased levels of payments under the EU leader programme during 2020 which resulted in a corresponding increase in the level of EU receipts received by the Department.

3 Programme for Peace and Reconciliation

Estimate €6.4 million; realised €6.724 million

The excess receipts of €324,000 was due to higher levels of expenditure under the programme which resulted in increased level of receipts from the EU during 2020.

4 Dormant accounts – programme expenditure

Estimate €39.57 million; realised €49.57 million

The increase of €10 million relative to the original estimate provision was required to meet the demand under the Covid-19 Stability Fund.

4.2 Extra receipts payable to the Exchequer

	2020	2019
	€000	€000
Balance at 1 January	15	—
Voluntary surrender of Ministerial salaries	7	15
Transferred to the Exchequer	—	—
Balance at 31 December	22	15

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year end	2020	2019
Department ^a	166	149
Agencies ^b	73	71
Total	239	220

Notes ^a The transfer of the islands functions increased staff numbers by ten.
^b The agencies staff include the Charities Regulatory Authority (40), Western Development Commission (25) and Water Safety Ireland (eight).

5.2 Pay

Remuneration of Department staff	2020	2019
	€000	€000
Pay	8,557	8,018
Higher, special or additional duties allowances	106	115
Overtime	15	33
Employer's PRSI	640	589
Total pay	9,318	8,755

5.3 Allowances and overtime payments ^a

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2020	2019
			€	€
Higher, special or additional duties allowances	13	3	20,613	22,029
Overtime	2	1	15,139	26,433
Extra remuneration in more than one category	1	1	20,246	31,654

Note ^a The pay, allowance and other remuneration details above in 5.2 and 5.3 relate to the Department's staff paid directly from the Vote. Detailed information in relation to employee numbers and pay in respect of the Department's agencies is available from the relevant annual reports or directly from the agencies concerned.

5.4 Payroll overpayments

	Number of recipients	2020	2019
		€	€
Overpayments	2	4,607	12,768

Recovery plans were put in place for all overpayments that occurred in 2020.

Note 6 Miscellaneous

6.1 National Lottery funding

Subhead	Description	2020	2020	2019
		Estimate	Outturn	Outturn
		€000	€000	€000
B.3	Supports for community and voluntary sector (part funded by the National Lottery)	10,528	10,528	10,560
B.4	SICAP local/regional development supports (part funded by the National Lottery)	2,855	2,855	2,683
		13,383	13,383	13,243

6.2 EU funding ^a

The outturn shown in Subheads A.5 and B.8 includes payments in respect of activities co-financed by the European Agricultural Fund for Rural Development and European Regional Development Fund respectively. Estimates of EU funding and actual outturns, based on expenditure and co-financing rates were as follows:

Subhead	Description	2020	2020	2019
		Estimate	Outturn	Outturn
		€000	€000	€000
A.5	Leader – rural economy sub programme	25,000	28,136	25,963
B.8	Programme for Peace and Reconciliation	6,967	9,862	7,094
		31,967	37,998	33,057

Note ^a Payments made under A.5 and B.8 are co-financed 62.8% and 85% respectively by the EU.

6.3 Payments to Pobal

Pobal administers or supports a number of grant programmes on behalf of the Department. In 2020, the Department transferred amounts totalling €94.81 million to support these programmes as outlined below.

Subhead	Description	2020	2019
		Outturn €000	Outturn €000
A.4	Rural supports	983	1,371
A.5	Leader – rural economy sub programme	916	1,874
B.3	Supports for community and voluntary sector (National Lottery)	8,208	10,421
B.4	SICAP, local regional development supports (National Lottery)	1,336	2,027
B.5	Local community development committees (support)	85	—
B.6	Supports for disadvantaged communities	1,000	1,000
B.7	Dormant account measures	3,680	1,142
B.X	Dormant accounts (Covid-19 supports) ^a	31,750	—
B.12	Community Services Programme	46,852	43,775
	Total ^b	94,810	61,610

Notes ^a Funding for the Covid-19 Stability Fund was provided from a new sub-head B.X Dormant accounts (Covid-19 supports). Under the scheme grant funding was made available to charities, community and voluntary organisations, and social enterprises to address funding shortfalls during the pandemic.

^b Pobal has identified amounts totalling €17.14 million which remain unspent in relation to 2020 payments (€4.63 million in 2019). In line with circular 13/2014, any such balances are taken into account when making subsequent payments to Pobal

Appendix A Accounts of bodies and funds under the aegis of the Department of Rural and Community Development

The following table lists the bodies and funds under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as 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 Department	Date presented to the Oireachtas
Pobal	2019	30 Jun 2020	18 Dec 2020	22 Dec 2020
Charities Regulatory Authority	2019	20 May 2020	26 May 2020	6 Jul 2020
Western Development Commission	2019	17 Dec 2020	5 Mar 2021	—
Irish Water Safety ^a	1 Jan 2018 to 17 Feb 2019	20 Nov 2020	4 Dec 2020	8 Mar 2021
Water Safety Ireland	18 Feb 2019 to 31 Dec 2019	24 Dec 2020	29 Jan 2021	8 Mar 2021

Note ^a Irish Water Safety was dissolved on 17 February 2019 under SI 55/2019 – Water Safety Ireland (Transfer of Assets and Liabilities) Order 2019. The financial year for Irish Water Safety was extended under the Order and covers the period from 1 January 2018 to 17 February 2019 in order to close off Irish Water Safety accounts. Under SI 55/2019, all assets and liabilities of Irish Water Safety were transferred to Water Safety Ireland on 17 February 2019.