

Appropriation Account 2016

Vote 30

Agriculture, Food and the Marine

Introduction

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

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2016 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 and for the payment of certain grants under cash-limited schemes and the remediation of Haulbowline Island.

The expenditure outturn is compared with the sums

- (a) granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- (b) provided for capital supply services in 2016 out of unspent 2015 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €231 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.

Under S.I. No. 636 of Land Commission (Dissolution) Act Regulations 2015, effective from 1 January 2016, all assets and liabilities of the Land Commission are transferred to the Minister for Agriculture, Food and the Marine and reported in the Department's Vote from that date.

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 with the exception of 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) 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 complied with national guidelines and EU Regulations with the exception of eighty seven (87) contracts to the value of €15.31 million. These contracts have been included in the Circular 40/2002 return as they are above the reporting threshold of €25,000 and were awarded without a competitive process as follows:
 - 13 contracts with a value of €3,179,542 relate to licence/software fees.
 - 21 contracts with a value of €4,901,125 relate to services necessary to adhere to the Department's policy on food safety and animal welfare for which it was either not possible or feasible to undertake a competitive process.
 - 31 contracts with a value of €3,016,913 relate to single suitable suppliers (mainly laboratory supplies and consumables). This expenditure is under review and the Department will endeavour to purchase as far as possible from Education Procurement Service (EPS) frameworks in place.
 - The Department is in discussions with the Office of Government Procurement (OGP) and the EPS with regard to 4 contracts with a value of €188,574 with a view to drawing down from existing frameworks or initiating bespoke competitions.
 - The remaining 18 contracts with a value of €4,018,857 are now compliant or being reviewed with a view to achieving compliance.

It is the policy of this Department to avail of all centrally available frameworks as soon as they come on stream and to engage with the OGP/EPS where we have more specific requirements. Controls will remain in place to ensure compliance with this strategy.

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 2016 the Department was subject to approximately 2,188 audit person days by these bodies. I provided a management declaration to the certifying body for the EU annual accounts as required by Council Regulation 1360/2013.

ICT Security

The Department has a strong commitment to the security of its ICT systems. These systems are independently reviewed on a regular basis. 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 Co-ordination Unit and is proactive in the development and promotion of information security. 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. In 2016 the Department achieved accreditation under the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT Security. As part of this certification process, the Department is subject to bi-annual audits to ensure continued compliance with ISO27001:2013 Information Security standard.

Shared services

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Service Office for the provision of human resources and payroll shared services.

I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to this Department.

Aidan O'Driscoll

Accounting Officer

Department of Agriculture, Food and the Marine

27 September 2017

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 2016 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 by 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 2016.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, adequate accounting records have been kept by the Department of Agriculture, Food and the Marine. The appropriation account is in agreement with the accounting records.

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 2016.

Seamus McCarthy
Comptroller and Auditor General

28 September 2017

Vote 30 Agriculture, Food and the Marine Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
€000		€000	€000	€000
Programme expenditure				
A	Agri-food policy, development and trade			
	<i>Original</i>	450,815		
	<i>Supplementary</i>	<u>9,090</u>	459,905	452,559
				387,177
B	Food safety, animal health and welfare and plant health			
	<i>Original</i>	217,967		
	<i>Supplementary</i>	<u>(10,654)</u>	207,313	203,130
				196,355
C	Rural economy, environment and structural changes			
	<i>Current year provision</i>	435,717		
	<i>Deferred surrender</i>	12,000		
	<i>Supplementary</i>	<u>(7,372)</u>	440,345	343,276
				355,045
D	Direct payments			
	<i>Original</i>	246,602		
	<i>Supplementary</i>	<u>8,937</u>	255,539	258,047
				326,063
Gross expenditure				
	<i>Current year provision</i>	1,351,101		
	<i>Deferred surrender</i>	12,000		
	<i>Supplementary</i>	<u>1</u>	1,363,102	1,257,012
				1,264,640
Deduct				
E	Appropriations-in-aid		306,441	453,147
Net expenditure				
	<i>Current year provision</i>	1,044,660		
	<i>Deferred surrender</i>	12,000		
	<i>Supplementary</i>	<u>1</u>	1,056,661	803,865
				825,957

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.

	2016	2015
	€	€
Surplus	252,795,648	68,622,477
Deferred surrender	(21,700,000)	(12,000,000)
Surplus to be surrendered	<u>231,095,648</u>	<u>56,622,477</u>

Analysis of administration expenditure

		2016		2015
		Estimate	Outturn	Outturn
		provision		
		€000	€000	€000
i	Salaries, wages and allowances			
	<i>Original</i>	172,902		
	<i>Supplementary</i>	(13,500)		
		<u>159,402</u>	159,158	165,980
ii	Travel and subsistence	6,910	6,889	6,971
iii	Training and development and incidental expenses	4,423	4,521	5,448
iv	Postal and telecommunications services	4,553	4,195	4,553
v	Office equipment and external IT services			
	<i>Original</i>	28,405		
	<i>Supplementary</i>	(426)		
		<u>27,979</u>	24,642	24,590
vi	Office premises expenses			
	<i>Original</i>	6,870		
	<i>Supplementary</i>	(1,000)		
		<u>5,870</u>	5,529	6,112
vii	Consultancy services and value for money and policy reviews	42	196	108
viii	Supplementary measures to protect the financial interests of the EU	1,052	634	597
ix	Laboratory services			
	<i>Original</i>	8,820		
	<i>Supplementary</i>	426		
		<u>9,246</u>	10,428	5,733
		<u>219,477</u>	<u>216,192</u>	<u>220,092</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	1,040,820	1,044,548
Pay	159,158	165,980
Non pay	57,034	54,112
Gross expenditure	1,257,012	1,264,640
<i>Deduct</i>		
Appropriations-in-aid	453,147	438,683
Net expenditure	803,865	825,957
Changes in capital assets		
Purchases cash	(3,074)	
Depreciation	4,918	
Gain on disposals	(81)	(213)
Changes in assets under development		
Cash payments	(171)	—
Changes in net current assets		
Increase in closing accruals	10,368	
Decrease in stock	770	
	11,138	46,986
Direct expenditure	816,595	872,730
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	64,371	67,099
Notional rents	7,400	7,200
Net programme cost	888,366	947,029

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.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	1	59
Vote 12 Superannuation and Retired Allowances	60,368	61,889
Vote 13 Office of Public Works	3,648	4,850
Vote 18 National Shared Services Office	54	—
Central Fund - ministerial pensions	300	301
	<u>64,371</u>	<u>67,099</u>

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	11,434	13,197
Capital assets under development	2.3	171	—
Current assets			
Bank and cash	2.4	60,413	34,296
Stocks	2.5	1,733	2,503
Prepayments		21,783	2,196
Accrued income:			
EAFRD funding due from the EU		103,690	129,983
Other amounts due from the EU		550	515
Scheme overpayments	6.3	2,556	3,254
Due for services		7,544	8,724
Other debit balances	2.6	1,325	2,498
Total current assets		199,594	183,969
Less current liabilities			
Accrued expenses		5,995	4,176
Other credit balances	2.7	40,373	21,228
Net liability to the Exchequer	2.8	21,365	15,566
Total current liabilities		67,733	40,970
Net current assets		131,861	142,999
Net assets		143,466	156,196
Represented by:			
State funding account	2.1	143,466	156,196

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		156,196	202,969
Disbursements from the Vote			
Estimate provision	Account	1,056,661	
Deferred surrender		(21,700)	
Surplus to be surrendered	Account	(231,096)	
Net vote		803,865	825,957
Expenditure (cash) borne elsewhere	1	64,371	67,099
Non cash expenditure – notional rent	1	7,400	7,200
Net programme cost	1	(888,366)	(947,029)
Balance at 31 December		143,466	156,196

2.2 Capital Assets

	Office equipment/ other machinery €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2016	231,025	14,131	245,156
Additions	3,001	158	3,159
Disposals	(1,567)	—	(1,567)
Cost or valuation at 31 December 2016	<u>232,459</u>	<u>14,289</u>	<u>246,748</u>
Accumulated depreciation			
Opening balance at 1 January 2016	218,520	13,439	231,959
Depreciation for the year	4,667	251	4,918
Depreciation on disposals	(1,563)	—	(1,563)
Cumulative depreciation at 31 December 2016	<u>221,624</u>	<u>13,690</u>	<u>235,314</u>
Net assets at 31 December 2016	<u>10,835</u>	<u>599</u>	<u>11,434</u>
Net assets at 31 December 2015	<u>12,505</u>	<u>692</u>	<u>13,197</u>

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 Capital Assets under Development

at 31 December	2016 €000
Amounts brought forward at 1 January	—
Cash payments for the year	171
Transfers to asset register	—
Amounts carried forward at 31 December	<u>171</u>

2.4 Bank and Cash

at 31 December	2016 €000	2015 €000
PMG balances	58,697	32,950
Commercial bank balances	1,788	1,427
Orders outstanding	(72)	(81)
	<u>60,413</u>	<u>34,296</u>

2.5 Stocks

at 31 December	2016 €000	2015 €000
Laboratory supplies and chemicals	434	453
Stationery supplies	129	111
Computer supplies	47	44
Veterinary supplies	683	1,427
Livestock	313	324
Agricultural stock	85	99
Cleaning supplies	14	20
Oil stocks	28	25
	<u>1,733</u>	<u>2,503</u>

2.6 Other Debit Balances

at 31 December	2016	2015
	€000	€000
Imprests and recoupable travel costs	152	143
Department of Finance recoupable gratuities and retirement lump sums	5	1
Advance payments to OPW	594	1,124
Due from local authorities in respect of harbour development	66	66
Salary advances from Exchequer	—	428
Beef data and genomics scheme	30	—
Other	478	736
	<u>1,325</u>	<u>2,498</u>

2.7 Other Credit Balances

at 31 December	2016	2015
	€000	€000
Amounts due to the State		
Income tax	2,878	—
Pay related social insurance	1,548	—
Withholding Tax	1,104	943
Value Added Tax	346	1,023
Relevant Contracts Tax	—	24
Superannuation	13	17
VAT on Sales	282	258
Local Property Tax	27	12
Universal social charge	774	—
Extra Exchequer Receipts	—	206
	<u>6,972</u>	<u>2,483</u>
Securities	156	302
Milk quota sales and levies	550	550
Pesticides licensing fees	715	734
EU advances	14,733	9,386
Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	13,759	—
Beef data and genomics scheme	—	3,828
Miscellaneous	3,488	3,945
	<u>40,373</u>	<u>21,228</u>

2.8 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	231,096	56,622
Deferred surrender	21,700	12,000
Exchequer grant undrawn	(231,431)	(53,056)
Net liability to the Exchequer	<u>21,365</u>	<u>15,566</u>

Represented by:**Debtors**

Bank and cash	60,413	34,296
Debit balances: suspense	1,325	2,498
	<u>61,738</u>	<u>36,794</u>

Creditors

Due to State	(6,972)	(2,483)
Credit balances: suspense	(33,401)	(18,745)
	<u>(40,373)</u>	<u>(21,228)</u>
	<u>21,365</u>	<u>15,566</u>

2.9 Commitments

at 31 December	2016	2015
	€000	€000

a) Global Commitments

Procurement of goods and services	32,401	25,615
Grant programmes	1,444,303	1,350,015
Capital grant programmes	732,188	706,528
Total of legally enforceable commitments	<u>2,208,892</u>	<u>2,082,158</u>

			2016	2015
b) Procurement and non capital grants	Due 2017	Subsequent years	Total	
	€000	€000	€000	€000
Procurement of goods and services	20,452	11,949	32,401	25,615
Non capital grants				
Food research	11,195	53,496	64,691	51,944
Grants to the organic sector	13,566	40,000	53,566	55,481
Early Retirement Scheme	2,573	1,097	3,670	10,693
Rural Environment Protection Scheme	390	—	390	2,382
Agri Environment Options Scheme	20,674	6,600	27,274	79,915
Beef Data Genomics Programme	47,000	143,640	190,640	238,000
Animal Health Ireland	750	—	750	1,000
On Farm Market Valuation	—	—	—	180
Green Low-Carbon Ag-Environment Scheme	262,347	765,975	1,028,322	910,420
Knowledge Transfer	25,000	50,000	75,000	—
Total of legally enforceable commitments	<u>403,947</u>	<u>1,072,757</u>	<u>1,476,704</u>	<u>1,375,630</u>

c) Capital grant programmes	2016	2015
	€000	€000
Opening balance	706,528	776,742
Grants paid in year	(113,873)	(133,886)
New grant commitments	160,011	83,570
Grant decommitments	(20,478)	(19,898)
Closing balance	732,188	706,528

			2016	2015
	Due 2017	Subsequent	Total	Total
		years		
	€000	€000	€000	€000
d) Capital grant programmes				
Capital investment grants	4,121	—	4,121	10,523
Afforestation	96,163	544,919	641,082	683,685
Farm Improvement Scheme	50,800	30,821	81,621	11,556
Horticulture Scheme	894	—	894	764
Johnstown Castle redevelopment programme	1,500	2,970	4,470	—
Total of legally enforceable commitments	153,478	578,710	732,188	706,528

Significant variations

An explanation is provided below where multi-annual commitments increased/ (decreased) by more than €500,000 from 2015 to 2016.

Description	Amount of increase/(decrease) €000	Explanation
Capital Investment grants	(6,402)	The decrease in commitments is due to faster completion of projects in 2016 than predicted together with some projects not proceeding.
Afforestation	(42,603)	The forestry programme is demand led and any shortfall or increase is due to the fact that applicants can submit applications forms for payment at any time during the life of their contract(s). Also some applicants choose to allow their premiums to build up year on year and then claim many years' premiums together.
Farm Improvement Scheme	70,065	The variance in the figures for 2015 and 2016 can be attributed to the introduction of the suite of Targeted Agricultural Modernisation Schemes (TAMS) II measures during 2016. We are committed to spending €395 million on these schemes over the course of the 2014-2020 Programme. Commitments for the years 2017-2019 are as outlined on the return in respect of applications received that have been approved and committed. Applications continue to be assessed and approved on an ongoing basis as the three monthly tranches close.
Johnstown Castle redevelopment programme	4,470	New commitment in respect of development work at Johnstown Castle.

3 Programme Expenditure by Subhead

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Agri-Food Policy, Development and Trade			
A.1	Administration – pay			
	<i>Original</i>	17,012		
	<i>Supplementary</i>	(1,329)	15,683	16,331
A.2	Administration - non pay			
	<i>Original</i>	4,440		
	<i>Supplementary</i>	(81)	4,359	4,666
A.3	Research and training			
	<i>Original</i>	31,243		
	<i>Supplementary</i>	(1,000)	30,243	24,561
A.4	Development of agriculture and food		8,720	5,644
A.5	Teagasc - general expenses		116,280	116,280
A.6	An Bord Bia - general expenses		32,492	32,569
A.7	Marine Institute		29,309	29,094
A.8	Bord Iascaigh Mhara			
	<i>Original</i>	39,680		
	<i>Supplementary</i>	(8,500)	31,180	23,104
A.9	Food aid donations - World Food Programme			
	<i>Original</i>	20,000		
	<i>Supplementary</i>	20,000	40,000	40,000
A.10	Other services		24,139	18,575
A.11	Horse and Greyhound Racing Fund		74,000	74,000
A.12	Beef data and genomics scheme		52,000	61,896
A.13	Cedra Rural Innovation and Development Fund		1,500	1,480
		459,905	452,559	387,177

Significant variations

Overall, the gross expenditure in relation to Programme A was €7.35 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration - pay	1,352	Savings occurred as planned recruitment did not progress as anticipated.
Administration – non pay	386	Savings occurred as increases in costs were not as anticipated.
Research and training	1,040	Savings arose as projects under the Research Stimulus Funds did not progress as anticipated. Such projects are normally 3 to 5 years in duration and payments are dependent on satisfactory project progress.
Development of agriculture and food	3,076	Progress on these large multiannual capital investment projects can vary depending on market conditions. Claims received were less than anticipated. Projects will take longer to complete than estimated.
Bord Iascaigh Mhara	16,576	The original budget allocation of €39.68 million was reduced by €8.5 million in the supplementary estimate. The underspend relates to various schemes where drawdown commenced later than anticipated or was less than expected e.g. Sustainable Fisheries Scheme not launched until October 2016 which resulted in under spend. A number of schemes, originally planned for 2016, did not proceed.
Food aid donations – World Food Programme	(20,000)	The original budget allocation was increased by €20m in the supplementary estimate due to an early disbursement of Ireland's 2017 contribution to the World Food Programme in view of ongoing emergency situations.
Other services	5,564	€1.7 million has been deferred as the redevelopment programme at Johnstown Castle did not progress as planned in 2016. There were also savings because fewer legal cases than expected were settled during the year. Savings also arose as a scheme for speciality food producers was not finalised in 2016.
Beef Data and Genomics Scheme	(9,896)	The variance can be explained by a carry over of liabilities into 2016 from the 2015 scheme year as Beef Data and Genomics Programme (BDGP) participants achieved compliance, coupled with the high level of compliance by BDGP participants in 2016.

				2016	2015
				Estimate	Outturn
				provision	Outturn
				€000	€000
B Food Safety, Animal Health and Welfare and Plant Health					
B.1	Administration - pay				
		<i>Original</i>	97,096		
		<i>Supplementary</i>	(7,580)	89,516	89,378
B.2	Administration - non pay				93,209
		<i>Original</i>	37,780		
		<i>Supplementary</i>	(574)	37,206	36,108
B.3	Food safety (and public health), animal health and welfare and plant health				
		<i>Original</i>	83,091		
		<i>Supplementary</i>	(2,500)	80,591	77,644
			207,313	203,130	196,355

Significant variations

Overall, the gross expenditure in relation to Programme B was €4.18 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
€000		
Administration - pay	7,718	Savings occurred as planned recruitment did not progress as anticipated.
Administration – non pay	1,672	Savings occurred as increases in costs were not as anticipated.
Food safety (and public health), animal health and welfare and plant health	5,447	Savings arose due to a reduction in tuberculosis.

				2016	2015
		Estimate provision		Outturn	Outturn
		€000	€000	€000	€000
C	Rural Economy, Environment and Structural Changes				
C.1	Administration – pay				
	<i>Original</i>	35,559			
	<i>Supplementary</i>	<u>(2,777)</u>	32,782	32,732	34,135
C.2	Administration - non pay				
	<i>Original</i>	9,936			
	<i>Supplementary</i>	<u>(181)</u>	9,755	8,894	9,962
C.3	Agri-environment schemes				
	<i>Original</i>	196,244			
	<i>Supplementary</i>	<u>(2,500)</u>	193,744	148,326	131,232
C.4	Land mobility (early retirement/ installation aid schemes)				
	<i>Original</i>	5,016			
	<i>Supplementary</i>	<u>(414)</u>	4,602	4,406	7,143
C.5	Development of agriculture and food		42,547	12,729	30,616
C.6	Forestry and bioenergy				
	<i>Current year provision</i>	101,804			
	<i>Deferred surrender</i>	<u>12,000</u>	113,804	103,802	104,145
C.7	Fisheries				
	<i>Original</i>	22,285			
	<i>Supplementary</i>	<u>(1,500)</u>	20,785	18,997	23,095
C.8	Sea Fisheries Protection Authority		12,460	10,016	10,580
C.9	Other services		1,866	1,112	465
C.10	Haulbowline remediation project		8,000	2,262	3,672
			<u>440,345</u>	<u>343,276</u>	<u>355,045</u>

Significant variations

Overall, the gross expenditure in relation to Programme C was €97.07 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Administration - pay	2,827	Savings occurred as planned recruitment did not progress as anticipated.
Administration – non pay	1,042	Savings occurred as increases in costs were not as anticipated.
Agri-Environment Schemes	47,918	<p>Savings arose as follows:</p> <p>Savings of €40m arose as GLAS training estimated budget was €4.8m but the training scheme was not rolled out as planned and will not be operational until 2017. 2016 was the first full year where payment was due for the 38,000 approved applicants. The estimate for each was based on an average annual contract of €4,600 but the actual contract value was €4,200, resulting in savings of €15.2m. Only 74% of total applications passed the regulatory checks, less than the 85% target, therefore less 2016 advance payments were processed than estimated resulting in savings of €15.3m. GLAS + estimated budget was €4.7m but the IT systems were not in place to make these payments in 2016.</p> <p>Additionally savings of €8m arose under AEOS as more applicants transferred to GLAS than was expected. Also, a requirement set out by EU auditors to review previous years prior to final payment being made resulted in 2,600 claims not being cleared for payment by year end.</p>
Land mobility (early retirement/installation aid schemes)	610	Savings arose due to a faster than anticipated reduction in the number of recipients of Early Retirement Schemes (ERS) as the scheme winds down.

Description	Less/ (more) than provided	Explanation
	€000	
Development of agriculture and food	29,818	<p>The original budget for Targeted Agricultural Modernisation Schemes (TAMS) in 2016 was €35.8m. The full budget was not used due to the low level of payment claims received in respect of TAMS II applications which were approved for investment works. Applicants have three years from date of approval to finalise their investment works and submit a payment claim.</p> <p>€15.5 million has been deferred as TAMS expenditure has been lower than forecast in 2016 as payment claims have not been received as quickly as envisaged from the more than 4,000 farmers who have already been approved to carry-out works on their holdings.</p>
Forestry and bioenergy	10,002	<p>The original budget was €113.8 million including €12 million deferred surrender from 2015.</p> <p>A €4.5 million underspend arose on the afforestation scheme due primarily to unpaid premiums caused by 1) build up of premium liabilities – applicants who don't apply online, fail to claim or have them stopped by the Department, 2) inertia by individuals regarding tax clearance or poor standard of forest establishment and 3) individuals who chose to allow their premiums build up to bulk claim at a future date.</p> <p>A €5.2 million underspend for forestry support schemes is due to a reduction in applications for the road scheme, due to ongoing issues relating to planning permission, and also because the windblown scheme payments expected in 2016 did not happen and are expected in 2017.</p>

Description	Less/ (more) than provided	Explanation
	€000	
Fisheries	3,288	<p>Variations on budget occurred mainly due to delays in initiation of European Maritime and Fisheries Fund (EMFF) projects coordinated by the Sea Fisheries Protection Authority (SFPA). These costs should materialise in 2017.</p> <p>Savings of €750,000 arose under the Marine Biodiversity Scheme because of later than anticipated implementation of certain projects, in particular surveying of offshore reef habitats, which required certain logistical arrangements be in place. Deferred projects will happen instead in 2017 and later years.</p> <p>Additionally savings of €750,000 arose as anticipated expenditure on a new IT system to fulfil EU reporting requirements under the EMFF did not happen, as the Department chose to upgrade the old IT system at lower cost, and anticipated EMFF investment by the SFPA on control and enforcement was postponed to later years of the programme due to a lack of project management resources.</p>
Sea Fisheries Protection Authority	2,444	<p>The savings here were mainly due to the continual delay in the Castletownbere accommodation project and delay in sanction for alternative accommodation.</p>
Other services	754	<p>Variation on budget on this subhead arose as a marine training initiative did not proceed. This was a once off initiative which had not progressed by year-end as other business took priority.</p>
Haulbowline remediation project	5,738	<p>€4.5 million has been deferred as the main remediation works projected to take place did not commence in 2016 as the tender process was not completed in time. The estimate provided for 2016 was based on the anticipated commencement of the most resource intensive phase of the project (remediation of the East Tip) during the latter half of the year. Cork County Council, acting as agents for the Minister and the Department of Agriculture, Food and the Marine extended the tendering period. The tendering process is now complete and the successful contractor is now on site and works have now commenced.</p>

			2016		2015
			Estimate provision	Outturn	Outturn
		€000	€000	€000	€000
D	Direct Payments				
D.1	Administration – pay				
	<i>Original</i>	23,235			
	<i>Supplementary</i>	(1,814)	21,421	21,388	22,305
D.2	Administration - non pay				
	<i>Original</i>	8,919			
	<i>Supplementary</i>	(164)	8,755	7,978	8,624
D.3	Income and market supports				
	<i>Original</i>	12,351			
	<i>Supplementary</i>	(3,000)	9,351	8,230	89,156
D.4	Income support in disadvantaged areas		202,000	206,467	205,906
D.5	Other services		97	70	72
D.6	Agri Cashflow Support Loans Scheme				
	<i>Original</i>	—			
	<i>Supplementary</i>	13,915	13,915	13,914	—
			255,539	258,047	326,063

Significant variations

Overall, the gross expenditure in relation to Programme D was €2.51 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
€000		
Administration - pay	1,847	Savings occurred as planned recruitment did not progress as anticipated.
Administration – non pay	941	Savings occurred as increases in costs were not as anticipated.
Income and market supports	4,121	Savings of €3 million arose due to lower intervention activity which resulted in related technical, storage, handling and financing cost savings.

There was also a €1.4 million underspend due to funds that had been acquired for the commencement of the Land Parcel Identification Scheme (LPIS) rebuild not being required in 2016. The LPIS is the Department's land management system that underpins the payments for land based schemes such as Basic Payment Scheme (BPS), Greening and Areas of Natural Constraint (ANC). While work was ongoing throughout 2016 to improve the system it was not as advanced by the end of 2016 as anticipated and hence the funds were not required.

Description	Less/ (more) than provided	Explanation
	€000	
Agri Cashflow Support Loan Scheme	(13,914)	<p>The “Agriculture Cashflow Support Loan Scheme” was a new scheme in 2016 and was funded fully by way of supplementary estimate. The scheme was developed in co-operation with the Strategic Banking Corporation of Ireland (SBCI), and aims to make €150 million available to farmers at interest rates of 2.95%. The Scheme mitigates the impact of the change in the sterling exchange rate and lower commodity prices in some agriculture sectors, providing farmers with a low cost, flexible source of working capital, which will allow them to pay down more expensive forms of short-term debt, ensuring the ongoing financial sustainability of viable farming enterprises. SBCI uses the €25 million of public funding provided, comprising of €14 million in DAFM's contribution and €11 million from the EU's ‘exceptional adjustment aid for milk and other livestock farmers’ to leverage the total fund with the participating banks.</p>

4 Receipts

4.1 Appropriations-in-aid

		2016		2015
		Subhead	Estimated	Realised
			€000	€000
Administration				
1.	Recoupment of salaries, etc. of officers on loan to outside bodies		600	715
2.	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1	117
3.	Refunds from veterinary fees for inspection at poultry and other meat plants	B.3	14,892	18,382
4.	Receipts from veterinary inspection fees for live exports	B.3	997	883
5.	Receipts from fees for dairy premises inspection services	B.3	5,250	6,800
Other services				
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	800	709
7.	Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	A.3	1,903	2,610
8.	Receipts from farmer contributions towards the cost of eradicating bovine disease	B.3	5,000	6,492
9.	Land Commission receipts		357	595
10.	Other receipts		1,615	2,600
Receipts from EU under EAGGF guarantee regulations				
11.	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.3	100	867
12.	Intervention stock losses, etc	D.3, D.5	1	725
13.	EAFRD (European Agricultural Fund for Rural Development)	C.3, C.4 C.5, D.4	239,000	383,009
14.	Veterinary Fund	B.3	11,619	11,320
15.	Other Guarantee receipts from EU (Agriculture)	D.3, D.5	1,738	1,500

Receipts from EU under structural regulations					
16.	Proceeds of fines and forfeitures in respect of sea fisheries	C.7	100	187	775
17.	Receipts under the 1933 Foreshore Act and the 1954 State Property Act	C.7	100	64	78
18.	EU recoupment in respect of expenditure on the conservation and management of fisheries	C.7	1	—	305
19.	Aquaculture licence fees	C.7	412	204	340
20.	EU receipts for EMFF	C.7	7,350	—	—
21.	EFF (Fisheries) 2007-2013	C.7	500	3,148	2,943
22.	Receipts from Sustainable Food Systems Ireland		100	85	47
23.	Receipts from pension-related deduction on public service remuneration		14,005	12,135	15,751
Total			306,441	453,147	438,683

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 estimated	Explanation
€000		
Recoupment of salaries, etc. of officers on loan to outside bodies	(115)	Recoupment was greater than estimated due to the receipting of amounts due in 2015 at the beginning of 2016.
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. A token estimate provision is made.
Refunds from veterinary fees for inspection at poultry and other meat plants	(3,490)	The higher than expected receipt is due to an increase in cattle/sheep/poultry slaughter figures together with an emphasis by the divisions on the collection of outstanding fees due.
Receipts from veterinary inspection fees for live exports	114	The live cattle trade in 2016 was not as vibrant as in previous years due in the main to the reduced demand for Irish calves in the Netherlands.
Receipts from fees for dairy premises inspection services	(1,550)	Under the Milk (Miscellaneous Provisions) Act, 1979 a fee of €0.001 per litre is imposed on all milk going for manufacturing or for the preparation of drinking milk. There was a higher yield than anticipated due to increased milk volumes produced/processed following the abolition of the milk quota scheme.

Description	Less/(more) than estimated	Explanation
	€000	
Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	(707)	A combination of factors resulted in a surplus, namely the application for plant trade fees continued for the full year rather than the initial period of 6 months as forecast at the start of the year. Some companies were invoiced for cereal fees in late 2015 and monies were not received until 2016. There was also a once off contribution relating to an excess of registration fees for plant protection and biocidal products. Receipts are dependent on external commercial factors.
Receipts from farmer contributions towards the cost of eradicating bovine disease	(1,492)	The Department has been very active in pursuing outstanding debt in respect of dairy levies, animal slaughter and bovine exports throughout 2016 and has made very significant progress in recovering outstanding amounts due.
Land Commission receipts	(238)	The higher level of receipts was due to increased efforts to collect land purchase annuity arrears through reminder letters and additional offsetting against farm grants due, demands for payment of annuities prompted early redemptions of accounts and the lodgement of the proceeds of the sale of former trust lands.
Other receipts	(985)	A once off receipt of €500,000 arose in respect of royalties earned at EXPO 2016. In addition a further €150,000 was received from the Irish Cattle Breeders Federation (ICBF). These receipts are in respect of the recoupment of the additional costs of processing animal events sheets for calf registrations. The amount of the recoupment depends on the volume of calf birth registrations.
Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	(767)	There was higher level of purchases of skimmed milk powder into intervention, resulting in higher levels of related costs recoupable from the EU.
Intervention stock losses, etc.	(724)	The €724,000 variance resulted from the European Agricultural Guarantee Fund (EAGF) clearance of accounts which permits the retention of 20% of Irregularities collected. The level of retention is dependent upon debts collected and is difficult to predict.
EAFRD (European Agricultural Fund for Rural Development)	(144,009)	The variance on EAFRD receipts was mainly due to the timing of the formal closure of the 2007 – 2013 Rural Development Programme (RDP), and the subsequent release by the EU of 5% of receipts retained until formal closure.
Other Guarantee receipts from EU (Agriculture)	238	The variance resulted from a lower than expected uptake on the school milk scheme and a lower allocation for the school fruit scheme. In addition, recoupable receipts were less than anticipated.

Description	Less/(more) than estimated	Explanation
	€000	
Aquaculture license fees	208	The variation in this case reflects the ongoing improvement in debt-management processes resulting in greater numbers of accounts being settled in 2016.
EU receipts for EMFF	7,350	The anticipated submission of a claim to the EU Commission during 2016 did not occur. A larger claim will be submitted to the Commission in 2017.
EFF (Fisheries) 2007-2013	(2,648)	Budget 2016 anticipated European Fisheries Fund (EFF) receipts of €500,000. This was based on the assumption that a claim would be submitted to the Commission and paid before end 2015. As that did not happen, the receipts in 2016 of €3.148 million include the 2015 claim received in 2016.
Receipts from pension-related deduction on public service remuneration	1,870	The reduction in the amount of PRD collected reflects the continued reduction in payroll costs.

4.2 Extra receipts payable to the Exchequer

	2016	2015
	€000	€000
Balance at 1 January	206	54
Legal expenses	20	19
Bord Bia pension contributions	—	2
Voluntary surrender of ministerial salaries	1	—
Overpayments from EU disallowed schemes	2,929	—
Land Commission capital	8,836	—
Conscience money	—	1
Repayment of redundancy by former employee of the Dublin & Cork Milk Board	—	13
Surrender of sundry receipts	—	2
Surrender of pre-2001 EAGF uncashed cheques	—	205
Transferred to the Exchequer	<u>(11,992)</u>	<u>(90)</u>
Balance at 31 December	<u>—</u>	<u>206</u>

5 Employee Numbers and Pay

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

	2016	2015
Number of staff at year end (full time equivalents)	4,421	4,383
	2016	2015
	€000	€000
Pay	204,687	205,321
Higher, special or additional duties allowances	1,249	1,306
Other allowances	1,930	2,286
Overtime	3,302	3,480
Shift Allowances	510	516
Employer's PRSI	11,072	10,871
Total Pay	222,750	223,780

The allowance, overtime and other remuneration details in note 5.1, 5.2, 5.3 and 5.4 below relate only 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.

The Department's salaries function migrated to Payroll Shared Services in November 2016. For the purposes of Note 5, the Department has adopted PSSC's extra remuneration classification method. The 2015 figures have been stated by that method for comparative purposes.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment	Maximum individual payment
			2016	2015
			€	€
Higher, special or additional duties allowances	99	4	10,982	11,404
Shift allowances	67	15	19,146	19,888
Other allowances	633	3	18,696	20,836
Overtime	750	81	31,806	29,617
Extra remuneration in more than one category	311	103	35,113	37,693

5.2 Other Remuneration Arrangements

€1,346,057 in total was paid to 57 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 Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

5.3 Payroll Overpayments

Overpayments at the year end were €508,254 (349 cases) (2015: €551,565; 345 cases). Of this, €287,608 (86 cases) had recovery plans in place.

5.4 Severance Awards

The cost of severance awards paid to 9 former Ministerial staff on termination of their employment in 2016 totalled €239,480 (2015: nil).

6 Miscellaneous

6.1 EU Funding

Council regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The EAGF fund finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes. In May 2015 a new EAFRD Programme 2014-2020 for Ireland was formally adopted by the EU, whilst eligibility of expenditure under the EAFRD 2007-2013 ceased as at 31 December 2015.

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 European Fisheries Fund, 2007-2013 (EFF). Programme D includes a charge to the Vote of €544,000 for EU Funding which has been disallowed due to failure to meet payment deadlines on schemes.

The account includes interest of €391,000 paid on short-term borrowings of €599 million borrowed in 2015 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2016 along with interest.

A total of €770 million in short-term funds were borrowed in 2016 to fund EAGF Guarantee expenditure pending EU recoupment in 2017. These loans are not reflected in Note 2.

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

	2016	2015
	€m	€m
Programmes managed by Department		
Direct Payment/Single Payment Scheme	1,300	1,133
Intervention/Aid to Private Storage	3	13
Other market supports	7	5
Milk superlevy	—	(71)
Other	(61)	(5)
EAFRD Rural Development Programme	383	364
Veterinary Fund	11	13
Other co-financing receipts	4	3
Fisheries		
EFF - European Fisheries Fund 2007-2013	3	3
	1,650	1,458

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

European Maritime and Fisheries Fund advance funding of €3 million received in 2016 not receipted to A-in-A.

6.2 GLAS

The Green, Low-Carbon Agri-Environment scheme (GLAS) was introduced in May 2015. A manual system was used to pay the first batch of payments in December 2015 as the IT system supporting the scheme was not yet fully operational. The manual system was deficient which led to overpayments and this was noted in the 2015 appropriation account. The fully functioning GLAS payment calculation system was in place to process 2015 balancing payments and this process included a reconciliation of the advance payments made for 2015 and the recovery of any overpayments made as part of those 2015 advance payments. The outstanding overpayments related to this issue at the end of 2016 was €11,324. Outstanding overpayments are posted on the Department's central accounts system, so that they are subject to recovery across other scheme payments issued including any further GLAS payments.

6.3 Overpayments

	2016	2015
	€000	€000
Scheme overpayments at 1 January	3,254	3,022
Adjustment for Early Retirement Scheme	(26)	(20)
Overpayments raised in the year	9,438	8,701
Corrections	(1,269)	(1,070)
Recoveries	(8,593)	(7,016)
Write-offs (note 6.4)	(248)	(363)
Scheme overpayments at 31 December	<u>2,556</u>	<u>3,254</u>

6.4 Write-offs

The following sums were written off in the year:

	2016	2015
	€	€
Schemes:		
Early retirement from farming	41,246	7,098
Afforestation schemes	29,946	2,664
Miscellaneous EU premia and area based schemes	177,178	34,207
NDP Farm Improvement Scheme	—	208,664
BioEnergy Scheme	—	90,446
Miscellaneous Vote premia	—	20,368
	248,370	363,447
Other:		
Veterinary inspection fees unpaid by companies no longer in business	10,572	24,531
Late interest written-off	7,914	—
Salary overpayments	27,731	—
Other reasons	8,669	48
	54,886	24,579

6.5 Legal Costs and Compensation

Legal cost paid during the year are categorised as follows:

				2016	2015
	Number of cases	Legal costs of the Department	Legal costs awarded	Total	Total
		€000	€000	€000	€000
Claims by:					
employees of the Department	4	—	—	33	885
members of the public	16	35	749	174	451
	20	35	749	207	1,336

6.6 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.

On foot of a Government decision dated 14 June 2011, the Minister took charge of the remediation work on the site of Haulbowline. A further Government decision dated 28 May 2015 approved a total scheme budget of €61million for the remediation. A further Government decision dated 9 May 2017 approved the provision of €27million, of the original budget, towards the remediation of the East Tip remediation contract for 2017 and 2018. Works have now commenced.

The "Agriculture Cashflow Support Loan Scheme" was a new scheme in 2016 and developed in co-operation with the Strategic Banking Corporation of Ireland (SBCI), making €150 million available to farmers at interest rates of 2.95%. The scheme mitigates the impact of the change in sterling exchange rate and lower commodity prices in some agriculture sectors, providing farmers with a low cost, flexible source of working capital, which will allow them to pay down more expensive forms of short-term debt, ensuring the ongoing financial sustainability of viable farming enterprises. SBCI uses the €25 million of public funding provided, comprising of €14 million in Department of Agriculture, Food and the Marine's contribution and €11 million from the EU's exceptional adjustment aid for milk and other livestock farmers' to leverage the total fund with the participating banks, to ensure a favourable interest rate for participant farmers availing of the scheme and to mitigate against potential future bad debts (unpaid loans) for participating banks.

The Department's exposure is limited to the Department's contribution of €14 million which was made in 2016.

6.7 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 2016 was €38.436 million (2015: €18.476 million). In view of the ongoing emergency situation in Syria, the Department acceded to an urgent request from the World Food Programme for early disbursement in 2016 of the contribution due in 2017.

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 2016 was €1.564 million (2015: €1.524 million).

6.8 Ex-Gratia Payments

Ex-gratia payments totalling €2,487,500 were made to 137 animal welfare organisations (2015: €2,620,050).

Ex-gratia payments of €12,500 and €14,500 respectively was made to two farmers upon the recommendation of the Office of the Ombudsman and refer to applications made under the Farm Improvement Scheme in October 2007.

An ex-gratia payment of €30,000 was paid to an equine hospital toward overall quarantine-related costs associated with the 2006 outbreak of equine infectious anaemia.

Ex-gratia payments were made to a number of organisations towards the cost of running various agricultural shows as follows:

	2016	2015
	€	€
Irish Shows Association Ltd	80,000	85,000
Macra na Feirme	34,000	34,000
Irish Country Womens Association	9,000	9,000
Irish Country Markets Ltd	6,000	6,000
International Sheep Dog Society	—	6,000
Cape Clear Consulting Ltd	3,000	—
Agricultural Science Association	2,000	4,000
Milestone Management	1,000	—
Castlebridge Agriculture and Horticultural Show Committee	—	750

6.9 Suspected Irregularity

The investigation into suspected inappropriate expenditure in respect of certain payments made under the European Agriculture Fund for Rural Development co-funded agri-environment scheme has been completed. Inappropriate national expenditure of in excess of €130,000 was identified. All undue payments identified have been recovered, and the scheme is now closed.

6.10 Deferred Surrender

Deferred surrender comprises savings of €21.7 million in capital expenditures in the following subheads.

A.10	Other services	€1.7 m
C.5	Development of agriculture and food	€15.5 m
C.10	Haulbowline remediation project	€4.5 m

7. Horse and Greyhound Racing Fund

Account of receipts and payments for the year ended 31 December 2016

	2016	2015
	€000	€000
Balance at 1 January	—	—
Receipts (subhead A.11)	74,000	68,000
Payments		
Horse Racing Ireland	59,200	54,400
Bord na gCon	14,800	13,600
Balance at 31 December	<u>—</u>	<u>—</u>

Schedule of Land and Buildings

Property	Area (Hectares)
Cavan	
Lands, Teagasc College, Ballyhaise	17.0
Forest plot, Kingscourt	0.3
Cork	
Land Commission non-agricultural land, Annagannihy	56.5
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	2.1
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, Killavullen	0.1
Forest plot, Killeagh	7.0
Forest plot, Kilworth	0.8
Forest plot, Newmarket	1.5
Forest plots, Banteer	6.2
Forest plots, Dunhallow	6.5
Forest plots, Kinalea	5.9
Forest plots, Roscarberry	11.0
Donegal	
Potato testing centre, Raphoe	78.2
Potato testing laboratory, Raphoe	—
Forest plot, Ardara	6.5
Forest plot, Letterkenny	0.2
Forest plots, Killygordon	0.4
Dublin	
Forest plot, Killakee	0.7
Galway	
Land Commission non-agricultural lands	
Kilcooley	1.7
Kylenalmelly	1.3
Sylaun	1.7
Rosmore	3.2
Meelickmore	12.4
Lands, Teagasc College, Athenry	59.0
Forest plot, Ballygar	0.5
Forest plot, Oughterard	7.0
Kerry	
Land Commission non-agricultural land, Glanlea	4.0
Forest plot, Kenmare	0.2
Forest plot, Killarney	1.0
Forest plot, Killorglin	28.6
Forest plot, Waterville	59.0

Property	Area (Hectares)
Kildare	
Testing centre, Backweston	—
Stacumny Cottage, Backweston	—
Lands, Backweston	113.0
Forest plot, Athy	2.6
Forest plots, Donadea	0.2
Kilkenny	
Lands, Kildalton Teagasc College, Pilltown	18.0
Laois	
Forest plot, Durrow	2.2
Leitrim	
Forest plot, Glenfarne	11.0
Forest plots, Dowra	107.3
Limerick	
Forest plot, Broadford	2.7
Forest plot, Foynes	1.8
Forest plots, Adare	3.0
Forest plots, Kilfinane	9.9
Longford	
Forest plot, Granard	0.7
Mayo	
Land Commission non-agricultural land, Ballymacrah	12.1
Forest plot, Foxford	3.0
Offaly	
Land Commission non-agricultural lands	
Clorhane	8.2
Ballyegan	44.7
Forest plot, Tullamore	2.5
Roscommon	
Land Commission non-agricultural lands	
Cloonakillig	0.7
Cloonshanvill	33.0
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	21.6
Cleaheen	0.6
Mallynahouna	5.0
Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3
Forest plots, Lough Key	32.0

Property	Area (Hectares)
Sligo	
Forest plot, Beltra	141.0
Forest plot, Manorhamilton	2.0
Forest plots, Benbulbin	3.8
Forest plots, Collooney	1.3
Forest plots, Lough Gill	12.1
Tipperary	
Forest plot, Clonmel	3.2
Forest plot, Neir	2.8
Forest plot, Rear Cross	0.5
Forest plots, Carrick-on-Suir	4.0
Forest plots, Clogheen	1.3
Forest plots, Kilsheelan	1.9
Waterford	
Forest plots, Kilmacthomas	17.5
Westmeath	
Forest plots, Castlepollard	1.0
Forest plot, Lough Ennel	14.5
Wexford	
Forest plot, Forth	4.8
Forest plots, Gorey	11.1
Wicklow	
Forest plot, Ballinaininch	60.7
Forest plot, Glen of Imaal	3.0
Forest plot, Shelton	0.2
Forest plots, Avonmore	1.0
Forest plots, Enniskerry	4.0
Forest plots, Glendalough	7.6
Forest plots, Saggart	1.4

Property at Fishery Harbours

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

