

AGRICULTURE, FISHERIES AND FOOD

Account of the sum expended, in the year ended 31 December 2008, compared with the sum granted and of the sum which may be applied as appropriations-in-aid in addition thereto:

-for the salaries and the expenses of the Office of the Minister for Agriculture, Fisheries and Food, including certain services administered by that Office, and of the Irish Land Commission and for payment of certain grants, subsidies and sundry grants-in-aid and for the payment of certain grants under cash-limited schemes

-for deferred surrender of unspent appropriations for capital supply services under Section 91 of the Finance Act 2004.

Service	Estimate Provision	Outturn	Closing Accruals
ADMINISTRATION	€000	€000	€000
A.1. SALARIES, WAGES AND ALLOWANCES	240,497	233,532	—
A.2. TRAVEL AND SUBSISTENCE	14,783	15,231	82
A.3. INCIDENTAL EXPENSES	9,924	8,510	418
A.4. POSTAL AND TELECOMMUNICATIONS SERVICES	7,349	6,761	(166)
A.5. OFFICE MACHINERY AND OTHER OFFICE SUPPLIES AND RELATED SERVICES	22,417	23,687	(1,638)
A.6. OFFICE PREMISES EXPENSES	6,920	7,876	3
A.7. CONSULTANCY SERVICES	100	225	(1)
A.8. SUPPLEMENTARY MEASURES TO PROTECT THE FINANCIAL INTERESTS OF THE EU	700	690	(14)
A.9. LABORATORY EQUIPMENT	8,600	7,171	(33)
A.10. VALUE FOR MONEY AND POLICY REVIEWS	349	181	—
PROGRAMME EXPENDITURE			
B. RESEARCH AND TRAINING	42,539	36,820	455
C. FOOD SAFETY (AND PUBLIC HEALTH), ANIMAL HEALTH AND WELFARE AND PLANT HEALTH	185,570		
<i>Original</i>	185,570		
<i>Supplementary</i>	50,000	219,081	5,465
D. INCOME AND MARKET SUPPORTS	19,415	13,885	216
E. INCOME SUPPORT IN DISADVANTAGED AREAS	257,000	255,823	302
F. RURAL ENVIRONMENT	331,838	312,450	(3,836)
G. LAND MOBILITY (EARLY RETIREMENT/ INSTALLATION AID SCHEMES)	66,000	55,053	12,444
H. DEVELOPMENT OF AGRICULTURE AND FOOD	216,202		
<i>Original</i>	216,202		
<i>Supplementary</i>	195,000		
<i>Deferred Surrender</i>	21,413	432,615	636,135
I. FORESTRY AND BIOENERGY	121,000		
<i>Current Year Provision</i>	121,000		
<i>Deferred Surrender</i>	10,000	131,000	12,811
J. FISHERIES	32,003	28,329	490
K. TEAGASC - GRANT-IN-AID FOR GENERAL EXPENSES	132,514	127,364	—
L. AN BORD BIA - GRANT-IN-AID FOR GENERAL EXPENSES	27,505	26,851	—
M. MARINE INSTITUTE - GRANT-IN-AID	32,339	31,069	—
N. BORD IASCAIGH MHARA - GRANT-IN-AID	49,045	48,378	—
O. SEA FISHERIES PROTECTION AUTHORITY	14,410	13,296	—
P. AQUACULTURE LICENCE APPEALS BOARD	475	410	—

Agriculture, Fisheries and Food – Vote 31

Service	Estimate Provision	Outturn	Closing Accruals
PROGRAMME EXPENDITURE (cont)	€000	€000	€000
Q. FOOD AID DONATIONS - WORLD FOOD PROGRAMME	9,960	11,960	—
R. OTHER SERVICES	18,834	19,353	75
	<hr/>	<hr/>	<hr/>
Gross Total			
<i>Original</i>	1,868,288		
<i>Supplementary</i>	245,000		
<i>Deferred Surrender</i>	31,413		
	<hr/>	<hr/>	<hr/>
	2,144,701	2,104,574	663,208
S. Deduct :			
APPROPRIATIONS-IN-AID	<hr/>	<hr/>	<hr/>
	413,367	404,650	188,482
Net Total			
<i>Original</i>	1,454,921		
<i>Supplementary</i>	245,000		
<i>Deferred Surrender</i>	31,413		
	<hr/>	<hr/>	<hr/>
	1,731,334	1,699,924	474,726
	<hr/>	<hr/>	<hr/>
Surplus to be surrendered		<u>€31,410,353</u>	

The Statement of Accounting Policies and Principles and Notes 1 to 16 form part of this Account.

NOTES

1 OPERATING COST STATEMENT FOR 2008

	€000	€000	€000
Net Outturn			1,699,924
Changes in Capital Assets			
Purchases Cash	(9,801)		
Proceeds of Disposals	54		
Depreciation	16,974	7,227	
Assets under Development			
Cash Payments		(1,053)	
Changes in Net Current Assets			
Increase in Closing Accruals	484,524		
Increase in Stock	(1,653)	482,871	489,045
Direct Expenditure			2,188,969
Expenditure Borne Elsewhere			
Net Allied Services Expenditure			67,503
Notional Rents			15,281
Operating Cost			<u>2,271,753</u>

2 STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2008

	€000	€000	€000
Capital Assets (Note 3)			34,575
Assets under Development (Note 4)			4,188
Current Assets			
Stocks (Note 14)		3,051	
Prepayments		2,751	
Accrued Income		188,483	
Other Debit Balances:			
Travel		426	
Department of Finance		2,235	
OPW		1,536	
Harbour Development		2,639	
Other		13	
PMG Balance and Cash	93,759		
Outstanding Orders	<u>(84,505)</u>	9,254	
Total Current Assets		<u>210,388</u>	
Less Current Liabilities			
Accrued Expenses		665,959	
Deferred Income		1	
Other Credit Balances:			
Due to State (Note 15)	7,333		
Securities	2,294		
Milk Quota sales/levies	445		
Cork & Dublin District Milk Board Funds	642		
Pesticides Fee for Reg/Pesticides Pay	1,682		
Extra Exchequer Receipts	302		
AIBP Settlement	1,472		
Miscellaneous	<u>5,059</u>	19,229	
Net Liability to the Exchequer (Note 5)		<u>(3,126)</u>	
Total Current Liabilities		<u>682,063</u>	
Net Current Liabilities			<u>(471,675)</u>
Net Liabilities			<u>(432,912)</u>

3 STATEMENT OF CAPITAL ASSETS AS AT 31 DECEMBER 2008

	Office Equipment/ Other Machinery €000	Furniture and Fittings €000	Totals €000
Cost or Valuation at 1 January 2008	193,145	12,373	205,518
Additions	8,802	999	9,801
Disposals	(1,058)	—	(1,058)
Gross Assets at 31 December 2008	<u>200,889</u>	<u>13,372</u>	<u>214,261</u>
Accumulated Depreciation:			
Opening Balance at 1 January 2008	153,279	10,437	163,716
Depreciation for the year	16,497	477	16,974
Depreciation on Disposals	(1,004)	—	(1,004)
Cumulative Depreciation at 31 December 2008	<u>168,772</u>	<u>10,914</u>	<u>179,686</u>
Net Assets at 31 December 2008	<u><u>32,117</u></u>	<u><u>2,458</u></u>	<u><u>34,575</u></u>

Notes

1. Valuations of land and buildings held by the Department are not available. A schedule of land and buildings is maintained.

2. The Minister, as successor to the Irish Land Commission, had the following lands on hand at 31 December 2008:

Agricultural	20 hectares
Non-Agricultural	343 hectares

4 STATEMENT OF CAPITAL ASSETS UNDER DEVELOPMENT AS AT 31 DECEMBER 2008

	Computer Applications €000
Amounts brought forward at 1 January 2008	3,135
Cash Payments for the Year	1,053
Transferred to Asset Register	—
Amounts carried forward at 31 December 2008	<u><u>4,188</u></u>

5 NET LIABILITY TO THE EXCHEQUER**Reconciliation of Surplus to be Surrendered at year end to Debtor and Creditor Balances held at 31 December 2008**

	€000	€000
Surplus for the Year		
Surplus to be surrendered	31,410	
Deferred Surrender	—	31,410
Exchequer Grant Undrawn		<u>(34,536)</u>
Net Liability to the Exchequer		<u><u>(3,126)</u></u>
Represented by:		
Debtors		
Net PMG position and cash	9,254	
Debit Balances: Suspense	<u>6,849</u>	16,103
Creditors		
Due to State	(7,333)	
Credit Balances: Suspense	<u>(11,896)</u>	(19,229)
		<u><u>(3,126)</u></u>

6 EXTRA RECEIPTS PAYABLE TO THE EXCHEQUER

	€000
Dublin District Milk Board Pension Fund	8
Surrender of Suspense Account balances	826
Legal Expenses	3
Sale of land to Galway County Council	2,211
Sale of Land to Mount Mercy College, Cork	17
Voluntary Surrender of Pay	13
Sea Fisheries Protection Agency grant	282
Refund by Teagasc	5
Total	3,365

7 EXPLANATIONS OF THE CAUSES OF VARIATION BETWEEN OUTTURN AND ESTIMATE PROVISION

Sub-head	Less/(More) than provided	Explanation
€000		
A.7.	(125)	Additional services were needed during the year to adapt and develop IT systems for the integration of Fisheries related functions into the Department.
A.10.	168	Some of the pay costs associated with the Value For Money Reviews were not charged to this subhead, resulting in a saving.
B.	5,719	There was insufficient progress made on projects under the Research Stimulus Fund 2007 to draw down funding by year end.
C.	16,489	Savings arose as a result of payments under the Pork Recall Compensation Scheme not being cleared by year end and less expenditure on Scrapie & BSE than was originally estimated. These savings were partly offset by increased compensation paid under the Bovine TB Eradication Scheme due to an increase in the number and value of TB reactors in 2008.
D.	5,530	Disallowances as a result of clearance of accounts by the EU were lower than estimated and savings also arose due to the lower level of intervention purchases and associated costs than originally anticipated.
F.	19,388	There was a lower level of applications made under the REPS 4 Scheme than had been anticipated.
G.	10,947	There was a significantly lower take-up of the 2007-2013 Early Retirement Scheme than provided for in the estimates.
H.	(42,465)	The excess resulted from the high level of payments falling due under the Farm Waste Management Scheme towards year end.
J.	3,674	The savings mainly arose due to the late approval of the National Operational Programme for fish processing and aquaculture capital projects.
O.	1,114	There were lower pay and overtime costs than provided for in the original estimate due to less staff employed and less overtime worked in some ports.
P.	65	Pay costs were less than estimated due to a reduction in staff and a delay in filling a vacancy during the year.
Q.	(2,000)	An additional €2m was provided to the World Food Programme for food aid to Ethiopia.

8 APPROPRIATIONS-IN-AID

	Debit Subhead	Estimated €	Realised €	Liabilities/ Accrued Income €
1. Recoupment of salaries, etc. of officers on loan to outside bodies	A.1.	1,000	—	—
2. Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1,000	610,526	111,912
3. Refunds from fees for veterinary inspection services at poultry plants and meat inspection fees		17,236,000	14,770,422	3,580,289
4. Receipts from veterinary inspection fees for live exports		1,182,000	1,456,839	—
5. Receipts from fees for dairy premises inspection services		5,000,000	4,866,900	3,719
6. Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island		744,000	846,629	272,537
7. Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and from Backweston Farm	B.	1,897,000	2,261,446	314,986
8. Receipts from licences and from sale and leasing of livestock etc.	B.	36,000	29,623	1,659
9. Receipts from farmer contributions towards the cost of eradicating Bovine Disease	C.	5,005,000	5,272,263	22,034
10. Land Commission receipts		544,000	659,571	—
11. Other Receipts		120,000	913,997	17,193
12. Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.	1,877,000	474,862	7,374
13. Intervention Stock losses, etc.	D.	1,000	—	7,357
14. NDP - Guarantee Receipts	E., F., G. & I.	355,014,000	346,824,519	174,898,345
15. BSE Receipts	C.	6,855,000	6,469,202	6,277,912
16. Veterinary Fund	C.	1,950,000	1,637,420	1,550,000
17. Other Guarantee Receipts from EU	D. & J.	1,405,000	2,060,725	—

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	Debit Subhead	Estimated €	Realised €	Liabilities/ Accrued Income €
18. National Development Plan - Structural Receipts	H. & I.	1,000	1,054,928	—
19. Proceeds from fines and forfeitures in respect of fishery offences		245,000	470,755	—
20. Receipts under the 1922 Foreshore Act and the 1954 State Property Act		1,191,000	1,616,879	250,963
21. EU Recoupment in respect of expenditure on the conservation and management of fisheries		50,000	521,696	—
22. Aquaculture Licence Fees		412,000	321,189	1,165,520
23. EU FIFG Receipt - Aquaculture Development	J.	7,500,000	3,870,948	—
24. EU FIFG Receipt - Fisheries Development	J.	5,100,000	7,639,098	—
Total		413,367,000	404,650,437	188,481,800

Explanation of Variations

2. Only a nominal amount was provided for, as receipts under this heading are extremely difficult to estimate because actual forfeitures are determined by events which are unknown at the time the estimate is formulated.
3. There was a reduction in the number of animals slaughtered in 2008 compared to 2007, resulting in the amount of fees charged being less than estimated.
4. The higher level of fees received reflected the higher volume of inspections than anticipated at the time the estimate was formulated.
6. More fees were collected than estimated due to increased business at the Central Veterinary Research Laboratory and more samples were tested in the regional laboratories for certain viral diseases.
7. Receipts from seed certification fees were higher than anticipated at the time the estimate was formulated.
8. There was a decrease in the number of participants in the Sheep Recording Programme, resulting in less fees being collected than were estimated.
9. Receipts were higher than estimated as some fees collected in 2008 were in respect of 2007 activity.
10. Residual annuities held in a separate account in the Central Bank and transferred to the Vote during the year accounted for the higher level of receipts than estimated.
11. Receipts under this subhead are, by their nature, very difficult to anticipate.
12. The receipts reflect a low level of produce put into intervention and sales of existing stocks, resulting in reduced recoupment of intervention costs.
15. The lower than estimated level of receipts reflected the reduced incidence of BSE.
16. The total cost of the Bovine Brucellosis Eradication Scheme in 2007, eligible for reimbursement from the EU in 2008, was less than originally estimated.
17. The additional receipts under this heading are mainly comprised of a refund of intervention payments made on fish.
18. Under the financial arrangements for closure of Structural Fund Programmes, part of the EU's contribution is retained by the EU until the operational programme is satisfactorily finalised. Part of this final contribution due was received earlier than originally anticipated. Also, residual structural funds held in the Food Programme Account were received under this heading.
19. Fines by their nature are variable and can go up or down depending on the detection rate, etc.
20. The higher level of receipts was due to a number of large once-off payments on new leases/licences, and also to some back money received in respect of earlier leases.
21. Reimbursement received from the EU in respect of expenditure incurred in 2005 had not been provided for in the original estimate due to uncertainty about its likely date of receipt.
22. The variation from estimate was due to less renewal applications being processed for billing.
23. There was an underspend in aquaculture development projects resulting in less EU receipts than estimated.
24. Claims to the EU for reimbursement in 2007 were delayed due to the transfer of functions to this Department in October 2007, resulting in a higher level of receipts in 2008 than forecast.

9 COMMITMENTS

As at 31 December 2008, commitments likely to arise in 2009 and subsequent years are as follows

	2009	Subsequent Years	Total
	€000	€000	€000
(a) Procurement	41	—	41
(b) Grants			
Capital Investment Grants	34,240	143,896	178,136
Food Research	12,500	39,291	51,791
Carcass Disposal	114	—	114
Afforestation	107,633	776,040	883,673
Bioenergy	209	—	209
Grants to the Organic Sector	1,852	—	1,852
Early Retirement Scheme	27,516	147,114	174,630
Rural Environment Protection Scheme	226,614	192,271	418,885
Pigmeat Recall Scheme	164,963	—	164,963
Total	575,641	1,298,612	1,874,253

10 DETAILS OF EXTRA REMUNERATION

	Amount paid	Number of recipients	Recipients of €10,000 or more	Max. individual payment of €10,000 or more
	€			€
Higher, special or additional duties	2,134,868	779	15	18,030
Overtime and extra attendance	10,035,843	1,689	335	53,055
Shift and roster allowances	311,458	51	5	11,079
Miscellaneous	1,704,828	2,327	24	44,750
Total extra remuneration	<u>14,186,997</u>			

Note:

Certain individuals received extra remuneration in more than one category.

11 MISCELLANEOUS ITEMS

A final payment of €86,796 was made in respect of legal fees and costs relating to the recoupment of a grant from a company that had gone into liquidation. [Subhead R. (D/Finance reference 26/2008 of 8 May 2008)].

Interest accrued on refundable deposits for foreshore licenses (offshore energy projects) amounted to €158,306 at 31 December 2008. The total contingent liability is €658,306.

A sum of €190,455 was paid to a staff member in settlement of a complaint taken to the Rights Commissioner in respect of loss of earnings and general damages. [Subhead A. (D/Finance reference E171/07/07 of 11 November 2008)].

A payment of €174,624 was paid to a harbour pilot in settlement of a High Court case taken for loss of earnings and expenses. [Subhead A. (D/Finance reference 66/2008 of November 2008)].

A payment of €59,500 was made to a staff member in an out-of-court settlement of a personal injury claim for damages. [Subhead A. D/Finance delegated sanction S90/1/00(C1/D1) refers].

Compensation and associated legal and miscellaneous costs totalling €576,387 were paid in settlement of 13 legal claims made by non-employees. [(Subhead A.)].

Legal costs of €1,367,028 was made to a company awarded by the High Court. [Subhead R. (D/Finance reference 52/2008 of 1 September 2008)].

Legal costs amounting to €260,356 were paid in final settlement of a case challenging fishing legislation. [Subhead R. (D/Finance reference 54/2008 of 9 September 2008)].

Legal costs amounting to €64,835 were paid in final settlement of a case taken in relation to Fisheries. [Subhead R. (D/Finance reference 60/2008 of October 2008)].

Ex-gratia payments totalling €1,250,000 were made to 110 animal welfare organisations. [Subhead C. (S90/2004)].

A total of €689,907 was paid in 2008 in respect of merit awards for 2006 and 2007 under the Administrative Budget Agreement. A total of 586 individuals and 269 groups benefited.

Legal costs of €152,779 were paid in respect of a herd owner's settlement of a claim under the Disease Eradication Regulations. [Subhead R. (D/Finance reference 106/2006 of December 2006)].

A payment of €200,000 was made in settlement of a legal claim by staff of the former Dublin and Cork District Milk Boards [Subhead R. (D/Finance reference 37/2008 of 29 July 2008)].

A payment of €350,000 was made in an out-of-court settlement of a legal claim by a meat company. [Subhead R. (D/Finance reference 14/2008 of 29 February 2008)].

An ex-gratia payment of €200,000 was paid to a farmer under the disease eradication schemes. [Subhead C. (D/Finance reference 53/2008 of 2 September 2008)].

Payments totalling €159,629 were made in respect of one out of court settlement and legal costs arising from two other claims under the disease eradication regulations. [Subhead C. (D/Finance references 05/2008, 08/2008 and 71/2008)].

A payment of €329,171 was made in respect of Beef Expo Ireland 2008. [Subhead R. (D/Finance reference 06/2008 of 22 January 2008)].

Funding totalling €93,299 was provided to the Irish Seed Savers Association for the conservation, promotion and utilisation of plant genetic resources. [Subhead C. (D/Finance reference 22/2008 of 3 April 2008)].

Payments totalling €1,088,854 were made to assist potato growers directly affected by an outbreak of Brown Rot disease. [Subhead C. (D/Finance reference 29/2008 of 29 April 2008)].

A payment of €100,000 was made towards the cost of hosting the 2008 World Holstein-Friesian Federation Conference. [Subhead R. (D/Finance reference 13/2008 of 21 February 2008)].

A payment of €18,264 was made in support of the Nuffield International Conference. [Subhead R. (D/Finance reference 34/2008 of 19 May 2008)].

Financial aid of €75,000 was paid to the Irish Shows Association Ltd. to support agriculture related shows. [Subhead R. (D/Finance reference 47/2008 of 13 August 2008)].

The bulk of the accrual under subhead H. relates to outstanding liabilities for grants approved under the Farm Waste Management Scheme. Deferral of payment liabilities due under the scheme is provided for under Section 12 of the Financial Emergency Measures in the Public Interest Act, 2009.

The following sums were written off:

	Sanction Reference	Amount
		€
Laboratory fees and interest on veterinary inspection fees	D/Finance delegated sanction reference 14/2007	12,599
Scheme of Early Retirement from Farming	D/Finance delegated sanction reference 14/2007	58,230
Rural Environment Protection Scheme	D/Finance delegated sanction reference 14/2007	29,847

12 EU FUNDING

Council Regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) with effect from the 2007 EU budget year (16 October 2006 - 15 October 2007). The EAGF finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes. The EAGF and the EAFRD replace the EAGGF Guarantee and Guidance Funds respectively.

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

Subheads C., D., E., F., G., H. and J. include expenditure in respect of activities co-financed by the EU through the EAGGF Guidance Fund and the new EAFRD. Subhead C. also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Subhead J. includes expenditure in respect of activities co-financed by the EU through the Financial Instrument for Fisheries Guidance, 2000-2006 (FIFG) and the European Fisheries Fund, 2007-2013 (EFF).

In any year there is a contingent liability arising from EU Commission clearance of accounts decisions which may seek to recover EU funding. A contingency provision is made in subhead D. of the Vote for this purpose.

The Account includes interest of €4.320m paid on short-term borrowings of €740m borrowed in 2007 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2008 along with interest.

A total of €741m in short term funds were borrowed in 2008 to fund EAGF Guarantee expenditure pending EU recoupment in 2009.

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

EAGF Guarantee (measures fully funded by the EU)	€m	Total €m
Single Payment Scheme	1,298	
Premia / Arable Aid	—	
Export Refunds	14	
Sugar Restructuring Aid	149	
Special Dairy Measures	(6)	
Intervention	—	
Sundry Other Measures	1	
	<hr/>	1,456
Co-funded Receipts (measures co-funded by EU) ¹		
Agriculture		
EAFRD Rural Development Programme 2007-2013 ²	346	
EAGGF Guidance (2000-2006 Programme period)	1	
Veterinary Fund	8	
Market intervention	—	
Other Co-financing Guarantee Receipts	14	
	<hr/>	369
		<hr/> 1,825

¹ Only the EU Co-funding on these programmes is shown on this table.

² Under Council Regulation (EC) No. 1290/2005, rural development measures are co-financed by the EU under the Rural Development Programme, 2007-2013, a multi-annual programme approved by the Commission. The measures include the Young Farmers Installation Scheme, the Early Retirement Scheme, schemes for On-Farm Investment, the Less Favoured Areas Compensatory Allowances Scheme and the Rural Environment Protection Scheme.

13 FOOD AID DONATIONS (SUBHEAD Q)

The World Food Programme is the food aid organisation of the UN and operates on the basis of voluntary contributions pledged at irregular intervals. The programme provides food aid to needy countries, assists in implementing economic and social development projects and provides relief to the victims of natural and other disasters. The programme operates in approximately 80 countries. Ireland's contribution to the World Food Programme in 2008 was €10.44m.

The Food Aid Convention is the main international agreement on food aid provision and serves as both a best practice code of conduct and an annual food aid commitment. Aid donated under the Convention is held by the World Food Programme and used to provide aid in emergency situations. Ireland's contribution to the Food Aid Convention in 2008 was €1.52m.

14 STOCKS

Stocks at 31 December 2008 comprised:	€000
Laboratory supplies, chemicals	289
Stationery supplies	68
Computer supplies	145
Veterinary supplies	1,990
Livestock	367
Agricultural stock	121
Safety items & first aid supplies	63
Cleaning supplies	8
	<u>3,051</u>

15 DUE TO THE STATE

The amount due to the State at 31 December 2008 consisted of:	€000
Withholding Tax	1,082
Value Added Tax	513
Relevant Contracts Tax	21
Superannuation	36
Intervention VAT	(35)
Department of Finance/Revenue Commissioners	5,716
	<u>7,333</u>

16 ENHANCING INTERNAL CONTROL

A statement of internal financial controls in the standard format for the year ended 31 December 2008 has been submitted with this account to the Comptroller and Auditor General. The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee, its Risk Management Committee and its MIF Management Group.

The Accreditation Review Group, which is chaired by the Secretary General, 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's Audit Committee, which includes five external members, reviews and monitors the work plan of the Internal Audit Unit and reports annually to the Minister and the Secretary General on its implementation. The Department is subject to a range of audits by the Comptroller and Auditor General, the Internal Audit Unit, the EU Court of Auditors, the EU Commission and by an independent certifying body - a professional accountancy firm - which certifies the annual EAGF and EAFRD Accounts. The Secretary General provided a Statement of Assurance to the certifying body for the EU annual Accounts as required by Council Regulation 1290/2005. In 2008, the Department was subject to over 3,000 audit days by these bodies.

The Risk Management Committee, also chaired by the Secretary General, monitors the operation of the Department's Risk Management Programme. The overall objective of the programme is to identify and assess the key risks (strategic, operational, financial and reputational) facing the Department in achieving its objectives and to outline measures for addressing those risks. It is reviewed on an ongoing basis. The programme continued to function satisfactorily in 2008 with Risk Management Committee meetings being held in March, July, September and November.

The MIF Management Group directs and monitors the delivery of the Department's Management Information Framework. It is chaired at Assistant Secretary level. Management reports comprising financial and non-financial performance indicator information, which were established under its supervision, continue to be provided.

The Department has a strong commitment to the security of its information and communication technology systems, which is also independently reviewed. Documented backup/recovery procedures are in place for all critical data, including the use of secure offsite storage services and disaster recovery facilities. The Department has a dedicated IT Security Unit and is proactive in the development and promotion of IT security policies. ICT security arrangements are subject to review by the IT audit section of the Internal Audit Unit. In addition, the Department, in its role as a Paying Agency on behalf of the European Union, is subject to an annual Accreditation audit, which includes a computer risk management review. As part of the Accreditation process, the Department has chosen to adopt the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security.

There is ongoing identification of training needs, including those relating to financial management. Heads of Division training includes a module on financial management. In addition, in-house training material is available for delivery on performance management and indicators, budgeting, planning and management reporting. The financial procedures manual is subject to ongoing review and revision to take account of any new developments. Copies of the financial procedures are available on line to all Department staff as well as being made available for use in training courses. A revised financial accreditation manual was finalised and distributed to staff in 2008.

T. MORAN
Accounting Officer
DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD
31 March 2009

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Agriculture, Fisheries and Food for 2008 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Agriculture, Fisheries and Food. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2008.

Chapters 24 to 26 of my annual report refer to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.



JOHN BUCKLEY
Comptroller and Auditor General
4 September 2009