

**Vote 30: Communications, Energy and Natural Resources**

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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 2009 for the salaries and expenses of the Office of the Minister for Communications, Energy and Natural Resources, including certain services administered by that Office, and for payment of certain grants 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 Eireann under the Appropriation Act 2009, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2009 out of unspent 2008 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the Account.

### **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account.

### **Statement on Internal Financial Control**

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Communications, Energy and Natural Resources.

### ***Financial Skills Training***

In 2009, the Department continued to focus on building financial management and reporting competence. This focused approach has contributed to further strengthening of the business planning and financial reporting processes. It has also served to embed the Public Financial Procedures as well as furthering organisational effectiveness and evidence based policy making decisions. Detailed monthly reporting to the Management Committee, combining key financial and non-financial performance, is in place. This enables increased performance analysis capability to measure outputs, efficiency and value for money, through proper development of the Department's resources. The Department has an established Senior Financial Management, Risk and Control Group, whose ambit is to promote and review the continued implementation of the recommendations of the Mullarkey Report within the Department and across the agencies within its remit.

### ***Risk Management***

The Department operates a Risk Management System which is part of the business planning process for all divisions. The purpose of the programme is to identify and assess risks and to outline measures to control and manage the risks to which the Department may be exposed. The Senior Financial Management Risk and Control Group monitors the operation of the Department's Risk Management Programme. The Programme is reviewed on an ongoing basis.

**AIDAN DUNNING**

Accounting Officer

Department of Communications, Energy and Natural Resources

31 March 2010

## Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of the Vote for Communications, Energy and Natural Resources for 2009 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 Communications, Energy and Natural Resources. 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 2009.

Chapter 26 of my annual report refers 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.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

**JOHN BUCKLEY**  
Comptroller and Auditor General  
7 September 2010

## Vote 30 Communications, Energy and Natural Resources Appropriation Account 2009

Service		2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000	€000
<b>Administration</b>				
A.1. Salaries, wages and allowances		18,552	18,011	18,335
A.2. Travel and subsistence				
	<i>Original</i>	931		
	<i>Supplementary</i>	<u>(122)</u>	809	504
A.3. Incidental expenses				892
	<i>Original</i>	1,485		
	<i>Supplementary</i>	<u>(240)</u>	1,245	1,130
A.4. Postal and telecommunication services				1,546
	<i>Original</i>	870		
	<i>Supplementary</i>	<u>(150)</u>	720	453
A.5. Office machinery and other office equipment and related services				518
	<i>Original</i>	4,905		
	<i>Supplementary</i>	<u>(250)</u>	4,655	3,163
A.6. Office premises expenses		1,500	1,158	5,834
A.7. Consultancy services				1,925
	<i>Original</i>	1,631		
	<i>Supplementary</i>	<u>(476)</u>	1,155	739
A.8. Equipment, stores and maintenance		225	188	2,249
A.9. Value for money and policy reviews		42	12	316
				3
<b>Communications</b>				
B.1. Information and communications technology programme				
	<i>Current Year Provision</i>	38,266		
	<i>Deferred surrender</i>	<u>7,783</u>	46,049	40,021
B.2. Multimedia developments				49,031
	<i>Original</i>	6,569		
	<i>Supplementary</i>	(52)		
	<i>Deferred surrender</i>	<u>214</u>	6,731	5,544
B.3. RAPID programme (dormant accounts allocation)		1,147	774	4,572
B.4. Information society and inclusion		824	812	517
				1,767

Service		2009 Estimate provision €000	2009 Outturn €000	2008 Outturn €000
<b>Broadcasting</b>				
C.1. Grant to Radio Telefís Éireann for broadcasting licence fees (grant-in-aid)				
	<i>Original</i>	205,260		
	<i>Supplementary</i>	<u>2,380</u>	207,640	204,255
				201,067
C.2. Payment to An Post for collection of broadcasting licence fees		13,714	12,444	12,630
C.3. Broadcasting Commission of Ireland (grant-in-aid)				
	<i>Original</i>	4,575		
	<i>Supplementary</i>	<u>(25)</u>	4,550	4,550
				5,000
C.4. Deontas i leith Theilifís na Gaeilge (deontas-i-gcabhair)		36,133	36,133	36,390
C.5. Broadcasting Fund		10,804	11,888	10,478
C.6. Grants for digital terrestrial television				
	<i>Original</i>	49		
	<i>Supplementary</i>	<u>(49)</u>	—	—
				1,514
<b>Energy</b>				
D.1. Sustainable Energy Ireland - administration & general expenses (grant- in-aid)				
	<i>Original</i>	8,518		
	<i>Supplementary</i>	<u>(168)</u>	8,350	8,350
				7,530
D.2. Sustainable energy programmes (cash - limited)				
	<i>Current Year Provision</i>	92,922		
	<i>Deferred Surrender</i>	<u>3,500</u>	96,422	59,267
				54,900
D.3. Energy research programmes (cash limited)				
	<i>Current Year Provision</i>	4,673		
	<i>Deferred Surrender</i>	<u>4,003</u>	8,676	12,224
				2,642
D.4. Strategic energy infrastructure			1	—
D.5. Energy efficiency awareness initiatives			894	890
				2,500
<b>Natural Resources</b>				
E.1. Petroleum services				
	<i>Original</i>	475		
	<i>Supplementary</i>	<u>500</u>	975	755
				631
E.2. Mining services				
	<i>Original</i>	7,353		
	<i>Supplementary</i>	<u>(669)</u>	6,684	3,676
				4,737
E.3. GSI services				
	<i>Original</i>	538		
	<i>Supplementary</i>	<u>(100)</u>	438	157
				383
E.4. Geoscience initiatives			1,228	1,127
E.5. National seabed survey			3,363	3,525
E.6. Ordnance Survey Ireland (grant-in-aid)				
	<i>Original</i>	5,125		
	<i>Supplementary</i>	<u>(38)</u>	5,087	5,087
				5,970

Service		2009 Estimate provision	2009 Outturn	2008 Outturn
	€000	€000	€000	€000
<b>Service</b>				
<b>Fisheries</b>				
F.1. Inland fisheries		34,046	31,455	34,110
F.2. Salmon conservation		4,187	4,612	12,710
<b>Miscellaneous</b>				
G.1. Subscriptions to international organisations		303	296	300
G.2. Change management fund for non-commercial bodies funded by the department		1	—	—
G.3. Gas services		32	32	36
G.4. Other services				
	<i>Original</i>	541		
	<i>Supplementary</i>	<u>(40)</u>	501	—
<b>Gross Expenditure</b>				
	<i>Current year provision</i>	511,682		
	<i>Supplementary</i>	501		
	<i>Deferred surrender</i>	<u>15,500</u>		
		<b>527,683</b>	<b>473,232</b>	<b>487,853</b>
<b>Deduct</b>				
H. Appropriations-in-aid				
	<i>Original</i>	248,684		
	<i>Supplementary</i>	<u>500</u>		
		<b>249,184</b>	<b>240,699</b>	<b>237,245</b>
<b>Net Expenditure</b>				
	<i>Current year provision</i>	262,998		
	<i>Supplementary</i>	1		
	<i>Deferred surrender</i>	<u>15,500</u>		
		<b>278,499</b>	<b>232,533</b>	<b>250,608</b>
<b>Surplus for the year</b>			<b>€45,966,738</b>	<b>€40,476,130</b>
<b>Deferred surrender</b>			<b>€15,721,000</b>	<b>€15,500,000</b>
<b>Surplus to be surrendered</b>			<b>€30,245,738</b>	<b>€24,976,130</b>

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2009

	Note	€000	2009 €000	2008 €000
Expenditure on administration			25,358	31,618
Expenditure on services and programmes			447,874	456,235
<b>Gross expenditure</b>			473,232	487,853
Deduct				
<b>Appropriations in aid</b>			240,699	237,245
<b>Net expenditure</b>			232,533	250,608
<b>Changes in capital assets</b>				
Purchases Cash		(341)		
Proceeds of Disposals		1		
Depreciation		2,599		
Loss on Disposals		57	2,316	1,952
<b>Changes in assets under development</b>				
Cash payments			(6)	(65)
<b>Changes in net current assets</b>				
Decrease in closing accruals		(386)		
Decrease in stock		499	113	(1,497)
<b>Direct expenditure</b>			234,956	250,998
Net allied services expenditure	1.1		15,438	24,003
Notional rents			3,501	3,621
<b>Total operating cost</b>			<b>253,895</b>	<b>278,622</b>

#### 1.1 Net Allied Services

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

Vote		2009 €000	2008 €000
7	Superannuation and Retired Allowances	10,326	20,032
9	Office of the Revenue Commissioners	363	—
10	Office of Public Works	4,442	3,352
20	Garda Síochána	167	267
	Central Fund - Ministerial etc. pensions	140	352
		<b>15,438</b>	<b>24,003</b>

## 2 Statement of Assets and Liabilities as at 31 December 2009

		2009	2008
	Note	€000	€000
<b>Capital Assets</b>	2.1	8,387	9,677
<b>Capital Assets under Development</b>	2.2	6	1,026
		<b>8,393</b>	<b>10,703</b>
<b>Current Assets</b>			
Bank and cash	2.3	20,560	18,287
Stocks	2.4	372	871
Prepayments		866	830
Accrued income		867	361
Other debit balances	2.5	237	798
<b>Total Current Assets</b>		<b>22,902</b>	<b>21,147</b>
<b>Less Current Liabilities</b>			
Accrued expenses		316	160
Other credit balances	2.6	1,367	1,718
Net Liability to the Exchequer	2.7	19,430	17,367
<b>Total Current Liabilities</b>		<b>21,113</b>	<b>19,245</b>
<b>Net Current Assets</b>		<b>1,789</b>	<b>1,902</b>
<b>Net Assets</b>		<b>10,182</b>	<b>12,605</b>

**2.1 Capital Assets**

	Land and Buildings	Office Furniture	Office/IT Equipment	Specialist Equipment	Total
	€000	€000	€000	€000	€000
<b>Gross assets</b>					
Cost or valuation at 1 January 2009	859	1,674	20,623	2,202	25,358
Additions	—	12	46	1,309	1,367
Disposals	—	(23)	(408)	—	(431)
Cost or valuation at 31 December 2009	<u>859</u>	<u>1,663</u>	<u>20,261</u>	<u>3,511</u>	<u>26,294</u>
<b>Accumulated Depreciation</b>					
Opening balance at 1 January 2009	—	1,328	12,985	1,368	15,681
Depreciation for the year	—	102	1,914	583	2,599
Depreciation on disposals	—	(17)	(356)	—	(373)
Cumulative depreciation at 31 December 2009	<u>—</u>	<u>1,413</u>	<u>14,543</u>	<u>1,951</u>	<u>17,907</u>
<b>Net Assets at 31 December 2009</b>	<b><u>859</u></b>	<b><u>250</u></b>	<b><u>5,718</u></b>	<b><u>1,560</u></b>	<b><u>8,387</u></b>
<b>Net Assets at 31 December 2008</b>	<b><u>859</u></b>	<b><u>346</u></b>	<b><u>7,638</u></b>	<b><u>834</u></b>	<b><u>9,677</u></b>

**Notes:** (a) The following fisheries are not included in capital assets but are owned by the Minister and are managed by Inland Fisheries Ireland (formerly the central and regional fisheries board)

(i) Galway

(ii) Owenea/Owentocker

(b) Land and Buildings relates to the GPO Henry Street Arcade

**2.2 Capital Assets under Development**

	Computer Applications and Research
	€000
Amounts brought forward at 1 January 2009	1,026
Cash payments for the year	6
Transferred to asset register	(1,026)
Amounts carried forward at 31 December 2009	<u>6</u>

**2.3 Bank and Cash**

	2009	2008
	€000	€000
at 31 December		
PMG balances and cash	21,784	19,041
Orders outstanding	(1,224)	(754)
	<u>20,560</u>	<u>18,287</u>

<b>2.4 Stocks</b>	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
IT equipment	59	25
Geological Survey of Ireland	297	826
Stationery	16	20
	<u>372</u>	<u>871</u>
	<u><u>372</u></u>	<u><u>871</u></u>
<b>2.5 Other Debit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
Suspense	237	798
	<u>237</u>	<u>798</u>
	<u><u>237</u></u>	<u><u>798</u></u>
<b>2.6 Other Credit Balances</b>	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
<b>Amounts due to the State</b>		
Withholding Tax	323	635
Value Added Tax	85	123
Voluntary surrender of pay	53	11
	<u>461</u>	<u>769</u>
Suspense	906	949
	<u>1,367</u>	<u>1,718</u>
	<u><u>1,367</u></u>	<u><u>1,718</u></u>
<b>2.7 Net Liability to the Exchequer</b>	<b>2009</b>	<b>2008</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	30,246	24,976
Deferred surrender	15,721	15,500
Exchequer grant undrawn	(26,537)	(23,109)
Net liability to the Exchequer	<u>19,430</u>	<u>17,367</u>
	<u><u>19,430</u></u>	<u><u>17,367</u></u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	20,560	18,287
Debit balances: suspense	237	798
	<u>20,797</u>	<u>19,085</u>
<b>Creditors</b>		
Due to State	(461)	(769)
Credit balances: suspense	(906)	(949)
	<u>(1,367)</u>	<u>(1,718)</u>
	<u><u>19,430</u></u>	<u><u>17,367</u></u>

## 2.8 Commitments

	2009	2008
<b>(a) Global Commitments</b>	€	€
Total of legally enforceable commitments	1,087	82,651

## (b) Multi-Annual Capital Projects

Project	Expenditure to 31 December 2008 €000	Expenditure in 2009 €000	Subsequent Years €000	Total €000
ICT programmes	184,620	39,406	49,137	273,163
Multimedia developments	9,570	3,813	9,758	23,141
RAPID programme (dormant accounts)	769	—	60	829
Sustainable energy programmes	78,280	35,647	42,671	156,598
Energy research programmes	39,860	9,731	3,488	53,079
Mining services	5,968	2,601	1,020	9,589
Geoscience initiatives	4,037	1,127	7,031	12,195
National seabed survey	14,043	3,525	7,675	25,243
Ordnance Survey Ireland	1,000	985	985	2,970
TG4	—	900	2,386	3,286
Inland fisheries	—	855	1,961	2,816
	<b>338,147</b>	<b>98,590</b>	<b>126,172</b>	<b>562,909</b>

## 2.9 Contingent Liability

There is potential for financial liabilities to arise in 2010 and forward years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

### 3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided [after any supplementary estimate adjustments,] by more than 5% (25% in the case of administration subheads).

Sub-head	Less/(more) than provided €000	Explanation
A.2.	305	Savings arose due to lower than anticipated levels of official travel in 2009.
A.4.	267	Savings achieved due to the introduction of cost saving measures.
A.5.	1,492	Savings reflect the Departments efforts to reduce IT and associated costs.
A.7.	416	Savings due to an overall reduction in consultancy expenditure and a number of consultancy projects not proceeding.
B.1.	6,028	Savings arose due to slower progress than anticipated on certain projects.
B.2.	1,187	Savings delivered in a number of research projects contracted to the National Digital Research Centre.
B.3.	373	Savings arose due to the late drawdown of claims.
C.2.	1,270	Payments to An Post are dependent on television licence sales which were lower than estimated.
C.5.	(1,084)	Excess arose due to an increase in funding provided under the provisions of the Broadcasting Act 2009.
D.2.	37,155	Savings due to the slower than anticipated uptake under the Home Energy Savings Scheme which was launched in early 2009.
D.3.	(3,548)	Excess arose due to the transfer of the Charles Parsons Energy Research Programme and related expenditure to the Department of Enterprise, Trade and Employment.
E.1.	220	Savings arose due to lower levels of activity than anticipated.
E.2.	3,008	Shortfall due to fewer exploration licences than anticipated being issued.
E.3.	281	Savings arose due to fewer projects than anticipated commencing.
E.4.	101	Savings arose primarily due to the achievement of reduction in costs.
E.5.	(162)	Excess due to additional data management costs.
F.1.	2,591	Savings arose due to lower levels of activity than anticipated.
F.2.	(425)	Excess arose due to additional payments being made under the Salmon Hardship Scheme.
G.4.	501	Savings arose because the capital contingency funds were not required in 2009.

## 4 Receipts

4.1 Appropriations-in-aid	2009		2009	2008
	€000	Estimated €000	Realised €000	Realised €000
1. Proceeds of fines and forfeitures in respect of fishery offences		86	35	25
2. Receipts under the Minerals Development Act, 1940 and the Petroleum and Other Minerals Act, 1960		10,685	7,167	10,148
3. Petroleum Infrastructure Support Group				
	<i>Original</i>	282		
	<i>Supplementary</i>	500		
4. Broadcasting licence fees		782	723	233
5. Geological Survey Ireland income		229,778	226,207	224,174
6. Rent on properties in GPO		1,000	330	560
7. RAPID programme (dormant accounts allocation)		228	224	225
8. RAPID programme (dormant accounts allocation)		1,147	774	517
9. NORA pensions		98	—	—
10. Miscellaneous		1,500	1,493	1,363
11. Receipts from pension-related deduction on public service remuneration		3,880	3,746	—
<b>Total</b>		<b>249,184</b>	<b>240,699</b>	<b>237,245</b>

### Miscellaneous

	2009 €000	2008 €000
Pension contribution from Sustainable Energy Ireland	505	248
Pension contribution from Broadcasting Commission of Ireland	—	414
Pension contribution from Digital Hub Development Agency	305	348
Costs recovered from other bodies	251	158
Corrib verification process	171	121
Royalties in respect of Metropolitan Area Networks	207	49
Other	54	25
	<b>1,493</b>	<b>1,363</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%.

Heading	Less/(more) than estimated €000	Explanation
2	3,518	Shortfall due to decline in metal prices in 2008 and to less mining compensation payments than anticipated.
4	3,571	Broadcasting licence fees are dependent on television licence sales and it is not possible to estimate precisely the level of receipts.
5	670	Shortfall due to less projects than anticipated commencing.
7	373	Shortfall due to slower than anticipated progress on some projects during the year.

### 4.2 Extra receipts payable to the Exchequer

	2009 €000	2008 €000
1. Sale of Digital Terrestrial Television test equipment	—	1,004
2. Voluntary surrender of pay	53	11
<b>Total</b>	<b>53</b>	<b>1,015</b>

## 5 Employee Numbers and Pay

	<b>2009</b>	<b>2008</b>
<b>Number of staff at year end</b> (full time equivalents)	1,092	1,301
	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Pay	47,085	50,437
Higher, special or additional duties allowances	148	286
Other allowances	1,673	1,730
Overtime	173	218
Employer's PRSI	3,275	4,008
<b>Total pay</b>	<b>52,354</b>	<b>56,679</b>

**Note:** The total pay figure includes elements of pay from other subheads as follows A1, B2, C3, C4, D1, E3, E5 and F1.

### 5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2009 €	Maximum individual payment 2008 €
Higher, special or additional duties	28	8	21,699	21,247
Other allowances	411	3	13,216	14,500
Overtime	96	4	24,902	32,352

### 5.2 Performance and Merit Payments

€4,615 was paid in respect of merit awards in 2009 comprising 52 gift vouchers ranging in value from €45 to €250.

### 5.3 Other Remuneration Arrangements

€ 35,929 was paid to a retired civil servant in receipt of a civil service pension who was re-engaged on a fee basis.

€21,364 was paid to 15 current and former staff who held temporary contracts in the Department.

€ 274,145 was paid to 57 current and former staff under the terms of the the IMPACT 1% PCW restructuring agreement.

## 6 Miscellaneous Items

### 6.1 EU Funding

The outturn shown for Subhead B.1. for 2009 includes expenditure which was co-financed from the European Regional Development Fund.

### 6.2 Commissions and Inquiries

€458,147 was paid in respect of various expenses arising out of the Department's involvement in the Moriarty Tribunal.

### 6.3 Other Miscellaneous

Under the provisions of Section 91 of the Finance Act, 2004, €15,721,000 in respect of the capital elements of Subheads B.1. and D.3. was carried over to 2010.

### 6.4 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2009

	<b>2009</b>	<b>2008</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	1,137	1,143
Receipts	706	235
Payments	(166)	(241)
Balance at 31 December	<u>1,677</u>	<u>1,137</u>

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by Petroleum Affairs Division. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and "land based" research in Irish offshore areas and provides a forum for co-operation amongst explorationists and researchers.

The fund is administered by Petroleum Affairs Division.

