



## **Appropriation Account 2013**

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### **Vote 30**

### **Agriculture, Food and the Marine**

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## 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 2013 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 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.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2013, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2013 out of unspent 2012 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €19.37 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 have been applied in the preparation of the account except for the following

### *Capital Assets*

A schedule of all land and buildings administered by the Department is appended to the account. However, as valuations for all of these properties are not available, they are not included in the statement of capital assets.

### *Depreciation*

The Integrated Forestry Management System (IFORIS) and Integrated Fisheries Information System (IFIS) software is depreciated at 20%.

## Statement on Internal Financial Control

### *Responsibility for System of Internal Financial Control*

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

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

***Financial Control Environment***

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

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

***Administrative Controls and Management Reporting***

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

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department is generally compliant with all relevant guidelines regarding procurement with the exception of nineteen contracts to a value of €4.99 million. Certain other historical and local supplier arrangements including those linked to the Department's food safety, disease control and laboratory testing arrangements are currently being examined under the guidance of the Department's procurement unit to assess whether competitive processes are required.

***Internal Audit and Audit Committee***

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, 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.

***Review of Financial Management and Control***

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 and its 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 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. In 2013 the Department was subject to approximately 2,750 audit person days by these bodies. I provided a Statement of Assurance to the certifying body for the EU annual accounts as required by Council Regulation 1290/2005.

***ICT Security***

The Department has a strong commitment to the security of its information and communication technology systems, which are 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.

**Tom Moran**  
Accounting Officer  
Department of Agriculture, Food and the Marine

3 September 2014

## **Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas**

### **Vote 30 Agriculture, Food and the Marine**

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2013 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration in his Department and for the regularity and propriety of all transactions in the appropriation account.

#### ***Responsibility 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 accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

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 2013.

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, Food and the Marine. The appropriation account is in agreement with the books of account.

***Non Compliance with Procurement Rules***

The Accounting Officer has disclosed in the statement on internal financial control that material instances of non-compliance with national procurement rules occurred in respect of contracts that operated in 2013.

**Seamus McCarthy**  
Comptroller and Auditor General

8 September 2014

## Vote 30 Agriculture, Food and the Marine Appropriation Account 2013

	Estimate provision		2013	2012
			Outturn	Outturn
	€000	€000	€000	€000
<b>Programme expenditure</b>				
A	Agri-food policy, development and trade		341,353	346,145
B	Food safety, animal health and welfare and plant health		222,084	238,424
C	Rural economy, environment and structural changes			
	<i>Current year provision</i>	424,406		
	<i>Deferred surrender</i>	6,000	412,335	476,157
D	Direct payments		247,897	257,287
<b>Gross expenditure</b>				
	<i>Current year provision</i>	1,235,740		
	<i>Deferred surrender</i>	6,000	1,206,643	1,318,013
<b>Deduct</b>				
E	Appropriations-in-aid		240,672	378,256
<b>Net expenditure</b>				
	<i>Current year provision</i>	995,068		
	<i>Deferred surrender</i>	6,000	964,895	939,757

### Surplus for surrender

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

	2013	2012
	€	€
Surplus	36,173,258	29,445,201
Deferred surrender	16,800,000	6,000,000
Surplus to be surrendered	19,373,258	23,445,201

**Analysis of administration expenditure**

		<b>2013</b>		<b>2012</b>
		<b>Estimate provision</b>	<b>Outturn</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances	171,449	171,952	177,550
ii	Travel and subsistence	7,225	6,713	7,286
iii	Training and development and incidental expenses	3,500	2,673	4,062
iv	Postal and telecommunications services	4,715	4,030	4,340
v	Office equipment and external IT services	20,162	18,539	17,404
vi	Office premises expenses	5,800	6,384	6,052
vii	Consultancy services and value for money and policy reviews	149	121	77
viii	Supplementary measures to protect the financial interests of the EU	1,000	578	634
ix	Laboratory services	5,960	5,647	5,511
x	EU Presidency	1,300	809	—
		<b>221,260</b>	<b>217,446</b>	<b>222,916</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2013

	2013	2012
	€000	€000
Programme cost	989,197	1,095,097
Pay	172,103	177,550
Non pay	45,343	45,366
<b>Gross expenditure</b>	<b>1,206,643</b>	<b>1,318,013</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>241,748</b>	<b>378,256</b>
<b>Net expenditure</b>	<b>964,895</b>	<b>939,757</b>
<b>Changes in capital assets</b>		
Purchases and disposal proceeds – cash	(3,428)	
Depreciation	5,277	
Gain on disposals	(64)	
	1,785	3,721
<b>Changes in net current assets</b>		
Increase in closing accruals	120,629	
Decrease in stock	526	
	121,155	(7,637)
<b>Direct expenditure</b>	<b>1,087,835</b>	<b>935,841</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	58,465	65,179
Notional rents	6,693	7,552
<b>Net programme cost</b>	<b>1,152,993</b>	<b>1,008,572</b>

#### 1.1 Net Allied Services Expenditure

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

	2013	2012
	€000	€000
Vote 9 Office of the Revenue Commissioners	—	2,452
Vote 12 Superannuation and Retired Allowances	e 53,522	58,487
Vote 13 Office of Public Works	e 4,492	3,804
Central Fund - Ministerial pensions	e 451	436
	58,465	65,179

“e” indicates that the number is an estimate value or an apportioned cost.

## 2 Balance Sheet as at 31 December 2013

	Note	2013 €000	2012 €000
<b>Capital assets</b>	2.2	12,219	14,003
<b>Current assets</b>			
Bank and cash	2.3	75,671	50,215
Stocks	2.4	3,557	4,083
Prepayments		1,485	2,065
Accrued income:			
EAFRD funding due from the EU		—	122,784
Other amounts due from the EU		1,300	2,890
Scheme overpayments		4,257	3,307
Due from services		7,180	6,124
Other debit balances	2.5	1,569	1,349
<b>Total current assets</b>		<b>95,019</b>	<b>192,817</b>
<b>Less current liabilities</b>			
Accrued expenses		3,714	6,031
Deferred income		—	1
Other credit balances	2.6	59,489	35,492
Net liability to the Exchequer	2.7	17,751	16,072
<b>Total current liabilities</b>		<b>80,954</b>	<b>57,596</b>
<b>Net current assets</b>		<b>14,065</b>	<b>135,221</b>
<b>Net assets</b>		<b>26,284</b>	<b>149,224</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>26,284</b>	<b>149,224</b>

2.1 State Funding Account	Note	2013 €000	2012 €000
Balance at 1 January		149,224	145,308
Disbursements from the Vote			
Estimate provision	Account	1,001,068	
Deferred surrender	Account	(16,800)	
Surplus to be surrendered	Account	(19,373)	
Net vote		964,895	939,757
Expenditure (cash) borne elsewhere	1	58,465	65,179
Non cash expenditure – notional rent	1	6,693	7,552
Net programme cost	1	(1,152,993)	(1,008,572)
<b>Balance at 31 December</b>		<b>26,284</b>	<b>149,224</b>

**2.2 Capital Assets**

	Office equipment/ other machinery €000	Furniture and fittings €000	Total €000
<b>Gross assets</b>			
Cost or valuation at 1 January 2013	220,652	14,035	234,687
Additions	3,460	35	3,495
Disposals	(329)	—	(329)
Cost or valuation at 31 December 2013	<u>223,783</u>	<u>14,070</u>	<u>237,853</u>
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2013	208,196	12,488	220,684
Depreciation for the year	4,912	365	5,277
Depreciation on disposals	(327)	—	(327)
Cumulative depreciation at 31 December 2013	<u>212,781</u>	<u>12,853</u>	<u>225,634</u>
<b>Net assets at 31 December 2013</b>	<b><u>11,002</u></b>	<b><u>1,217</u></b>	<b><u>12,219</u></b>
<b>Net assets at 31 December 2012</b>	<b><u>12,456</u></b>	<b><u>1,547</u></b>	<b><u>14,003</u></b>

Land and buildings are not included in the above statement. A listing of land and buildings administered by the Department is appended to the account.

**2.3 Bank and Cash**

at 31 December	2013 €000	2012 €000
PMG balances and cash	77,117	53,334
Orders outstanding	(1,446)	(3,119)
	<u>75,671</u>	<u>50,215</u>

**2.4 Stocks**

at 31 December	2013 €000	2012 €000
Laboratory supplies and chemicals	559	289
Stationery supplies	146	124
Computer supplies	49	143
Veterinary supplies	2,437	3,171
Livestock	252	223
Agricultural stock	70	68
Safety items and first aid supplies	—	24
Cleaning supplies	11	7
Oil stocks	33	34
	<u>3,557</u>	<u>4,083</u>

**2.5 Other Debit Balances**

at 31 December	2013	2012
	€000	€000
Imprests and recoupable travel costs	195	209
Department of Finance recoupable gratuities and retirement lump sums	31	—
Advance payments to OPW	1,168	1,075
Due from local authorities in respect of harbour development	66	65
Other	109	—
	<u>1,569</u>	<u>1,349</u>

**2.6 Other Credit Balances**

at 31 December	2013	2012
	€000	€000
<b>Amounts due to the State</b>		
Withholding Tax	604	533
Value Added Tax	766	517
Relevant Contracts Tax	10	3
Superannuation	376	—
Intervention VAT	—	65
Local Property Tax	4	—
Pay Related Social Insurance	1	—
	<u>1,761</u>	<u>1,118</u>
Securities	399	291
Milk quota sales and levies	565	565
Pesticides licensing fees	1,956	2,124
EU advances (note 6.5)	48,149	24,631
Miscellaneous	6,659	6,763
	<u>59,489</u>	<u>35,492</u>

**2.7 Net Liability to the Exchequer**

at 31 December	2013	2012
	€000	€000
Surplus to be surrendered	19,373	23,445
Deferred surrender	16,800	6,000
Exchequer grant undrawn	(18,422)	(13,373)
Net liability to the Exchequer	17,751	16,072

**Represented by:****Debtors**

Bank and cash	75,671	50,215
Debit balances: suspense	1,569	1,349
	77,240	51,564

**Creditors**

Due to State	(1,761)	(1,118)
Credit balances: suspense	(57,728)	(34,374)
	(59,489)	(35,492)
	17,751	16,072

**2.8 Commitments**

at 31 December			2013	2012
	Due 2014	Subsequent years	Total	Total
	€000	€000	€000	€000
<b>(a) Procurement</b>	13,102	17,738	30,840	14,206
<b>(b) Grants</b>				
Capital investment grants	13,000	10,700	23,700	60,600
Food research	13,295	46,127	59,422	46,011
Afforestation	109,020	658,423	767,443	749,306
Bioenergy	215	—	215	667
Grants to the organic sector	6,261	22,000	28,261	28,374
Farm Improvement Scheme	16,410	19,748	36,158	64,631
Early Retirement Scheme	10,000	19,400	29,400	45,998
Rural Environment Protection Scheme	116,997	50,100	167,097	310,555
Agri Environment Options Scheme	61,000	185,500	246,500	190,192
Horticulture Scheme	343	—	343	200
Imported Fodder Transport	574	—	574	—
Animal Health Ireland	530	—	530	500
On Farm Market Valuation	47	—	47	133
Total of legally enforceable commitments	360,794	1,029,736	1,390,530	1,511,373

### 3 Programme Expenditure by Subhead

		2013		2012
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>A</b>	<b>Agri-Food Policy, Development and Trade</b>			
A.1	Administration – pay	16,839	16,724	17,056
A.2	Administration - non pay	4,886	4,406	3,519
A.3	Research and training	29,883	29,568	32,407
A.4	Development of agriculture and food	20,715	11,807	25,936
A.5	Teagasc - grant-in-aid for general expenses	110,838	110,838	117,060
A.6	An Bord Bia - grant-in-aid for general expenses	28,561	27,734	27,120
A.7	Marine Institute (grant-in-aid)	22,322	21,945	22,449
A.8	Bord Iascaigh Mhara (grant-in-aid)	16,409	15,929	16,250
A.9	Food aid donations - World Food Programme	9,960	10,960	9,960
A.10	Other services	25,920	22,469	18,098
A.11	Horse and Greyhound Racing Fund	55,020	55,020	56,290
		<b>341,353</b>	<b>327,400</b>	<b>346,145</b>

#### Significant variations

Overall, the gross expenditure in relation to Programme A was €13.95 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Development of agriculture and food	8,908	There was a lower rate of investment than anticipated under the demand led Beef Marketing and Processing heading due to market conditions during the year, influenced by the equine DNA incident and high prices later in the year. There were also fewer claims than expected from the Food Competiveness Fund as training initiatives took longer to be finalised than originally anticipated.
Food aid donations - World Food Programme	(1,000)	An additional €1 million was provided to the World Food Programme to aid its hunger relief efforts in Africa.
Other services	3,451	Savings arose on legal expenses as fewer legal cases were settled during the year than anticipated. There were also savings on pension payments due to a reduced number of pensioners and a provision for early retirements was not required.

	Estimate provision €000	2013	2012
		Outturn	Outturn
		€000	€000
<b>B Food Safety, Animal Health and Welfare and Plant Health</b>			
B.1 Administration - pay	96,913	96,837	100,362
B.2 Administration - non pay	28,171	25,758	26,746
B.3 Food safety (and public health), animal health and welfare and plant health	97,000	90,303	111,316
	<b>222,084</b>	<b>212,898</b>	<b>238,424</b>

**Significant variations**

Overall, the gross expenditure in relation to Programme B was €9.19 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Food safety (and public health), animal health and welfare and plant health	6,697	There was a savings due to a reduction in testing for Brucellosis and a slight decrease in TB reactor numbers.

		<b>2013</b>		<b>2012</b>
		<b>Estimate provision</b>		<b>Outturn</b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>C Rural Economy, Environment and Structural Changes</b>				
C.1	Administration - pay		35,619	34,248
C.2	Administration - non pay		9,424	6,794
C.3	Rural environment		200,375	206,231
C.4	Land mobility (early retirement/ installation aid schemes)		14,080	14,719
C.5	Development of agriculture and food		27,405	16,469
C.6	Forestry and bioenergy			
	<i>Current year provision</i>	110,388		
	<i>Deferred surrender</i>	6,000		
			116,388	111,153
C.7	Fisheries		14,240	11,220
C.8	Sea Fisheries Protection Authority		10,481	9,997
C.9	Other services		2,394	1,504
			<b>430,406</b>	<b>412,335</b>
				<b>476,157</b>

#### Significant variations

Overall, the gross expenditure in relation to Programme C was €18.07 million lower than provided. This was mainly due to the following:

<b>Description</b>	<b>Less/ (more) than provided €000</b>	<b>Explanation</b>
Development of agriculture and food	10,937	Expenditure under the targeted agricultural modernisation schemes was less than estimated as some projects approved for grant aid were not completed and the funding provided was not fully drawn down (farmers have two years to complete works approved). In addition, an extension to the deadline for completion of work under the Sow Welfare Scheme to 28 February 2014 led to further savings.
Fisheries	3,020	The savings arose due to non completion of some capital fish processing works as a result of the time constraints imposed for completion of works during the year and also to the low uptake on eligible aquaculture development investment projects arising from the designation of inshore waters as special areas of conservation and special protection areas. Projects are co-funded and difficulties experienced by some applicants, and potential applicants, with accessing credit in financial institutions also reduced demand for capital project funding.
Other services	890	There was less expenditure under technical assistance than estimated due to continued streamlining of activities under the national rural network and also some expected expenditure under the Haulbowline Island remediation project did not fall due before year end.

	2013		2012
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>D Direct Payments</b>			
D.1 Administration - pay	22,448	24,294	23,247
D.2 Administration - non pay	6,960	8,385	6,407
D.3 Income and market supports	23,291	19,326	21,181
D.4 Income support in disadvantaged areas	195,000	201,830	206,303
D.5 Other services	198	175	149
	<b>247,897</b>	<b>254,010</b>	<b>257,287</b>

**Significant variations**

Overall, the gross expenditure in relation to Programme D was €6.11 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Income and market supports	3,965	The main savings under this heading were due to a lower spend on EU disallowances, no intervention costs and lower interest costs on short term FEOGA related borrowings.
Income support in disadvantaged areas	(6,830)	The excess occurred because changes to the eligibility criteria of the DAS scheme did not result in savings to the extent estimated.

## 4 Receipts

### 4.1 Appropriations-in-aid

	Subhead	2013		2012	
		Estimated €000	Realised €000	Realised €000	
1.	Recoupment of salaries, etc. of officers on loan to outside bodies	698	729	995	
2.	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements	81	197	636	
3.	Refunds from veterinary fees for inspection at poultry and other meat plants	14,456	14,983	15,232	
4.	Receipts from veterinary inspection fees for live exports	1,292	1,440	1,215	
5.	Receipts from fees for dairy premises inspection services	5,000	5,484	5,096	
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	B.3	805	894	989
7.	Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston farm	A.3	1,657	2,186	2,235
8.	Receipts from farmer contributions towards the cost of eradicating bovine disease	B.3	5,000	5,413	5,194
9.	Land Commission receipts		375	723	1,005
10.	Other receipts		1,225	1,490	1,585
11.	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.3	1	1,443	1,275
12.	Intervention stock losses, etc	D.3,D.5	1	—	—
13.	EAFRD (European Agricultural Fund for Rural Development)	C.3,C.5, D.4	176,000	171,595	294,428
14.	Veterinary Fund	B.3	13,930	14,067	18,898
15.	Other Guarantee receipts from EU (Agriculture)	D.3, D.5	1,012	913	1,012
16.	Other Guarantee receipts from EU (EAGGF Fisheries)	D.3	26	10	9
17.	Proceeds of fines and forfeitures in respect of sea fisheries		100	210	197
18.	Receipts under the 1933 Foreshore Act and the 1954 State Property Act		100	86	111
19.	EU recoupment in respect of expenditure on the conservation and management of fisheries		1	225	1,167
20.	Aquaculture licence fees	C.7	412	452	972
21.	EU FIFG receipts (aquaculture and development)	C.7	1,990	1,991	1,399
22.	EFF (Fisheries) 2007-2013		500	—	6,960
23.	Receipts from pension-related deduction on public service remuneration		16,010	17,217	17,646
	<b>Total</b>		<b>240,672</b>	<b>241,748</b>	<b>378,256</b>

**Explanation of significant variations**

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/ (more) than provided €000	Explanation
Forfeited deposits and securities under EU intervention, export refund, etc. arrangements	(116)	More income than estimated was received due to the unpredictable nature of forfeitures on licence securities
Receipts from veterinary inspection fees for live exports	(148)	The increased revenue under this heading reflected an increase in the number of live cattle exported including the opening of live cattle exports to Libya during the year.
Receipts from fees for dairy premises inspection services	(484)	There was a higher milk volume processed in 2013 resulting in more fees collected than estimated.
Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston farm	(529)	The higher level of receipts than estimated was mainly due to a new system of fees for the registration of biocidal products introduced during the year. Improved weather conditions in spring also resulted in a higher demand for certified seed than anticipated.
Receipts from farmer contributions towards the cost of eradicating bovine disease	(413)	Higher volumes of milk processed, along with increased numbers of cattle slaughtered and exported live during the year, resulted in a higher level of disease levies collected from farmers than anticipated.
Land Commission receipts	(348)	The higher level of receipts than estimated was due to a more aggressive follow up of amounts owed to the Land Commission and a higher level of annuity redemptions than anticipated.
Other receipts	(265)	Staff superannuation deductions now receivable from some of the state agencies under the remit of this Department included under this heading were higher than estimated and contributed to the excess.
Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	(1,442)	The excess reflects the outcome of the clearance of the EAGF account which cannot be pre-determined and only a nominal provision was made.
Proceeds of fines and forfeitures in respect of sea fisheries	(110)	Receipts from fines are variable, depending on the level of detections, the number of court cases completed and the level of fines and forfeitures imposed.
EU recoupment in respect of expenditure on the conservation and management of fisheries	(224)	Reimbursement under this heading was not provided for in the original estimate as receipts are dependent on funding available and on the suitability of projects.
EFF (Fisheries) 2007-2013	500	A recoupment claim was not made before year end, pending the adoption of a new EU Regulation which will provide for a higher rate of recoupment under this heading.

Description	Less/ (more) than provided €000	Explanation
Receipts from pension-related deduction on public service remuneration	(1,207)	The level of pension levy receipts was difficult to estimate due to the ongoing changes in staff numbers and their income in the Department and in the state agencies under its remit.

**4.2 Extra receipts payable to the Exchequer**

	2013 €000	2012 €000
Dublin District Milk Board pension income	4	5
Surrender of suspense account balances	—	1,517
Legal expenses	2	20
Voluntary surrender of pay	15	16
Proceeds from sale of two properties	—	245
Grants for dairy industry - surrendered by Enterprise Ireland	—	2,101
VAT refund to the Marine Institute	270	—
Bord Bia pension contributions	778	—
Surrender of Fishery Harbour Centres capital expenditure drawdown in 2008	1,130	—
<b>Total</b>	<u>2,199</u>	<u>3,904</u>

## 5 Employee Numbers and Pay

The following employee numbers and pay information relates to the Department and its associated State bodies.

	<b>2013</b>	<b>2012</b>
<b>Number of staff at year end</b> (full time equivalents)	4,700	4,844
	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Pay	213,743	221,798
Higher, special or additional duties allowance	2,446	2,428
Other allowances	1,067	1,631
Overtime	3,600	3,522
Redundancy payments	—	192
Employer's PRSI	10,807	10,938
<b>Total Pay</b>	<b>231,663</b>	<b>240,509</b>

The allowance, overtime and other remuneration details in note 5.1 and note 5.2 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to the remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

### 5.1 Allowances and Overtime Payments

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2013 €</b>	<b>Maximum individual payment 2012 €</b>
Higher, special or additional duties	469	9	18,706	20,614
Other allowances	427	24	20,599	20,206
Overtime	873	83	35,519	30,835

Certain individuals received extra remuneration in more than one category.

### 5.2 Other Remuneration Arrangements

€68,710 in total, was paid to two retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. Fees paid were consistent with the principles of the Pensions (Abatement) Act, 1965.

This account includes €14,686 in respect of the non recoupable portion of the remuneration of an officer seconded to a staff representative body.

The cost of severance awards paid to five staff on termination of their employment in 2013 totalled €51,907.

## 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) 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 replaced 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.

Programmes C and D include 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. Programme C includes expenditure in respect of activities co-financed by the EU through the Financial Instrument for Fisheries Guidance, 2000-2006 (FIG) and the European Fisheries Fund, 2007-2013 (EFF). Programme D includes a charge to the Vote of €8.8m for EU funding which has been disallowed.

The Account includes interest of €2.8m paid on short-term borrowings of €730m borrowed in 2012 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2013 along with interest.

A total of €715m in short-term funds were borrowed in 2013 to fund EAGF Guarantee expenditure pending EU recoupment in 2014. These loans are not reflected in Note 2.

Provision, as outlined in Note 6.5 has been made for potential future liabilities arising from the repayment of EAFRD advance funding received from the EU in 2007 and 2008.

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

<b>EAGF Guarantee (measures fully funded by the EU )</b>	<b>2013</b>	<b>2012</b>
	<b>€m</b>	<b>€m</b>
Single payment scheme (including modulation refund)	1,202	1,248
Grassland Sheep, Dairy Efficiency, Burren Life (EU Reg 73/2009 Article 68 Measures)	19	39
Export refunds	—	1
Intervention	3	14
Milk superlevy	—	(16)
Other	(15)	6
<b>Co-funded receipts (measures co-funded by EU)<sup>1</sup></b>	<b>2013</b>	<b>2012</b>
	<b>€m</b>	<b>€m</b>
<b>Agriculture</b>		
EAFRD Rural Development Programme 2007-2013	173	294
Veterinary Fund	14	19
Other co-financing receipts	2	2
<b>Fisheries</b>		
FIFG - aquaculture development/fisheries development	2	2
EFF - European Fisheries Fund 2007-2013	—	7
	<b>1,400</b>	<b>1,616</b>

<sup>1</sup> Only the EU co-funding on these programmes is shown in this table.

**6.2 Overpayments**

	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Scheme overpayments at 1 January	3,307	4,573
Adjustment for Early Retirement Scheme	429	—
Overpayments raised in the year	8,090	8,225
Corrections	(1,345)	(3,524)
Recoveries	(6,008)	(5,498)
Write-offs (note 6.3)	(216)	(469)
Scheme overpayments at 31 December	<b>4,257</b>	<b>3,307</b>

**6.3 Write-offs**

The following sums were written off in the year:

	<b>2013</b>	<b>2012</b>
	€	€
<b>Schemes:</b>		
Early retirement from farming	26,694	93,599
Afforestation schemes	—	174,826
Miscellaneous EU premia and areas based schemes	109,557	100,472
Rural Environment Protection Scheme	79,746	100,038
	<u>215,997</u>	<u>468,935</u>
<b>Other:</b>		
Veterinary inspection fees unpaid by companies no longer in business	680	10,850
Company paid in error	12,007	—

**6.4 Legal Costs and Compensation**

Legal cost paid during the year are categorised as follows:

	<b>2013</b>	<b>2012</b>
	€	€
Legal fees	386,778	33,265
Compensation costs	715,275	1,243,799
	<u>1,102,053</u>	<u>1,277,064</u>

**6.5 Contingent Liability**

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.

The EAFRD programme under Regulation 1290/2005 Article 25 provided 7% advance funding on the overall programme paid in two instalments in 2007 and 2008. This amounted to €147 million advance funding for the Department which was receipted as appropriations-in-aid in those years. At the end of December 2013, the Department has accounted for the advance funding in full and has brought cumulative receipts in line with cumulative claims as at 31 December 2013. Funds lodged to suspense amounting to €48,148,706 represent receipts from the EU in excess of cumulative claims. The funds in the Department suspense will be utilised in 2014 to reimburse the Department of the Environment, Community and Local Government for claims submitted in 2014, and by 2015 all funds in suspense will be cleared out.

On foot of a Government decision, the Department took charge of the remediation work on the site of Haulbowline from 2012. The future cost of land remediation at this site is not known, pending planning permission for a specific scheme for remediation.

The Department is aware of a potential EU disallowance in relation to over claims on area based schemes. As the Department is engaged in a formal appeals process, the actual amount or timing of the potential liabilities is uncertain.

### 6.6 Food Aid Donations

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 2013 was €9.436 million (2012: €8.436 million).

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 2013 was €1.524 million (2012: €1.524 million).

### 6.7 Ex-Gratia Payments

Ex-gratia payments totalling €1,809,100 were made to 137 animal welfare organisations (2012: €1,370,000).

€750 was paid to three staff members in respect of medical costs relating to accidents at work.

Ex-gratia payments totalling €2,236 were made to 10 applicants under the Farm Waste Management scheme, whose grants were partially paid on a phased basis in 2009-2011 on foot of a Government decision.

An ex-gratia payment of €4,000 was made to the Chairperson of the Farm Animal Welfare Advisory Council.

## 7. Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December  
2013

	<b>2013</b>	<b>2012</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Receipts (subhead A.11)	55,020	56,290
Payments		
Horse Racing Ireland	(44,016)	(45,032)
Bord na gCon	(11,004)	(11,258)
Balance at 31 December	<u>—</u>	<u>—</u>

## Schedule of Land and Buildings

Property	Area (Hectares)
<b>Cavan</b>	
Lands, Teagasc College, Ballyhaise	17.0
Forest plot, Kingscourt	0.3
<b>Cork</b>	
Haulbowline Island (including bridge and access road)	45.7
Blood testing laboratory, Model Farm Road	—
Dairy science laboratory, Model Farm Road	—
Regional veterinary laboratory, Model Farm Road	—
Lands, Model Farm Road	4.0
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
Forest plot, Ballynoe	29.7
Forest plot, Bandon	1.4
Forest plot, Doneraile	1.1
Forest plot, Dunmanway	0.8
Forest plot, Glengarriff	5.0
Forest plot, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Kinalea	5.9
Forest plot, Newmarket	1.5
Forest plot, Rathluirc	1.5
Forest plots, Banteer	7.0
Forest plots, Dunhallow	6.5
Forest plots, Roscarberry	11.0
<b>Donegal</b>	
Potato testing centre, Raphoe	—
Potato testing laboratory, Raphoe	78.0
Forest plot, Ardara	6.5
Forest plot, Dowra	107.3
Forest plot, Gweebarra	1.8
Forest plots, Killygordon	0.6
Forest plots, Letterkenny	0.3
Forest plots, Lough Gill	13.5
Forest plots, Meenirroy	1.5
<b>Dublin</b>	
Forest plot, Killakee	0.7
<b>Galway</b>	
Lands, Teagasc College, Athenry	59.0
Forest plot, Ballygar	0.5
Forest plot, Oughterard	7.0
<b>Kerry</b>	
Forest plot, Kenmare	0.2
Forest plot, Killarney	1.0
Forest plots, Killorglin	148.0
<b>Kildare</b>	
Testing centre, Backweston	—
Stacumny Cottage, Backweston	—
Lands, Backweston	113.0
Forest plot, Athy	3.5
Forest plot, Donadea	0.2

<b>Property</b>	<b>Area (Hectares)</b>
<b>Kilkenny</b>	
Lands, Kildalton Teagasc College, Pilltown	18.0
Forest plots, Castlecomer	2.6
Forest plots, Knocktopher	1.3
<b>Laois</b>	
Forest plot, Ballyfin	2.2
Forest plot, Durrow	2.2
<b>Leitrim</b>	
Forest plot, Glenfarne	11.0
<b>Limerick</b>	
Forest plots, Adare	3.0
Forest plot, Broadford	2.7
Forest plot, Foynes	1.8
Forest plots, Kilfinane	9.9
<b>Longford</b>	
Forest plot, Granard	0.7
<b>Mayo</b>	
Forest plot, Foxford	3.0
<b>Offaly</b>	
Forest plot, Tullamore	2.5
<b>Roscommon</b>	
Forest plot, Lough Key	32.0
<b>Sligo</b>	
Forest plot, Beltra	141.0
Forest plots, Benbulbin	4.4
Forest plots, Collooney	1.3
Forest plot, Manorhamilton	2.0
<b>Tipperary</b>	
Forest plots, Carrick-on-Suir	4.0
Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Kilsheelan	1.9
Forest plot, Neir	2.8
Forest plot, Rear Cross	0.5
<b>Waterford</b>	
Forest plot, Curraghmore	0.6
Forest plots, Kilmacthomas	17.5
<b>Westmeath</b>	
Forest plots, Castlepollard	1.0
Forest plot, Lough Ennel	14.5
<b>Wexford</b>	
Forest plots, Forth	15.3
Forest plot, Gorey	11.1
Forest plot, Killane	0.4
<b>Wicklow</b>	
Forest plots, Aughavannagh	0.2
Forest plots, Avonmore	1.0
Forest plot, Ballinaininch	60.7
Forest plots, Enniskerry	4.0
Forest plots, Glen of Imaal	6.1
Forest plots, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plots, Shelton	0.4
Forest plot, Waterville	59.0

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

The Minister, as successor to the Irish Land Commission, had 11 hectares of agricultural land and 569 hectares of non-agricultural land on hand at 31 December 2013.

Under a deed of warrant exercised by the Minister for Public Expenditure and Reform, the property known as Haulbowline Island (including bridge and access road) was vested in the Minister for Finance on 14 October 2013. Subsequently on that same day, ownership was transferred to the Minister for Agriculture, Food and the Marine for the duration of the remediation project approved by Government in respect of the former ISPAT/Irish Steel site on Haulbowline Island.