

Appropriation Account 2023

Vote 30

Agriculture, Food and the Marine

Introduction

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

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2023 for the salaries and expenses of the Office of the Minister for Agriculture, Food and the Marine, including certain services administered by that Office, and for payment of certain grants and subsidies and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

- granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2023 out of unspent 2022 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €134.257 million is liable for surrender to the Exchequer.

The statement of accounting policies and principles and notes 1 to 7 form part of the account.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in Circular 22 of 2023, have been applied in the preparation of the account with the exception of the following.

Capital assets

Assets in the category of motor vehicles are depreciated on a straight line basis over their estimated useful life of 10 years. This rate reflects the industrial nature of these assets.

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

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

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

Statement on internal financial control

Responsibility for the system of internal financial control

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

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

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Office and the National Shared Services Office for the provision of HR 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 shared services to this Office.

Financial control environment

A control environment comprising the following elements is in place.

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

Administrative controls and management reporting

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

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

Internal audit and Audit Committee

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

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

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

The Department is subject to a range of audits by the Comptroller and Auditor General, the internal audit unit, the European Court of Auditors, the EU Commission and by an independent certifying body – a professional accountancy firm – which certifies the annual EAGF and EAFRD accounts. In 2023, the Department was subject to approximately 2,761 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts, as required by Council Regulation 2116/2021.

Procurement

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

The Department has provided details of 111 non-competitive contracts in the annual return in respect of circular 40/02 to the Comptroller and Auditor General and the Department of Public Expenditure National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of 38 contracts (in excess of €25,000 ex. VAT) totaling €2,506,237 (ex. VAT) in 2023 as set out below.

- 6 contracts with a value of €327,713 were originally awarded competitively but subsequently exceeded the relevant thresholds for that competitive process.
- 12 contracts with a value of €1,000,969 were originally awarded competitively but were subsequently rolled over/payments continued after their expiry date.
- 20 contracts with a value of €1,177,555 arose where ex-ante approval was not sought prior to non-competitive procurement.

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

Risk and control framework

Development and enhancement of the Department's risk management system has continued throughout 2023.

- The Risk Office, which is based in the Finance Division, works full-time at promoting and developing active risk management across the organisation. This is achieved through quality assessing the risks on the risk register, the provision of support in implementing risk management to individual staff, through engagement with the eRisk system developers to improve and enhance the eRisk system and through running targeted Risk Management Workshops on a division-by-division basis, to embed good practice in relation to risk management.
- The Risk Committee, which is chaired by the Assistant Secretary General with responsibility for governance and has representation at Head of Division level across the Department, meets on a quarterly basis and provides governance and oversight of the work of the Risk Office.
- The Risk Committee reports on a quarterly basis to the Management Board.
- The Risk team attends the bi-annual Civil Service Risk Management Networking Group.
- The risk policy for the Department was revised and approved by the Management Board in July 2020.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.
- The Department's fraud policy, incorporating anti-fraud measures, was reviewed and updated and approved by the Management Board in 2022 with appropriate training rolled out to all staff in 2023.

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.

ICT security

The Department has a strong commitment to the security of its ICT systems, with a dedicated Information Security Division within Information, Management and Technology (IMT) covering network security, information security and compliance, and cyber security. In response to the global increase in the threat of malware and computer hacking, the Department has grown the cyber security team. This team proactively works to ensure that DAFM has the relevant technical controls and mitigations in place, with access to the National Cyber Security Centre (NCSC) and external experts if required, and are at the forefront in keeping staff informed of the Cyber Security related risks posed to staff working remotely.

The Department continues to strengthen the security posture through participation in the National Cyber Security Centre's (NCSC) Government Cyber Security Coordination and Response (CORE) Network and the adherence to the Public Sector Cyber Security Baseline Standards published by the NCSC in November 2021, in particular through the continuous enhancement of incident response processes and tracking of critical business processes across all divisions of the Department, increasing DAFM's preparedness for the security obligations under the NIS2 Directive. The Department is also proactive in the promotion of information security awareness to staff with the continued rollout of mandatory cyber security training.

ICT security arrangements are subject to review by the IT audit section of the internal audit unit, with adherence to the Cyber Security Baseline Standards subject to audit in 2023. In addition, the Department, in its role as a paying agency on behalf of the European Union, is subject to an annual accreditation audit. The Department holds accreditation under the international standard *ISO 27001: Code of Practice for Information Security Management*, as the basis for its IT security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard. These systems are independently reviewed on a regular basis. Documented back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities.

Brexit

The EU – UK Trade and Cooperation Agreement (TCA) provides for zero-tariff zero-quota trade for qualifying EU and UK goods, but the agreement is limited in terms of facilitations of agri-food trade and this has created very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish - UK supply chains, leaves it particularly vulnerable to the effects of Brexit.

In April 2023 and following a series of deferrals since the end of the Brexit transition period, the UK Government published a draft UK Border Target Operating Model (BTOM) which stated that new UK import control requirements for agri-food products from EU would be introduced from 1 October 2023 and in August 2023 the final BTOM stated that these requirements would actually begin to apply for imports from EU, including Ireland, from 31 January 2024.

During 2023, as well as ongoing costs associated with implementing import controls on UK imports of food products to Ireland - which have been in place since 1 January 2021 - the Department incurred additional costs associated with Brexit in respect of preparations to support the sector in meeting new UK import control requirements for Irish agri-food products, in particular provision of export health certification. The costs included redeployment of staff, additional training and communication costs to support preparedness of the sector to meet new UK requirements. The preparations undertaken for these changes are critical to ensure that any disruption to agri-food exports to Great Britain are minimised.

A number of support schemes were also introduced in 2023 to address impacts of Brexit on the agriculture and fisheries sectors. This expenditure was provided through the estimates process and will be considered for recoupment as part of Ireland's claim under the EU Brexit Adjustment Reserve.

Review of effectiveness

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

Internal financial control issues: duplicate payment

A duplicate payment totalling €316,000 was issued during 2023, and was subsequently reimbursed to the Department. Procedures around payment processing have been reviewed to minimise the risk of reoccurrence.

No other weaknesses in internal financial control were identified in relation to 2023 that resulted in, or may result in, a material loss.

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

26 September 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 30 Agriculture, Food and the Marine

Opinion on the appropriation account

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

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

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

Basis of recognition of charges in respect of Rosslare Terminal 7

Without qualifying my opinion, I draw attention to note 2.13 to the appropriation account which deals with commitments of the Vote at the end of 2023. This discloses that €63.9 million was charged to Vote 30 in 2023 in respect of the Department of Agriculture, Food and the Marine's share of the costs of developing a new border control facility (Terminal 7) at Rosslare Europort. The charges were recorded against subhead vi office premises expenses on the direct instructions of the Department of Public Expenditure, National Development Plan Delivery and Reform.

In my view, €39.5 million of the charge is not compliant with the *Public Financial Procedures* guidelines published by the Department of Public Expenditure, National Development Plan Delivery and Reform, or with the accounting policies issued by that Department for the 2023 appropriation accounts.

Chapter 3 of my report on the accounts of the public services for 2023 explains the basis upon which the charges are recognised in the 2023 appropriation account for Vote 30.

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

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

Non-compliance with procurement rules

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

Seamus McCarthy
Comptroller and Auditor General

27 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure, National Development Plan Delivery and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure, National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 30 Agriculture, Food and the Marine

Appropriation Account 2023

| | | 2023 | | 2022 |
|------------------------------|---|--------------------|-----------|-----------|
| | | Estimate provision | | Outturn |
| | | €000 | €000 | €000 |
| Programme expenditure | | | | |
| A | Food Safety, Animal and Plant Health and Animal Welfare | | | |
| | <i>Original</i> | 388,965 | | |
| | <i>Supplementary</i> | 93,026 | | |
| | | | 481,991 | 459,218 |
| B | Farm/Sector Support and Controls | | | 332,804 |
| | <i>Original</i> | 998,538 | | |
| | <i>Deferred surrender</i> | 27,500 | | |
| | <i>Supplementary</i> | (34,473) | | |
| | | | 991,565 | 862,832 |
| C | Policy and Strategy | | | 953,074 |
| | <i>Original</i> | 439,556 | | |
| | <i>Supplementary</i> | 17,953 | | |
| | | | 457,509 | 447,677 |
| D | Seafood Sector | | | 430,672 |
| | <i>Original</i> | 337,450 | | |
| | <i>Supplementary</i> | 14,400 | | |
| | | | 351,850 | 347,715 |
| | | | | 176,859 |
| Gross expenditure | | | | |
| | <i>Original</i> | 2,164,509 | | |
| | <i>Deferred surrender</i> | 27,500 | | |
| | <i>Supplementary</i> | 90,906 | | |
| | | | 2,282,915 | 2,117,442 |
| | | | | 1,893,409 |
| | <i>Deduct</i> | | | |
| E | Appropriations-in-aid | | | |
| | <i>Original</i> | 376,610 | | |
| | <i>Supplementary</i> | (145,600) | | |
| | | | 231,010 | 245,394 |
| | | | | 408,796 |
| Net expenditure | | | | |
| | <i>Original</i> | 1,787,899 | | |
| | <i>Deferred surrender</i> | 27,500 | | |
| | <i>Supplementary</i> | 236,506 | | |
| | | | 2,051,905 | 1,872,048 |
| | | | | 1,484,613 |

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. €45.6 million of unspent allocations in respect of the capital elements of the Vote was carried forward to 2024 (note 6.7).

| | 2023 | 2022 |
|----------------------------------|---------------------------|--------------------------|
| | € | € |
| Surplus | 179,856,624 | 122,509,275 |
| Deferred surrender | (45,600,000) | (27,500,000) |
| Surplus to be surrendered | <u>134,256,624</u> | <u>95,009,275</u> |

Brendan Gleeson

Accounting Officer

Department of Agriculture, Food and the Marine

27 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| | €000 | €000 |
| Programme cost | 1,690,347 | 1,562,420 |
| Pay | 237,904 | 225,624 |
| Non pay | 189,191 | 105,365 |
| Gross expenditure | 2,117,442 | 1,893,409 |
| <i>Deduct</i> | | |
| Appropriations-in-aid | 245,394 | 408,796 |
| Net expenditure | 1,872,048 | 1,484,613 |
| Changes in capital assets | | |
| <i>Property, plant and equipment (note 2.1)</i> | | |
| Purchases | (5,989) | |
| Depreciation | 3,307 | |
| Disposals | 141 | |
| Gain on disposals | (136) | |
| <i>Intangible assets (note 2.2)</i> | | |
| Purchases | (6,767) | |
| Amortisation | 141 | |
| | <u>(9,303)</u> | <u>(2,107)</u> |
| Changes in net current assets | | |
| Increase in inventories | (1,627) | |
| Increase in prepayments | (5,928) | |
| Decrease in accrued income | 58,358 | |
| Increase in accrued expenses | 412 | |
| Decrease in deferred income | (4) | |
| | <u>51,211</u> | <u>49,244</u> |
| Direct expenditure | 1,913,956 | 1,531,750 |
| Expenditure borne elsewhere | | |
| Net allied services expenditure (note 1.1) | 96,632 | 90,308 |
| Notional rents | 8,027 | 8,027 |
| Net programme cost | 2,018,615 | 1,630,085 |

1.1 Net allied services expenditure

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | €000 | €000 |
| Vote 9 Office of the Revenue Commissioners | 5 | 17 |
| Vote 12 Superannuation and Retired Allowances | 89,059 | 84,240 |
| Vote 13 Office of Public Works | 6,037 | 4,904 |
| Vote 18 National Shared Services Office | 395 | 380 |
| Vote 20 Garda Síochána | 263 | 19 |
| Vote 43 Office of the Government Chief Information Officer | 654 | 507 |
| Central Fund – ministerial pensions | 219 | 241 |
| | 96,632 | 90,308 |

Note 2 Statement of Financial Position as at 31 December 2023

| | Note | 2023 €000 | 2022 €000 |
|----------------------------------|------|----------------|----------------|
| Fixed assets | | | |
| Property, plant and equipment | 2.1 | 12,888 | 10,211 |
| Intangible assets | 2.2 | 7,013 | 387 |
| Total fixed assets | | 19,901 | 10,598 |
| Current assets | | | |
| Bank and cash | 2.3 | 222,639 | 107,883 |
| Inventories | 2.4 | 4,536 | 2,909 |
| Prepayments | 2.5 | 40,581 | 34,653 |
| Other debit balances | 2.6 | 1,023 | 7,133 |
| Accrued income | 2.7 | 83,744 | 142,102 |
| Total current assets | | 352,523 | 294,680 |
| Less current liabilities | | | |
| Accrued expenses | 2.8 | 31,707 | 31,295 |
| Deferred income | 2.9 | 1 | 5 |
| Other credit balances | 2.10 | 146,838 | 32,337 |
| Net Exchequer funding | 2.11 | 76,824 | 82,679 |
| Total current liabilities | | 255,370 | 146,316 |
| Net current assets | | 97,153 | 148,364 |
| Net assets | | 117,054 | 158,962 |
| Represented by: | | | |
| State funding account | 2.12 | 117,054 | 158,962 |

2.1 Property, plant and equipment ^a

| | Buildings | Vehicles and equipment | Office, Lab and IT equipment | Furniture and fittings | Total |
|---------------------------------------|------------------|---------------------------------------|---|---------------------------------------|---------------|
| | €000 | €000 | €000 | €000 | €000 |
| Cost or valuation ^b | — | 7,513 | 29,372 | 118 | 37,003 |
| At 1 January 2023 | | | | | |
| Additions | — | 1,098 | 4,891 | — | 5,989 |
| Disposals | — | (260) | (955) | — | (1,215) |
| Adjustments | — | (45) | 257 | — | 212 |
| At 31 December 2023 | — | 8,306 | 33,565 | 118 | 41,989 |
| Accumulated depreciation | | | | | |
| At 1 January 2023 | — | 5,406 | 21,348 | 38 | 26,792 |
| Depreciation for the year | — | 483 | 2,813 | 11 | 3,307 |
| Depreciation on disposals | — | (255) | (955) | — | (1,210) |
| Adjustments | — | (44) | 256 | — | 212 |
| At 31 December 2023 | — | 5,590 | 23,462 | 49 | 29,101 |
| Net assets | | | | | |
| At 31 December 2023 | — | 2,716 | 10,103 | 69 | 12,888 |
| At 31 December 2022 | — | 2,107 | 8,024 | 80 | 10,211 |

Note ^a State-owned lands and buildings controlled or managed by the Department which do not have valuations are set out in Appendix A.

^b With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets (see note 2.2)

2.2 Intangible assets ^a

| | Acquired and developed software | Assets under development | Total |
|---------------------------------|--|---|--------------|
| | €000 | €000 | €000 |
| Cost or valuation | | | |
| At 1 January 2023 | 950 | — | 950 |
| Additions | 1,947 | 4,820 | 6,767 |
| At 31 December 2023 | 2,897 | 4,820 | 7,717 |
| Accumulated amortisation | | | |
| At 1 January 2023 | 563 | — | 563 |
| Amortisation for the year | 141 | — | 141 |
| At 31 December 2023 | 704 | — | 704 |
| Net assets | | | |
| At 31 December 2023 | 2,193 | 4,820 | 7,013 |
| At 31 December 2022 | 387 | — | 387 |

Note ^a With effect from 1 January 2023, software acquisition and development assets have been reclassified from property, plant and equipment to intangible assets.

2.3 Bank and cash

| at 31 December | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | €000 | €000 |
| PMG balances | 222,343 | 107,553 |
| Commercial bank account balances | 296 | 330 |
| | 222,639 | 107,883 |

2.4 Inventories

| at 31 December | 2023 | 2022 |
|------------------------|--------------|--------------|
| | €000 | €000 |
| Veterinary supplies | 4,184 | 2,541 |
| Livestock | 305 | 312 |
| Agricultural inventory | 34 | 39 |
| Safety equipment | 13 | 17 |
| | 4,536 | 2,909 |

2.5 Prepayments

| at 31 December | 2023 | 2022 |
|--|---------------|---------------|
| | €000 | €000 |
| Contributions to World Food Programme (note 6.6) | 25,000 | 25,000 |
| Research, quality and certification grants | 9,854 | 5,499 |
| Information management technology | 2,809 | 3,232 |
| Other | 2,621 | 655 |
| Subscriptions | 297 | 267 |
| | 40,581 | 34,653 |

2.6 Other debit balances

| at 31 December | 2023 | 2022 |
|--------------------------------------|--------------|--------------|
| | €000 | €000 |
| Salary advances | 1 | 2 |
| Imprests and recoupable travel costs | 231 | 143 |
| Advance payments to OPW | 791 | 795 |
| Revenue Commissioners | — | 6,193 |
| | 1,023 | 7,133 |

2.7 Accrued income

| at 31 December | 2023 | 2022 |
|--------------------------------|---------------|----------------|
| | €000 | €000 |
| EAFRD funding due from the EU | 72,926 | 125,819 |
| Other EU funds | 197 | 4,365 |
| Scheme overpayments (note 6.2) | 1,178 | 1,743 |
| Due for services | 9,443 | 10,175 |
| | 83,744 | 142,102 |

2.8 Accrued expenses

| at 31 December | 2023 | 2022 |
|-----------------------------|---------------|---------------|
| | €000 | €000 |
| Specific programme accruals | 28,299 | 28,075 |
| Administration expenses | 811 | 1,734 |
| IT services and support | 2,597 | 1,486 |
| | 31,707 | 31,295 |

2.9 Deferred income

| at 31 December | 2023 | 2022 |
|-------------------|-------------|-------------|
| | €000 | €000 |
| Wholesale licence | 1 | 5 |
| | 1 | 5 |
| | 1 | 5 |

2.10 Other credit balances

| at 31 December | 2023 | 2022 |
|---------------------------------|----------------|---------------|
| | €000 | €000 |
| Amounts due to the State | | |
| Income tax | 3,511 | 3,585 |
| Pay related social insurance | 2,415 | 2,234 |
| Withholding tax | 2,522 | 2,825 |
| Value added tax | 2,069 | 1,680 |
| Relevant contracts tax | 13 | 10 |
| Pension contributions | 1,068 | 1,834 |
| Local property tax | 23 | 165 |
| Universal social charge | 731 | 702 |
| | 12,352 | 13,035 |
| Securities | 861 | 2,800 |
| Pesticides licencing fees | 475 | 423 |
| EU advances | 129,327 | 13,221 |
| Miscellaneous | 3,823 | 2,858 |
| | 146,838 | 32,337 |
| | 146,838 | 32,337 |

2.11 Net Exchequer funding

| at 31 December | 2023 | 2022 |
|------------------------------|----------------------|----------------------|
| | €000 | €000 |
| Surplus to be surrendered | 134,257 | 95,009 |
| Deferred surrender | 45,600 | 27,500 |
| Exchequer grant undrawn | <u>(103,033)</u> | <u>(39,830)</u> |
| Net Exchequer funding | <u>76,824</u> | <u>82,679</u> |
| Represented by: | | |
| Debtors | | |
| Bank and cash | 222,639 | 107,883 |
| Debit balances: suspense | <u>1,023</u> | <u>7,133</u> |
| | 223,662 | 115,016 |
| Creditors | | |
| Due to the State | (12,352) | (13,035) |
| Credit balances: suspense | <u>(134,486)</u> | <u>(19,302)</u> |
| | (146,838) | (32,337) |
| | <u>76,824</u> | <u>82,679</u> |

2.12 State funding account

| | Note | 2023 | 2022 |
|--------------------------------------|-------------|-----------------------|-----------------------|
| | | €000 | €000 |
| Balance at 1 January | | 158,962 | 206,099 |
| Disbursements from the Vote | | | |
| Estimate provision | Account | 2,051,905 | |
| Deferred surrender | Account | (45,600) | |
| Surplus to be surrendered | Account | <u>(134,257)</u> | |
| Net vote | | 1,872,048 | 1,484,613 |
| Expenditure (cash) borne elsewhere | 1.1 | 96,632 | 90,308 |
| Non cash expenditure - notional rent | 1 | 8,027 | 8,027 |
| Net programme cost | 1 | <u>(2,018,615)</u> | <u>(1,630,085)</u> |
| Balance at 31 December | | <u>117,054</u> | <u>158,962</u> |

2.13 Commitments

| Global commitments | 2023 | 2022 |
|---|------------------|------------------|
| at 31 December | €000 | €000 |
| Procurement of goods and services | 35,572 | 92,452 |
| Non-capital grant programmes | 703,489 | 584,366 |
| Capital grant programmes | 608,115 | 745,921 |
| Major capital project | 37,314 | — |
| Total of legally enforceable commitments | 1,384,490 | 1,422,739 |

Non-capital grant programme commitments

| | | | 2023 | 2022 |
|--|-----------------|-------------------------|----------------|----------------|
| | Due 2024 | Subsequent years | Total | Total |
| | €000 | €000 | €000 | €000 |
| Grants to the organic sector | 54,711 | 239,451 | 294,162 | 266,795 |
| Green, low-carbon agri-environment scheme | 2,101 | 1,712 | 3,813 | 44,647 |
| Locally led schemes – current | 78,418 | — | 78,418 | 78,615 |
| World Food Programme | — | — | — | 25,000 |
| Food research | 25,000 | 49,443 | 74,443 | 65,636 |
| Sheep Improvement Scheme | 23,000 | — | 23,000 | 23,000 |
| Straw incorporation measure | — | — | — | 50,000 |
| European Maritime and Fisheries Fund | 4,800 | 6,154 | 10,954 | 10,824 |
| European Maritime and Fisheries Fund – new round | 4,349 | — | 4,349 | 7,828 |
| Beef data genomics programme | 1,158 | — | 1,158 | 3,812 |
| SCEP and SCEP training | 51,600 | 159,600 | 211,200 | — |
| Sheep welfare | 431 | 300 | 731 | 3,781 |
| REAP Pilot Scheme | 63 | — | 63 | 2,048 |
| BAR current | — | — | — | 706 |
| European innovation partnership | — | — | — | 188 |
| Land annuity payments | 87 | 1,094 | 1,181 | 1,265 |
| School milk and fruit | — | — | — | 111 |
| REPS SM4 riparian | — | — | — | 93 |
| Knowledge transfer | 17 | — | 17 | 17 |
| Total of legally enforceable commitments | 245,735 | 457,754 | 703,489 | 584,366 |

Capital grant programme commitments

| | 2023 | 2022 |
|-------------------------|----------------|----------------|
| | €000 | €000 |
| Opening balance | 745,921 | 662,035 |
| Grants paid in the year | (241,707) | (207,017) |
| New commitments | 159,605 | 339,089 |
| Grant de-commitments | (55,704) | (48,186) |
| Closing balance | 608,115 | 745,921 |

Capital grant programme commitments

| | | | 2023 | 2022 |
|--|-----------------|-------------------|----------------|----------------|
| | Due 2024 | Subsequent | Total | Total |
| | €000 | years | €000 | €000 |
| | | €000 | | |
| Afforestation | 61,018 | 425,734 | 486,752 | 538,894 |
| Targeted agriculture modernisation schemes | 25,121 | — | 25,121 | 41,355 |
| Fishery Harbour Centres capital programme | 20,654 | 4,035 | 24,689 | 50,556 |
| SBCI – Brexit Loan Scheme | 4,945 | 7,805 | 12,750 | 31,067 |
| BAR capital | — | — | — | 14,439 |
| Horticulture scheme | 6,000 | 2,395 | 8,395 | 5,497 |
| National Agricultural Sustainability Research and Innovation Centre (NASRIC) | 5,471 | 1,572 | 7,043 | 8,543 |
| Ballyhaise student accommodation refurbishment | 2,400 | 300 | 2,700 | 2,900 |
| Seed/chipping potato scheme | — | — | — | 619 |
| Locally led schemes - capital | 2 | — | 2 | 78 |
| European Maritime and Fisheries Fund - capital | — | — | — | 63 |
| LEADER food initiative | 3,495 | — | 3,495 | 5,986 |
| Capital investment grants | 8,000 | 29,168 | 37,168 | 45,924 |
| Total of legally enforceable commitments | 137,106 | 471,009 | 608,115 | 745,921 |

Major capital project commitments

| Project | Cumulative expenditure to 31 December 2022 | Expenditure in 2023 | Project commitments in subsequent years | Expected total spend lifetime of project 2023 | Expected total spend lifetime of project 2022 |
|---|---|----------------------------|--|--|--|
| | €000 | €000 | €000 | €000 | €000 |
| Haulbowline remediation project | 25,861 | 25 | — | 25,886 | 25,861 |
| Terminal 7 Rosslare Europort ^a | — | 63,906 | 37,314 | 101,220 | — |
| Total | 25,861 | 63,931 | 37,314 | 127,106 | 25,861 |

Note ^a DAFM is co-funding (43%), the construction of a border facility at Rosslare Harbour – Terminal 7. The commitment of €37.314 million represents the total commitment to September 2025. This fixed asset is included in the statement of financial position of Vote 13 Office of Public Works.

2.14 Contingent liabilities**EU operations**

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

In 2018, the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €33.31 million in suspended payments as at the end of 2023.

The Minister has since introduced regulations which fully meet the relevant requirements in relation to the points system for sea fishing boat licence holders. The procedures provided for under these regulations are now in operation.

The Sea Fisheries (Miscellaneous Provisions) Act 2022 signed into law in March 2022 and commenced in May 2022, made provision for a similar points system for masters of fishing vessels. Administrative measures and arrangements for enforcement of the points system were since put in place. This represented the final steps in fulfilling ex-ante conditions for the EMFF programme.

In order for the suspension to be lifted, the European Commission must be satisfied that the steps taken are sufficiently robust. Ireland has addressed the issues highlighted by the Commission, with penalty points already having been applied on the new system. EU regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements. To date, September 2024, the Department has received €10.7 million of these suspended payments.

2. The Department is aware of potential sanctions in relation to matters identified following an administrative inquiry pursuant to Article 102(2) of EU Control Regulation 1224/2009 in relation to sea fisheries control matters. The Sea Fisheries Protection Authority, which is independent in relation to operational matters, is actively engaged to address the findings. The nature and timing of any potential liabilities is still uncertain.

Following on from a Commission audit in 2018, Ireland received a formal decision of the Commission's intention to conduct an administrative inquiry to evaluate Ireland's capacity to apply the rules of the Common Fisheries Policy (CFP). The findings of the inquiry were communicated to Ireland in December 2020. The monitoring and control of fishing vessels within Ireland's Exclusive Fisheries Zone are law enforcement matters for the Irish control authorities. Under the Sea Fisheries and Maritime Jurisdiction Act 2006, all operational issues of this nature are exclusively for the Sea Fisheries Protection Authority (SFPA) and the Naval Service.

Principally, the Commission identified shortcomings related to the effective control of pelagic fisheries, issues related to underreporting of catches of these species; inadequate and ineffective sanctioning system for offences committed by operators; and the lack of control and enforcement of bluefin tuna catches by recreational vessels.

The Sea Fisheries Protection Authority (SFPA) supported by Department officials, where beneficial, commenced a process of engagement with the EU Commission. The engagement with the Commission allowed for a full evaluation of the findings of the inquiry and consideration of the actions that the Commission has identified. Formal Commission action in terms of any next steps it may take is awaited at present. It is understood, however that the SFPA consider that it has addressed to a very large extent the failures identified by DG Mare in the 2018 audit and the findings of the administrative inquiry.

3. The Department is also aware of potential disallowances in relation to the following audit processes that are ongoing. The actual amount or timing of any potential liability is uncertain.

- 2023 Clearance of Accounts for Financial Year 2022 –The Commission made observations in relation to the work of the Certifying Body. With regards to the Paying Agency, there are also observations to be followed up. A bilateral took place in November 2023. DG Agri have requested further information and documentation to verify the population affected is isolated to a subset within the TAMs scheme. The Department has provided further information to verify that the population effected is isolated to a subset within TAMs and not the entire TAMs population. The Department is awaiting the final letter/letter of conciliation in relation to this enquiry.
- 2023 Audit of School Schemes (Fruit and Veg and Milk) - The findings amount to a 10% flat rate penalty for weaknesses in two key controls: checks to establish access to the aid claimed, and checks to establish the eligibility of the aid. DG AGRI also require the Director of the Paying Agency to comment on the corrective measures in the Management Declaration; and the Paying Agency is to report on the implementation of recommendations relating to the Certifying Body. This audit was closed by the Commission in April 2024 with no financial correction applied as the Commission assessed no risk to the fund materialised.

- 2022 Statement of Assurance Financial Year 2021 (EAFRD) – Sheep Welfare Scheme and GLAS — An audit by the European Court of Auditors took place in September 2022. Letter of closure received in March 2023 with comments in relation to Sheep Welfare Scheme and GLAS. DG AGRI has opened an inquiry on foot of the audit and have requested information in relation to the observations by the Court of Auditors in their 2022 statement of assurance audit. The latest information was provided to DG AGRI in July 2023. The Department is awaiting an update from DG AGRI. This process is ongoing.

Credit guarantee schemes

The COVID-19 Credit Guarantee Scheme (CCGS) was launched by the Department of Enterprise, Trade and Employment (DETE) in September 2020 to assist businesses that were negatively impacted by COVID-19 and closed to lending on 30 June 2022. An agreement between DETE and the Department of Agriculture, Food and the Marine (DAFM) was made to include farmers and the agri-food and seafood sectors in the scheme.

The Scheme provided a State guarantee of 80% to participating lenders on lending facilities up to a maximum of €2 billion. The Scheme was developed in accordance with the European Commission's State Aid Temporary Framework and was available to SMEs, small mid-caps and primary producers that met the eligibility criteria.

The Ukraine Credit Guarantee Scheme (UCGS) was launched in January 2023 by the Department of Enterprise, Trade and Employment (DETE). The Scheme was developed to assist businesses impacted by cost increases arising from the conflict in Ukraine. An agreement between DETE and the DAFM was made to include farmers and the agri-food and seafood sectors in the scheme.

The Scheme makes €1.2 billion in loans available to SMEs and small mid-caps for working capital and investment purposes. Loans of up to €1 million are available from participating lenders, which includes banks, non-bank providers and credit unions. The Scheme is administered by the Strategic Banking Corporation of Ireland (SBCI) and is available until 31 December 2024.

In the case of each of these Schemes, the guarantee is paid by the State (the guarantor) to the participating lender on the unrecovered outstanding principal balance on a loan in the event of a borrower defaulting on the repayments. DAFM liability is limited to the principal balance related to loans to farmers and the agri-food and seafood sectors.

The total maximum exposure for the Department in relation to loans outstanding at 31 December 2023 was €32.677 million (2022: €45.347 million).

Businesses availing of these Schemes are required to pay a small premium to the Department. Claims against the guarantee are paid to participating lenders from subhead C.10 SBCI loan scheme. The costs of payments to the SBCI to operate the scheme are borne by DETE.

Other

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

2.15 Other liabilities

Future Growth Loan Scheme

The Future Growth Loan Scheme (FGLS) is a long-term capital investment loan that was developed by DAFM and DETE, in partnership with the Department of Finance, the SBCI and the European Investment Fund (EIF).

The FGLS benefited from a guarantee from the European Union under the European Fund for Strategic Investments (EFSI).

The Scheme was launched by the SBCI in June 2019.

It was delivered through participating finance providers and made up to €300 million of investment loans available to eligible Irish businesses, including farmers and the agri-food and seafood sectors. The loans were competitively priced (an initial maximum loan interest rate of 4.5% for loans less than €250,000), were for terms of 8-10 years and supported strategic long-term investment in a post-Brexit environment. A minimum loan amount of €100,000 up to a maximum of €3,000,000 per applicant applied.

The significant and sudden financial impact of the Covid-19 pandemic on businesses prompted the launch in 2020 of a second tranche of €500 million, with up to 40% available to the agri-food sector.

The cost of the initial €300 million available was €62 million, €25 million of which was funded by DAFM.

The increased capacity cost was €106 million, €42 million of which was provided by DAFM.

Direct cost of FGLS to DAFM

| | 2019 – 2022 €000 | 2023 €000 | 2024- 2030 €000 | Total €000 |
|--------------------------------|------------------------|--------------|-----------------------|---------------|
| EIF first loss | 48,000 | — | — | 48,000 |
| EIF management fees | 1,130 | 773 | 2,612 | 4,515 |
| SBCI first loss | 9,797 | — | — | 9,797 |
| SBCI management fees | 4,380 | — | — | 4,380 |
| Total cost ^a | 63,307 | 773 | 2,612 | 66,692 |

Note ^a The total costs of the scheme will change at the completion of the scheme when the overall value of the expense on claims on defaulted claims will be known and deducted from the first loss contributions made by the Department. The balance will be made available to the Department at that point, which will decrease the cost of the scheme,

Analysis of FGLS loans issued to date

| Year of loan issue | 2019 – 2022 | | 2023 | |
|-------------------------------------|-----------------|------------------------|-----------------|------------------------|
| | Number of loans | Value of loans €000 | Number of loans | Value of loans €000 |
| Drawn loans | 1,589 | 233,335 | 1 | 3,000 |
| Repaid loans | 102 | 12,935 | — | — |
| Defaulted loans | 37 | 5,584 | — | — |
| Claims paid | 16 ^a | 1,107 ^b | — | — |
| Live Loans (repaid amount) | 1,450 | 57,494 | 1 | 265 |
| Balance outstanding ^c | 1,450 | 156,215 ^d | 1 | 2,735 |

Note ^a Included in the defaulted loans figures.

^b Claims paid do not reflect the whole outstanding balance on loans. The overall value of claims paid in the 16 cases is €277,000 lower than the balance outstanding on these loans.

^c Potential liability to the Department as at 31 December 2023 is €127.16 million (80% of overall balance outstanding).

^d Balance excludes claims paid.

Growth and Sustainability Loan Scheme

The Growth and Sustainability Loan Scheme (GSLS) is a long-term investment loan, launched in September 2023, delivered by the SBCI which provides an uncapped 80% guarantee to participating lenders. The European Investment Bank Group (EIBG) provides a counter guarantee to SBCI such that the risk share for the scheme is as follows: 20% finance providers, 16% SBCI and 64% EIBG.

A minimum of 30% of the lending volume is targeted towards environmental sustainability purposes with the aim of helping SMEs to invest in sustainability and energy efficiency. The remaining (up to) 70% of lending is for lending for strategic investments with a view to increasing productivity and competitiveness and thus underpinning future business sustainability and growth.

The costs for the GSLS are shared by DETE and DAFM on a 60:40 basis. The contribution of the DAFM to the GSLS supports up to 40% of lending for the agri-food sector.

The costs associated with a €500 million scheme will be approximately €117.3 million, with DAFM providing €45 million between 2022 and 2026. This funding covers a first loss guarantee (i.e. the State guarantees to cover the first portion of losses on any defaults) and administrative costs for both the EIF and SBCI.

Direct cost of GSLS to DAFM

| | 2022 | 2023 | 2024- | Total |
|--------------------------------|---------------|---------------|--------------|---------------|
| | €000 | €000 | 2036 | €000 |
| | | | €000 | |
| EIF first loss | 13,000 | 13,000 | — | 26,000 |
| EIF management fees | 57 | 696 | 5,089 | 5,842 |
| SBCI first loss | — | 3,252 | — | 3,252 |
| SBCI management fees | 4,250 | 596 | 4,348 | 9,194 |
| Total cost ^a | 17,307 | 17,544 | 9,437 | 44,288 |

Note ^a The total costs of the scheme will change at the completion of the scheme when the overall value of the expense on claims on defaulted claims will be known and deducted from the first loss contributions made by the Department. The balance will be made available to the Department at that point, which will decrease the cost of the scheme.

Analysis of GSLS loans issued to date

| Year of loan issue | 2023 | |
|---|------------------------|----------------------------|
| | Number of loans | Value of loans €000 |
| Drawn loans | 19 | 1,654 |
| Repaid loans | — | — |
| Defaulted loans | — | — |
| Claims paid | — | — |
| Live Loans (repaid amount) | 19 | 2 |
| Balance outstanding ^a | 19 | 1,652 |

Note ^a Potential liability to the Department as at 31 December 2023 is €1.322 million (80% of overall balance outstanding).

Note 3 Vote Expenditure

Analysis of administration expenditure

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

| | | 2023 | | 2022 |
|------|--|---------------------------|----------------|----------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| i | Salaries, wages and allowances | | | |
| | <i>Original</i> | 239,862 | | |
| | <i>Supplementary</i> | 200 | | |
| | | 240,062 | 237,904 | 225,624 |
| ii | Travel and subsistence | 8,396 | 8,393 | 7,260 |
| iii | Training and development and incidental expenses | 9,985 | 6,797 | 5,803 |
| iv | Postal and telecommunications services | 5,900 | 5,648 | 5,248 |
| v | Office equipment and external IT services | | | |
| | <i>Original</i> | 68,267 | | |
| | <i>Supplementary</i> | 10,280 | | |
| | | 78,547 | 79,295 | 65,822 |
| vi | Office premises expenses | | | |
| | <i>Original</i> | 24,060 | | |
| | <i>Supplementary</i> | 60,906 | | |
| | | 84,966 | 75,133 | 10,316 |
| vii | Consultancy and VFM and policy reviews | 369 | 52 | 124 |
| viii | Supplementary measures for EU | 1,278 | 1,261 | 821 |
| ix | Laboratory services | | | |
| | <i>Original</i> | 11,900 | | |
| | <i>Supplementary</i> | 310 | | |
| | | 12,210 | 12,612 | 9,971 |
| | | 441,713 | 427,095 | 330,989 |

Significant variations

The following outlines the reasons for significant variations in Administration expenditure (+/- 25% and €100,000).

iii Training and development, and incidental expenses

Estimate provision €9.985 million; outturn €6.797 million

The shortfall in expenditure of €3.188 million relative to the original estimate was due to several factors. The main aspects are: savings of €232,000 were made in communications/ advertising costs; savings of €295,000 were made in a technical accounting provision allowing for foreign currency losses which was not needed; and a provision of €1 million made for possible legal cases was not required.

vi Office premises expenses

Estimate provision €24.060 million; outturn €75.133 million

The increase in expenditure of €51.073 million relative to the original estimate was due to the implementation of the UK's decision to leave the EU. Additional physical infrastructure had to be put in place at Dublin Port and Rosslare Europort to ensure Ireland can effectively manage the requirements for checks and controls on products moving between Great Britain and Ireland.

The upgrade to Rosslare Europort is a critical infrastructure project to develop the necessary permanent infrastructure to comply with Customs, sanitary and phytosanitary and official food controls as a consequence of Brexit. The Department paid the Office of Public Works a portion of its costs associated with the upgrade of Rosslare Europort, amounting to €63.900 million.

vii Consultancy services and value for money and policy reviews

Estimate provision €369,000; outturn €52,000

The shortfall in expenditure of €317,000 relative to the original estimate was due to a planned consultancy not proceeding as there were no responses received to the relevant tender request.

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

| | | 2023 | | 2022 |
|-----|---|--------------------|----------------|----------------|
| | | Estimate provision | | Outturn |
| | | €000 | €000 | €000 |
| A.1 | Administration – pay | | 140,177 | 139,033 |
| A.2 | Administration – non pay | | | 131,856 |
| | <i>Original</i> | 80,468 | | |
| | <i>Supplementary</i> | 70,716 | | |
| | | | 151,184 | 136,638 |
| A.3 | Food safety, animal and plant health and animal welfare | | | 63,516 |
| | <i>Original</i> | 117,110 | | |
| | <i>Supplementary</i> | 1,710 | | |
| | | | 118,820 | 109,263 |
| A.4 | Bovine TB and brucellosis eradication | | | 79,980 |
| | <i>Original</i> | 51,210 | | |
| | <i>Supplementary</i> | 20,600 | | |
| | | | 71,810 | 74,284 |
| | | | 481,991 | 459,218 |
| | | | | 57,452 |
| | | | 481,991 | 459,218 |
| | | | | 332,804 |

Significant variations

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

A.3 Food safety, animal health and plant health and animal welfare

Estimate provision €117.110 million; outturn €109.263 million

The shortfall in expenditure of €7.847 million relative to the original estimate was due to savings across a number of schemes, mainly as follows: savings of €4.5 million arose in the Brexit Adjustment Reserve funded meat and bonemeal disposal and equine e-passport schemes, due to procurement difficulties and other delays on the projects encountered by the successful grant applicants.

Savings of €1.9 million in mink farm compensation arose due to the level of claims processed in 2023 being lower than expected.

A.4 Bovine TB and brucellosis eradication

Estimate provision €51.210 million; outturn €74.284 million

The increase in expenditure of €23.074m relative to the original estimate is due to the slight increase in the level of bovine TB in Ireland during 2023. The funding supported an additional €15 million for the On Farm Market Valuation Scheme which is the principal compensation measure available to herd owners whose herds are affected by disease under the TB eradication scheme.

An additional €4 million was allocated for the payment of private veterinary practitioners (PVPs) for carrying out TB testing and another €4 million was allocated for the TB eradication supplies budget because of an increase in the number of animals being tested in 2023.

Programme B Farm/Sector Support and Controls

| | | 2023 | | 2022 |
|------|--|---------------------------|-------------|----------------|
| | | Estimate provision | | Outturn |
| | | €000 | €000 | €000 |
| B.1 | Administration – pay | | 68,592 | 68,032 |
| B.2 | Administration – non pay | | | |
| | <i>Original</i> | 33,479 | | |
| | <i>Supplementary</i> | <u>780</u> | | |
| | | | 34,259 | 35,919 |
| B.3 | Agri-environmental schemes | | | 28,574 |
| | <i>Original</i> | 160,737 | | |
| | <i>Supplementary</i> | <u>(27,110)</u> | | |
| | | | 133,627 | 122,084 |
| B.4 | Areas of natural constraint scheme | | | 268,570 |
| | <i>Original</i> | 250,000 | | |
| | <i>Supplementary</i> | <u>(1,000)</u> | | |
| | | | 249,000 | 248,386 |
| B.5 | Development of agriculture and food (farm) | | | 246,451 |
| | <i>Original</i> | 40,917 | | |
| | <i>Deferred surrender</i> | 27,500 | | |
| | <i>Supplementary</i> | <u>400</u> | | |
| | | | 68,817 | 42,473 |
| B.6 | Beef sustainability schemes | | | 65,581 |
| | <i>Original</i> | 57,000 | | |
| | <i>Supplementary</i> | <u>3,000</u> | | |
| | | | 60,000 | 51,909 |
| B.7 | Knowledge transfer | | 25 | — |
| B.8 | Animal welfare scheme for sheep | | | 1 |
| | <i>Original</i> | 20,000 | | |
| | <i>Supplementary</i> | <u>1,440</u> | | |
| | | | 21,440 | 20,958 |
| B.9 | Early retirement scheme | | — | (11) |
| B.10 | Forestry and bio energy | | | 17,562 |
| | <i>Original</i> | 112,415 | | |
| | <i>Supplementary</i> | <u>(13,483)</u> | | |
| | | | 98,932 | 73,746 |
| B.11 | Control and other support scheme costs | | | 74,086 |
| | <i>Original</i> | 22,931 | | |
| | <i>Supplementary</i> | <u>(2,500)</u> | | |
| | | | 20,431 | 18,672 |
| B.12 | Other schemes | | | 15,548 |
| | <i>Original</i> | 18,108 | | |
| | <i>Supplementary</i> | <u>22,000</u> | | |
| | | | 40,108 | 39,037 |
| | | | | 96,193 |

| | | Estimate provision | | 2023 | 2022 |
|------|---|--------------------|----------------|----------------|----------------|
| | | €000 | €000 | Outturn | Outturn |
| | | | | €000 | €000 |
| B.13 | Carbon tax measures | | | | |
| | <i>Original</i> | 13,650 | | | |
| | <i>Supplementary</i> | (7,000) | | | |
| | | | 6,650 | 2,905 | 3,465 |
| B.14 | Agri-Climate Rural Environmental Scheme | | | | |
| | <i>Original</i> | 160,000 | | | |
| | <i>Supplementary</i> | (14,000) | | | |
| | | | 146,000 | 94,143 | — |
| B.15 | Organic Farming Scheme | | 12,684 | 13,332 | — |
| B.16 | Brexit Beef Scheme | | | | |
| | <i>Original</i> | 28,000 | | | |
| | <i>Supplementary</i> | 3,000 | | | |
| | | | 31,000 | 31,247 | — |
| | | | 991,565 | 862,832 | 953,074 |

Significant variations

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

B.3 Agri-environmental schemes

Estimate provision €160.737 million; outturn €122.084 million

The shortfall in expenditure of €38.653 million relative to the original estimate was due to savings across a number of schemes. The cost-of-living crisis and supply issues had some impact on the completion of projects and as a result of increasing costs in the construction industry, some applicants deferred or scaled back projected works.

B.5 Development of agriculture and food (farm)

Estimate provision €68.417 million; outturn €42.473 million

The shortfall in expenditure of €25.944 million relative to the original estimate was mainly due to TAMS 3 scheme development involving a significant upgrade of systems to cater for the new investments and increased ceilings across the various schemes. This resulted in delays in the issue of approvals to commence works until late 2023.

Furthermore, some farmers may have decided not to proceed with their current investment approval and instead submitted an application under TAMS 3 which attracts a higher level of grant aid for certain schemes.

B.6 Beef sustainability schemes

Estimate provision €57.000 million; outturn €51.909 million

The shortfall in expenditure of €5.091 million relative to the original estimate was due to 2023 being the first year of the new Suckler Carbon Efficiency Programme (SCEP) and a number of participants were not paid due to inability to meet the scheme requirements.

B.10 Forestry and bio energy

Estimate provision €112.415 million; outturn €73.746 million

The shortfall in expenditure of €38.669 million relative to the original estimate was due to the delay in receiving European Commission approval for the new forestry programme. The €3 billion forestry programme is targeted on the creation of new afforestation of 8,000 hectares per year. It was not possible to meet this target in 2023 due to the timing of the roll out of the programme.

B.11 Control and other support scheme costs

Estimate provision €22.931 million; outturn €18.672 million

The shortfall in expenditure of €4.259 million relative to the original estimate was mainly due to the successful outcome of EU CAP audits which resulted in potential EU audit disallowances not materialising, or being reduced following completion of the audit process.

B.12 Other schemes

Estimate provision €18.108; outturn €39.037 million

The increase in expenditure of €20.929 million relative to the original estimate was mainly due to payments of €20 million issued to farmers under the 2023 Fodder Support Scheme which was introduced in response to difficulties and market volatility within the farming industry.

B.13 Carbon tax measures

Estimate provision €13.650 million; outturn €2.905 million

The shortfall in expenditure of €10.745 million relative to the original estimate is mainly due to €10 million which was provided for the Bioeconomy Demonstration Initiative Scheme. Due to the complexities in establishing the scheme, this allocation was not utilised.

B.14 Agri-Climate Rural Environment Scheme

Estimate provision €160.000 million; outturn €94.143 million

The shortfall in expenditure of €65.857 million relative to the original estimate was due to the complexity with the roll out of the Agri-Climate Rural Environment Scheme (ACRES). Not all applicants received their payment and payments due under the Co-operation Project (CP) stream did not commence in 2023 as planned.

B.15 Organic Farming Scheme

Estimate provision €12.684 million; outturn €13.332 million

The increase in expenditure of €648,000 is due to a higher number of farmers participating in the scheme than originally expected.

B.16 Brexit Beef Scheme

Estimate provision €28.000 million; outturn €31.247 million

The increase in expenditure of €3.247 million relative to the original estimate was due to the approval during 2023 of an additional scheme – the Bovine Genotyping Programme. This scheme was funded by the Brexit Adjustment Reserve (BAR).

Programme C Policy and Strategy

| | | Estimate provision | | 2023 | 2022 |
|------|--|--------------------|---------|---------|---------|
| | | €000 | €000 | Outturn | Outturn |
| | | | | €000 | €000 |
| C.1 | Administration – pay | | | | |
| | <i>Original</i> | 19,548 | | | |
| | <i>Supplementary</i> | 200 | | | |
| | | | 19,748 | 19,388 | 18,387 |
| C.2 | Administration – non pay | | 8,691 | 8,565 | 6,841 |
| C.3 | Research, quality and certification | | | | |
| | <i>Original</i> | 28,224 | | | |
| | <i>Supplementary</i> | 10,853 | | | |
| | | | 39,077 | 38,621 | 39,027 |
| C.4 | Development and promotion of agriculture and food (non-farm) | | | | |
| | <i>Original</i> | 30,766 | | | |
| | <i>Supplementary</i> | (16,400) | | | |
| | | | 14,366 | 15,816 | 12,417 |
| C.5 | Teagasc grant | | | | |
| | <i>Original</i> | 162,196 | | | |
| | <i>Supplementary</i> | (2,000) | | | |
| | | | 160,196 | 156,476 | 148,957 |
| C.6 | An Bord Bia grant | | | | |
| | <i>Original</i> | 55,290 | | | |
| | <i>Supplementary</i> | 1,000 | | | |
| | | | 56,290 | 55,486 | 52,300 |
| C.7 | Horse and Greyhound Racing Fund | | | | |
| | <i>Original</i> | 92,000 | | | |
| | <i>Supplementary</i> | (1,000) | | | |
| | | | 91,000 | 91,000 | 94,231 |
| C.8 | Cedra Rural Innovation and Development Fund | | 1,500 | 1,482 | 1,467 |
| C.9 | Food aid donations – World Food Programme | | | | |
| | <i>Original</i> | — | | | |
| | <i>Supplementary</i> | 25,000 | | | |
| | | | 25,000 | 25,000 | 25,000 |
| C.10 | SBCI loan scheme | | 20,100 | 18,517 | 17,532 |

| | | | | 2023 | 2022 |
|------|-----------------------|------------------------------|----------------|----------------|----------------|
| | | Estimate provision | | Outturn | Outturn |
| | | €000 | €000 | €000 | €000 |
| C.11 | Other services | <i>Original</i> 14,141 | | | |
| | | <i>Supplementary</i> 1,300 | | | |
| | | | 15,441 | 12,679 | 14,513 |
| C.12 | Other equine supports | <i>Original</i> 7,100 | | | |
| | | <i>Supplementary</i> (1,000) | | | |
| | | | 6,100 | 4,647 | — |
| | | | 457,509 | 447,677 | 430,672 |

Significant variations

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

C.3 Research, quality and certification

Estimate provision €28.224 million; outturn €38.621 million

The increase in expenditure of €10.397 million relative to the original estimate was due to the commencement of the Department's provision of funding to Bord Bia towards the Sustainable Beef and Lamb Assurance Scheme.

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

Estimate provision €30.766 million; outturn €15.816 million

The shortfall in expenditure of €14.95 million relative to the original estimate was mainly due to the following. Savings of €8.244 million arose in the Brexit Capital Investment Scheme operated by Enterprise Ireland. Such capital investment schemes can be complex and require significant preparation and planning. The scheme will be on-going for several years and funding will be drawn down as capital projects are completed.

Savings of €3.923 million arose in the setup of the new office of the National Food Ombudsman. Given the complexity of the legislative processes and timelines, the office was not established until December 2023.

C.9 Food aid donations – World Food Programme

Estimate provision €nil; outturn €25.000 million

The increase in expenditure of €25 million relative to the original estimate was due to an advance disbursement in respect of the Irish 2024 contribution under the strategic partnership agreement 2022-2024. This payment was made in late 2023 following a request from the World Food Programme. This amount is included in prepayments in the statement of financial position.

C.10 Strategic Banking Corporation of Ireland (SBCI) loan schemes

Estimate provision €20.100 million; outturn €18.517 million

The shortfall in expenditure of €1.583 million relative to the original estimate was due to the demand for the loan based schemes being lower than expected.

C.11 Other services

Estimate provision €14.141 million; outturn €12.679 million

The shortfall in expenditure of €1.462 million relative to the original estimate was due to the annual prudent provision for legal services not being required during the year.

C.12 Other equine supports

Estimate provision €7.100 million; outturn €4.647 million

The shortfall in expenditure of €2.453 million relative to the original estimate was due to the redevelopment of the Irish Equine Centre not proceeding and the €1.9 million allocated for this not being drawn down. Savings of €553,000 arose in the non-thoroughbred horse sector as some approved projects were not completed before year end.

Programme D Seafood Sector

| | | 2023 | | 2022 | |
|-----|------------------------------------|--------------------|----------------|----------------|----------------|
| | | Estimate provision | | Outturn | |
| | | €000 | €000 | €000 | |
| D.1 | Administration – pay | | 11,545 | 11,451 | 10,860 |
| D.2 | Administration – non pay | | 7,517 | 8,069 | 6,434 |
| D.3 | Fisheries | | | | |
| | <i>Original</i> | 82,433 | | | |
| | <i>Supplementary</i> | 7,000 | | | |
| | | | 89,433 | 86,500 | 43,054 |
| D.4 | Marine Institute grant | | 41,421 | 41,405 | 44,439 |
| D.5 | Bord Iascaigh Mhara grant | | | | |
| | <i>Original</i> | 166,353 | | | |
| | <i>Supplementary</i> | 12,000 | | | |
| | | | 178,353 | 178,642 | 51,065 |
| D.6 | Sea Fisheries Protection Authority | | | | |
| | <i>Original</i> | 28,081 | | | |
| | <i>Supplementary</i> | (4,600) | | | |
| | | | 23,481 | 21,623 | 20,933 |
| D.7 | Haulbowline remediation project | | 100 | 25 | 74 |
| | | | 351,850 | 347,715 | 176,859 |

Significant variations

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

D.5 Bord Iascaigh Mhara grant

Estimate provision €166.353 million; outturn €178.642 million

The increase in expenditure of €12.289 million relative to the original estimate is due to a higher drawdown of demand led Brexit Adjustment Reserve (BAR) schemes than originally anticipated.

D.6 Sea Fisheries Protection Authority

Estimate provision €28.081 million; outturn €21.623 million

The shortfall in expenditure of €6.458 million relative to the original estimate is due mainly to the following.

Savings in pay and pension of €2.387 million mainly attributed to the delayed timing of recruitment of new staff and lower than expected retirements.

Capital savings of €547,000 attributable to changes in the timelines associated with proposed works.

Savings in non-pay of €3.524 million mainly due to re-tendering of support services associated with a number of projects in EMFF/ EMFAF which impacted on the delivery of these projects during 2023.

Note 4 Receipts

4.1 Appropriations-in-aid

| | Subhead | 2023 | | 2022 |
|----|---|-----------------------------|------------------|------------------|
| | | Estimated €000 | Realised €000 | Realised €000 |
| 1 | Recoupment of salaries etc. of officers on loan to outside bodies | 720 | 563 | 748 |
| 2 | Forfeited deposits and securities | 1 | 2,373 | 43 |
| 3 | Receipts from inspection fees at meat plants | A.3 | | |
| | <i>Original</i> | 25,112 | | |
| | <i>Supplementary</i> | (7,200) | | |
| | | 17,912 | 21,133 | 23,223 |
| 4 | Receipts from veterinary inspection fees for live exports | A.3 | 685 | 1,029 |
| 5 | Receipts from fees for dairy premises inspection services | A.3 | 4,300 | 3,971 |
| 6 | Receipts from the sale of vaccines etc. | A.3 | 675 | 510 |
| 7 | Receipts from seed testing fees etc. | C.3 | 3,150 | 3,472 |
| 8 | Receipts from farmer contributions regarding eradication of TB | A.3 | 7,501 | 8,045 |
| 9 | Land Commission receipts | | 255 | 141 |
| 10 | Other receipts | | 1,626 | 7,669 |
| 11 | EAFRD (European Agricultural Fund for Rural Development) | B.4, B.3, B.5 and B.9 | | |
| | <i>Original</i> | 226,000 | | |
| | <i>Supplementary</i> | (80,000) | | |
| | | 146,000 | 141,570 | 310,847 |
| 12 | Veterinary Fund | A.3 | 335 | 2,094 |
| 13 | Other EU Guarantee receipts (Agriculture) | B.11 | 52 | 9 |
| 14 | Proceeds of fines and forfeitures in respect of sea fisheries | D.3 | 100 | 11 |
| 15 | Receipts under the 1933 and 1954 Acts | D.3 | 100 | 160 |
| 16 | Aquaculture licence fees | D.3 | 406 | 639 |

| | | | 2023 | 2022 |
|----|--|-----------------|-----------------------|-----------------------|
| | Subhead | Estimated | Realised | Realised |
| | | €000 | €000 | €000 |
| 17 | EU receipts for EMFF | D.3 | | |
| | <i>Original</i> | 49,600 | | |
| | <i>Supplementary</i> | <u>(46,400)</u> | | |
| | | | 3,200 | 5,611 |
| 18 | Receipts from Sustainable Food Systems Ireland | | 100 | 127 |
| 19 | Receipts from additional superannuation contributions on public service remuneration | | 10,792 | 11,833 |
| 20 | NGEU receipts | B.3 | | |
| | <i>Original</i> | 45,000 | | |
| | <i>Supplementary</i> | <u>(12,000)</u> | | |
| | | | 33,000 | 28,354 |
| 21 | Forestry licencing receipts | B.10 | 100 | 51 |
| | Total | | <u>231,010</u> | <u>245,394</u> |
| | | | | <u>408,796</u> |

Significant variations

The following outlines the reasons for significant variations in receipts (+/- 5% and €100,000). Overall, appropriations-in-aid were €131.216 million lower than the original estimate.

1 Recoupment of salaries, etc of officers on load to outside bodies

Estimate: €720,000; realised: €563,000

The decrease of €157,000 is due to a number of invoices for 2023 not being processed until 2024.

2 Forfeited deposits and securities

Estimate: €1,000; realised: €2.373 million

The increase of €2.372 million is due to some securities being forfeited to the Department as a result of non-fulfilment of obligations associated with import licences.

3 Receipts from inspection fees at poultry and other meat plants.

Estimate €25.112 million; realised €21.133 million

The decrease of €3.979 million is mainly due to a combination of lower slaughter levels for some species in 2023 of €5.572 million and an increase of €2.336 million in import inspection fees.

4 Receipts from veterinary inspection fees for live exports

Estimate €685,000; realised €1.029 million

The increase of €344,000 is due to higher export levels resulting in the following additional receipts:

Veterinary inspection on cattle (€231,000) and on horse (€143,000) exports; inspection fees on live animals €30,000; and reductions in the fees on pigs €57,000 and sheep €5,000.

- 5 Receipts from fees for dairy premises inspection services**
Estimate €4.300 million; realised €3.971 million
 The decrease of €329,000 is due to decreased relevant activity in the dairy processing sector.
- 6 Receipts from the sale of vaccines etc.**
Estimate €675,000; realised €510,000
 The decrease of €165,000 is due to receipts being dependent on external factors, including the demand for laboratory testing by private veterinary practitioners and the market price for farm livestock. Consequently, it can be difficult to accurately predict income from these sources in any given year.
- 7 Receipts from seed testing fees, certification fees, licencing fees, pesticides, registration fees, etc. and receipts from Backweston Farm**
Estimate €3.150 million; realised €3.472 million
 The increase of €322,000 is due to an increase in the levels of seed testing and certification and in the level of pesticide registration fees received.
- 8 Receipts from farmer contributions towards the cost of eradicating bovine disease**
Estimate €7.501 million; realised €8.045 million
 The increase of €544,000 is due to increased export levy receipts in 2023 and the expansion of the dairy herd leading to increased milk production and associated levies.
- 9 Land Commission receipts**
Estimate €255,000; realised €141,000
 The decrease of €114,000 is due to a lower than anticipated level of receipts of annual annuities due, early redemptions and arrears. This is a consequence of a continuing reduction in the number of Land Commission annuitants.
- 10 Other receipts**
Estimate €1.626 million; realised €7.669 million
 The increase of €6.043 million is mainly due to: receipts of €2.418 million for intervention stock losses due to Ireland following the clearance of the EU 2022 account; an increase in receipts for pet passports of €109,000; Teagasc pension receipts of €2.392 million and Sea Fishery Protection Agency (SFPA) pension receipts of €376,000.

11 EAFRD (European Agricultural Fund for Rural Development)

Estimate €226.000 million; realised €141.570 million

The decrease of €84.430 million is due to certain payments not issuing in the EU 2023 financial year and the receipts relating to these payments now fall due in 2024.

12 Veterinary Fund

Estimate €335,000; realised €2.094 million

The increase of €1.759 million is as a result of receipts of €1.595 million in 2023 relating to TB Eradication Vet Programme for 2022.

16 Aquaculture licence fees

Estimate €406,000; realised €639,000

The increase in receipts of €233,000 is due to an increase in the number of aquaculture licences issued in 2023.

17 EU receipts for EMFF

Estimate €49.600 million; realised €6.792 million

The decrease of €42.808 million is due to the following: EMFF- of the €42.4 million budgeted, €33.31 million was not paid due to the continued engagement around the results of a DG Mare audit; €2.298 was not claimed, and is expected to be claimed in 2024. The balance of €6.792 was received. EMFAF- €7.2 million was anticipated to be claimed in 2023 but wasn't claimed, and it is expected to be claimed in 2024.

19 Receipts from additional superannuation contributions on public service remuneration

Estimate €10.792 million; realised €11.833 million

The increase of €1.041 million is due to an increase in DAFM staff numbers which resulted in increased pension levy deductions of €670,000 and the impact of pay increases of €371,000 in bodies under the aegis of the Department.

20 NGEU receipts

Estimate €45.000 million; realised €33.202 million

The decrease of €11.798 million is due to EURI receipts which are based on expenditure incurred on certain support schemes during the 2023 financial year, being lower than anticipated.

Note 5 Staffing and Remuneration

5.1 Employee numbers

| Full time equivalents | 2023 | 2022 |
|-----------------------|--------------|--------------|
| Department | 3,840 | 3,760 |
| Agencies ^a | 1,751 | 1,707 |
| Total | 5,591 | 5,467 |

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

5.2 Pay

| Remuneration of Department staff | 2023 | 2022 |
|---|----------------|----------------|
| | €000 | €000 |
| Pay | 211,823 | 201,281 |
| Higher, special or additional duties allowances | 554 | 304 |
| Other allowances | 2,760 | 2,746 |
| Overtime and extra attendances | 3,236 | 3,151 |
| Shift allowances | 2,178 | 2,165 |
| Employer's PRSI | 18,148 | 16,660 |
| Total pay | 238,699 | 226,307 |
| | | |
| Remuneration of Agency staff | 2023 | 2022 |
| | €000 | €000 |
| Pay | 99,305 | 93,415 |
| Higher, special or additional duties allowances | 1,397 | 1,270 |
| Other allowances | 485 | 491 |
| Overtime and extra attendances | 116 | 122 |
| Gratuity payments | 430 | 124 |
| Employer's PRSI | 4,380 | 4,118 |
| Total pay | 106,113 | 99,540 |

5.3 Allowances and overtime payments - Department

| at 31 December | Number of recipients | Recipients of €10,000 or more | Highest individual payment | |
|---|----------------------------|-------------------------------------|-------------------------------|--------|
| | | | 2023 | 2022 |
| | | | € | € |
| Higher, special or additional duties allowances | 147 | 14 | 18,391 | 14,451 |
| Shift allowances | 289 | 80 | 27,254 | 26,870 |
| Miscellaneous | 1,235 | 31 | 60,624 | 86,926 |
| Overtime and extra attendance | 784 | 93 | 32,653 | 32,764 |
| Extra remuneration in more than one category | 533 | 231 | 45,091 | 48,609 |

Allowances and overtime payments – agencies

| at 31 December | Number of recipients | Recipients of €10,000 or more | Highest individual payment | |
|---|----------------------------|-------------------------------------|-------------------------------|--------|
| | | | 2023 | 2022 |
| | | | € | € |
| Higher, special or additional duties allowances | 127 | 76 | 27,025 | 26,657 |
| Other allowances | 457 | 49 | 19,294 | 21,600 |
| Overtime | 215 | 53 | 28,802 | 28,393 |
| Extra remuneration in more than one category | 109 | 80 | 34,746 | 33,450 |

5.4 Department employee pay bands

The number of Department employees whose total employee benefits (including basic pay, allowances, overtime; excluding employer PRSI, employer pension costs) for the financial year fell between €20,000 and €59,999 and within each band of €10,000 from €60,000 upwards are as follows:

| Pay bands (€) | | Number of employees | |
|---------------|---------|---------------------|-------|
| From | To | 2023 | 2022 |
| 20,000 | 59,999 | 2,684 | 2,761 |
| 60,000 | 69,999 | 444 | 417 |
| 70,000 | 79,999 | 285 | 241 |
| 80,000 | 89,999 | 165 | 178 |
| 90,000 | 99,999 | 130 | 88 |
| 100,000 | 109,999 | 79 | 97 |
| 110,000 | 119,999 | 99 | 96 |
| 120,000 | 129,999 | 39 | 20 |
| 130,000 | 139,999 | 17 | 10 |
| 140,000 | 149,999 | 10 | 2 |
| 150,000 | 159,999 | 1 | 1 |
| 160,000 | 169,999 | 3 | 6 |
| 170,000 | 179,999 | 2 | 3 |
| 180,000 | 189,999 | — | — |
| 190,000 | 199,999 | — | — |
| 200,000 | 209,999 | — | — |
| 210,000 | 219,999 | — | 1 |
| 220,000 | 229,999 | 1 | — |
| 230,000 | 239,999 | — | — |
| 240,000 | 249,999 | — | — |
| 250,000 | 259,999 | — | — |
| 260,000 | 269,999 | — | — |
| 270,000 | 279,999 | — | — |
| 280,000 | 289,999 | — | — |
| 290,000 | 299,999 | — | — |
| 300,000 | 309,999 | 1 | — |

5.5 Other remuneration arrangements

Nine retired civil servants in receipt of a civil service pension were re-engaged on a fee basis at a total cost of €23,277. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €2,623,441 in respect of 40 officers who were serving outside the Department for all or part of 2023 and whose salaries were paid by the Department.

This account does not include expenditure in respect of 23 officers who were serving outside the Department for all or part of 2023 in other Government Departments/Offices and whose salaries were not recouped by the Department.

5.6 Payroll overpayments

| at 31 December | Number of recipients | 2023 € | 2022 € |
|-------------------------|----------------------|-----------|-----------|
| Overpayments | 378 | 781,953 | 679,872 |
| Recovery plans in place | 74 | 173,936 | 216,750 |

11 overpayment recovery plans in respect of 11 individuals to the value of €11,301 were transferred to six Government departments/offices in 2023.

5.7 Remuneration and benefits of Accounting Officer

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

| | 2023 €000 | 2022 €000 |
|------------------|--------------|--------------|
| Basic pay | <u>227</u> | <u>213</u> |

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the pre-1995 superannuation scheme for established civil servants and his entitlements to retirement benefits do not extend beyond the standard terms of that scheme.

Note 6 Miscellaneous

6.1 EU funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD).

The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes.

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

Programme B includes expenditure in respect of activities co-financed by the EU through the EAFRD. Programme C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Programmes C and D includes expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €7,463,946 for EU Funding which has been disallowed due to conformity clearance decisions and €1,889,402 in late payments.

The account includes interest of €51,849 paid on short-term borrowings of €670 million borrowed in 2022 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2023 along with interest.

A total of €670 million in short-term funds were borrowed in 2023 to fund EAGF Guarantee expenditure pending EU recoupment in 2024.

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

| | 2023 | 2022 |
|---|--------------|--------------|
| | €m | €m |
| Direct payment/basic payment scheme | 1,120 | 1,180 |
| Other market supports | 11 | 27 |
| Other | (3) | (11) |
| Co-funded receipts (measures co-funded by the EU) ^a | | |
| | 2023 | 2022 |
| | €m | €m |
| EAFRD Rural Development Programmes | 157 | 339 |
| Veterinary Fund | 1.6 | 2.8 |
| Other co-financing receipts | 2 | 1 |
| Fisheries | | |
| EMFF - European Maritime and Fisheries Fund 2014-2020 ^b | 6.8 | 5.6 |
| Total pay | 1,295 | 1,544 |

Note ^a Only the EU co-funding on these programmes is shown in this table.

^b EMFF receipts of €13.9 million are held in a suspense account (EU advances) in accordance with public financial procedures.

^c Under EU regulation 908/2014 Article 28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

6.2 Scheme overpayments

| | 2023 | 2022 |
|---|--------------|--------------|
| | €000 | €000 |
| Scheme overpayments at 1 January | 1,743 | 668 |
| Restatement adjustment to opening balance | — | 1,455 |
| Overpayments raised in the year | 11,031 | 15,710 |
| Corrections | (325) | (1,040) |
| Recoveries | (11,230) | (14,958) |
| Write-offs (note 6.3) | (41) | (92) |
| Scheme overpayments at 31 December | 1,178 | 1,743 |

6.3 Write-offs

| The following sums were written off in the year | 2023 | 2022 |
|---|---------------|---------------|
| | € | € |
| Scheme overpayments: | | |
| Afforestation scheme | — | 69,011 |
| Rural environment protection scheme | 20,239 | 11,378 |
| Miscellaneous EU premia and area based schemes | 2,151 | 2,169 |
| Miscellaneous Vote premia | 10,923 | 2,951 |
| Early retirement scheme | 7,528 | 6,311 |
| | 40,841 | 91,820 |
| Customers: | | |
| Customers no longer trading | 3,521 | 2,373 |
| Other reasons | 920 | 1,814 |
| | 4,441 | 4,187 |
| | 45,282 | 96,007 |

6.4 Compensation and legal costs

Payments/costs paid by the Department in the year

| | Personal injury claims by | | Total 2023 | Total 2022 |
|-------------------------------------|---------------------------|--------------------------|---------------|---------------|
| | employees | members of the public | | |
| Number of cases | 4 | 5 | 9 | 13 |
| | €000 | €000 | €000 | €000 |
| Department's own legal costs | — | — | — | — |
| Payments by/on behalf of Department | | | | |
| Compensation | 125 | 140 | 265 | 87 |
| Legal costs | 102 | 184 | 286 | 574 |
| Other costs | 6 | — | 6 | 12 |
| 2023 Total | 233 | 324 | 557 | 673 |
| 2022 Total | 150 | 523 | 673 | |

Note ^a At 31 December 2023, the following claims are outstanding:
General litigation cases 85 (2022: 87 cases)

^b At 31 December 2023, the Department/Office has included in other creditors due, €13,106 being the total outstanding legal costs due to the State Claims Agency.

Cumulative costs of cases completed in 2023

| | Personal Injury claims by | | Total |
|-------------------------------------|---------------------------|--------------------------|------------|
| | employees | members of the public | |
| Number of cases | 4 | 5 | 9 |
| | €000 | €000 | €000 |
| Department's own legal costs | — | — | — |
| Payments by/on behalf of Department | | | |
| Compensation | 125 | 140 | 265 |
| Legal costs | 101 | 184 | 285 |
| Other costs | 2 | 0 | 2 |
| Total | 228 | 324 | 552 |

6.5 Arbitration and conciliation costs

No expenditure in 2023 (2022: €0.990 million) was made as a result of conciliation and arbitration proceedings.

6.6 Food aid donations

The World Food Programme-Ireland Strategic Partnership Agreement 2022-2024, was signed by the World Food Programme (WFP) Executive Director and the Department in December 2021. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €25 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €75 million.

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

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

The Executive Director of the WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2024 allocation. The Department agreed to an early payment of €25 million of the 2024 allocation, with payment being made in December 2023, and this amount is included in prepayments in the statement of financial position. This payment concludes the Department's funding commitment to WFP under the 2022-2024 Strategic Partnership Agreement.

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

Subscriptions and additional voluntary contributions to FAO enables FAO to work in 130 countries on the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to the FAO in 2023 amounted to €4.25 million (2022: €3.359 million).

6.7 Deferred surrender

Deferred surrender comprises savings in 2023 of €45.600 million in capital expenditures, in the following subheads, that were carried over to 2024.

| | €000 |
|---|----------------------|
| B.5 Development of agriculture and food | 22,400 |
| B.10 Forestry and bio energy | 19,900 |
| B.13 Carbon Tax measures | 3,300 |
| | <u>45,600</u> |

6.8 Fraud and suspected fraud

| | Number of cases | 2023 €000 | 2022 €000 |
|-----------------|----------------------------|----------------------|----------------------|
| Suspected fraud | 4 | 105 | 88 |

The Department became aware of four suspected fraud cases during 2023 (2022: five).

One of the four suspected fraud cases noted in the table above relates to Strategic Banking Corporation of Ireland (SBCI) backed loans (Brexit Loan Scheme/Covid Working Capital Scheme). A total of eleven loans had been obtained by borrowers using suspected fraudulent identification documents and/or fraudulent financial information. The total value of the loans was €1.21 million. SBCI has confirmed that no DAFM/Agri clients were involved in the suspected fraud.

A €40,000 loss is applicable to DAFM due to the nature of the funding split of these loans, 60:40 between DETE and DAFM.

6.9 Bovine Tuberculosis Eradication Programme

In 2023, the cost of the scheme (excluding staff salary costs) amounted to €74.284 million.

The cost of all elements of compensation paid to farmers came to €39.817 million. This comprises of the On Farm Market Valuation Scheme, Income Supplement Scheme, Hardship Scheme and the Depopulation Scheme.

In addition to exchequer funding, the cost of the programme is funded through bovine disease levies and EU funding. In respect of the 2022 TB programme, paid in 2023, Ireland received funding from the EU of €1.595 million. In addition, receipts from disease levies amounted to €8.039 million in 2023.

Note 7 Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2023

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| | €000 | €000 |
| Balance at 1 January | — | — |
| Receipts (subhead C.7) | 91,000 | 88,000 |
| Payments | | |
| Horse Racing Ireland | (72,800) | (70,400) |
| Rásaíocht Con Éireann | (18,200) | (17,600) |
| Balance at 31 December | — | — |

Payments under the Fund issue to Horse Racing Ireland (HRI) and Rásaíocht Con Éireann (RCÉ) (formerly Bord na gCon) as provided for under Section 12 of the Horse and Greyhound Racing Act 2001 and associated regulations.

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

| Property | Area Hectares |
|--|------------------|
| Cork | |
| Blood Testing Laboratory, Model Farm Road | — |
| Regional Veterinary Laboratory, Model Farm Road | 2.8 |
| Land Commission non-agricultural land, Annagannihy | 56.5 |
| Forest plot, Ballyhooley | 1.0 |
| Forest plot, Ballyhoura | 1.6 |
| Forest plot, Doneraile | 1.1 |
| Forest plot, Dunmanway | 0.8 |
| Forest plot, Killavullen | 0.1 |
| Forest plot, Killeagh | 7.0 |
| Forest plot, Kilworth | 0.8 |
| Forest plot, Newmarket | 1.5 |
| Forest plots, Banteer | 6.2 |
| Forest plots, Duhallow | 6.5 |
| Forest plots, Kinalea | 5.9 |
| Forest plots, Roscarberry | 11.0 |
| Donegal | |
| Potato Testing Centre, Raphoe | 78.0 |
| Forest plot, Letterkenny | 0.2 |
| Dublin | |
| Forest plot, Killakee | 0.7 |
| Galway | |
| Land Commission non-agricultural lands | |
| Cooloo | 52.1 |
| Kilcooley | 1.7 |
| Kylenalmelly | 1.3 |
| Meelickmore | 12.4 |
| Rosmore | 3.2 |
| Sylaun | 1.7 |
| Lands, Teagasc College, Athenry | 14.0 |
| Kerry | |
| Land Commission non-agricultural lands | |
| Ballydunlea | 284.6 |
| Glanlea | 4.0 |
| Forest plot, Kenmare | 0.2 |

| | |
|--|-------|
| Kildare | |
| Stacumny Cottage, Backweston | — |
| Farm Manager's House, Backweston | — |
| Lands, Backweston | 150.0 |
| Kilkenny | |
| Lands, Kildalton Teagasc College, Pilltown | 18.0 |
| Leitrim | |
| Land Commission non-agricultural land, Rossbeg | 79.0 |
| Limerick | |
| Regional Veterinary Laboratory, Limerick | 1.2 |
| Forest plots, Adare | 3.0 |
| Mayo | |
| Land Commission non-agricultural lands | |
| Ballymacraha | 12.1 |
| Derry | 34.8 |
| Forest plot, Foxford | 3.0 |
| Offaly | |
| Land Commission non-agricultural lands | |
| Annaghmore | 69.4 |
| Ballyegan | 44.7 |
| Clorhane | 8.2 |
| Killananny | 0.4 |
| Rathlumber | 7.2 |
| Forest plot, Tullamore | 2.5 |
| Roscommon | |
| Land Commission non-agricultural lands | |
| Ballynahouna/Ballaghcullia | 4.6 |
| Cloonakillig | 0.7 |
| Cloonshanvill | 22.4 |
| Cloonfad | 2.9 |
| Cloonboley | 4.9 |
| Cloonacolly | 4.4 |
| Cleaheen | 0.6 |
| Cloonroughan | 21.9 |
| Termon More | 55.3 |
| Tonrevagh | 10.8 |
| Cloonchambers | 18.4 |
| Clonree | 25.7 |
| Moor | 32.6 |
| Lissergool | 5.3 |
| Forest plots, Lough Key | 16.0 |

Sligo

| | |
|---|-------|
| Land Commission non-agricultural land, Cloonkeelaun | 244.0 |
| Forest plot, Benbulbin | 0.5 |

Tipperary

| | |
|--------------------------|-----|
| Forest plot, Clogheen | 1.3 |
| Forest plot, Clonmel | 3.2 |
| Forest plot, Rear Cross | 0.5 |
| Forest plots, Kilsheelan | 1.9 |

Westmeath

| | |
|--|------|
| Land Commission non-agricultural land, Clonthead | 26.6 |
| Forest plot, Lough Ennell | 14.5 |
| Creggan Lower | 0.5 |

Wexford

| | |
|---------------------|------|
| Forest plot, Forth | 4.8 |
| Forest plots, Gorey | 11.1 |

Wicklow

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

Property at fishery harbours

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