

Appropriation Account 2016

Vote 29

Communications, Climate Action and Environment

Introduction

As Accounting Officer for Vote 29, 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 Communications, Climate Action and Environment, including certain services administered by that Office, and for payment of certain grants and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums

- 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
- 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 €20.33 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.

Transfer of Functions

The account has been prepared in accordance with the Revised Estimates for Public Services 2016, which took account of the alteration of the title of the Department of Communications, Energy and Natural Resources to the Department of Communications, Climate Action and Environment with effect from 23 July 2016 (SI 421 of 2016) and the following transfer of functions:

- the transfer of climate action and environment functions from the Department of the Environment, Community and Local Government (now the Department of Housing, Planning, Community and Local Government) to the Department of Communications, Energy and Natural Resources (Vote 29) with effect from 22 July 2016 (SI 393 of 2016)

In line with accounting arrangements set out by the Government Accounting section of Department of Public Expenditure and Reform, the Revised Estimates for 2016 reflect the transfer of the Department functions on a full year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full year basis. Therefore, all the transferred climate action and environment functions for 2016 are included in the appropriation account of the Department of Communications, Climate Action and Environment (Vote 29). 2015 comparatives for the transferred functions of climate action and environment have not been included in the appropriation account but are shown under Subhead F.

Responsibility for Ordnance Survey Ireland (OSI) transferred to the Department of Justice and Equality on 1 January 2016.

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.

Depreciation

Motor vehicles are depreciated over 5 years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over 10 years at 10% per annum, while all other Office/IT equipment is depreciated over 5 years at 20% per annum.

Capital assets

Details of land and buildings owned by the Department are listed in Note 2.2. A number of fisheries which are managed by Inland Fisheries Ireland are not included in the statement of capital assets, as valuations for the fisheries are not available.

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.

I am advised that the Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by (a) firm(s) of accountants in accordance with the International Standard on Assurance Engagements (ISAE3402) which is designed to report to user departments and their auditors on the controls within shared services.

I am also advised that the audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for Shared Services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

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

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.

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. Detailed monthly reporting to the Management Board, combining key financial information, is in place. This enables effective management of outputs, efficiency and ensures value for money.
- 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. This is part of the business planning process for all divisions. The purpose of the system is to identify and assess the risks and outline measures to control and manage the risks to which the Department may be exposed. The Risk Management System is reviewed on an ongoing basis.
- 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 the guidelines in 2016 with the exception of three contracts to the value of €347,000 which were listed in my annual return in respect of Circular 40/02. Two contracts (€272,000) relate to software licences and the third contract (€75,000) is for a threat intelligence feed for the National Cyber Security Centre.

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. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee 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 am satisfied that procedures are in place to ensure that the reports of the internal audit function are followed up.

Mark Griffin

Accounting Officer

Department of Communications, Climate Action and Environment

30 March 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Communications, Climate Action and Environment

I have audited the appropriation account for Vote 29 Communications, Climate Action and Environment 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 29 Communications, Climate Action and Environment 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 Communications, Climate Action and Environment. The appropriation account is in agreement with the accounting records.

Seamus McCarthy
Comptroller and Auditor General

27 September 2017

Vote 29 Communications, Climate Action and Environment

Appropriation Account 2016

			2016	2015
			Estimate provision	Outturn
	€000	€000	€000	€000
Programme expenditure				
A	Communications		34,745	19,050
B	Broadcasting			27,762
	<i>Current year provision</i>	247,943		
	<i>Deferred surrender</i>	1,400	249,343	241,091
C	Energy			239,282
	<i>Current year provision</i>	90,257		
	<i>Deferred surrender</i>	3,850	94,107	85,511
D	Natural Resources		23,348	19,680
E	Inland Fisheries		28,364	30,392
F	Environment and Waste Management			27,752
	<i>Current year provision</i>	41,827		
	<i>Deferred surrender</i>	9,078		
			50,905	43,171
	Gross expenditure			—
	<i>Current year provision</i>	466,484		
	<i>Deferred surrender</i>	14,328	480,812	438,895
	<i>Deduct</i>			
G	Appropriations-in-aid		237,998	228,535
	Net expenditure			
	<i>Current year provision</i>	228,486		
	<i>Deferred surrender</i>	14,328		
			242,814	210,360
				163,310

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	32,453,667	14,423,972
Deferred surrender	(12,128,000)	(5,250,000)
Surplus to be surrendered	<u>20,325,667</u>	<u>9,173,972</u>

The deferred surrender recorded in the appropriation account for 2016 of €14.328 million includes an amount of €9.078 million relating to functions transferred in the year from the Department of Housing, Planning and Local Government (formerly the Department of Environment, Community and Local Government).

Analysis of administration expenditure

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	20,882	18,807	15,160
ii	Travel and subsistence	943	696	469
iii	Training and development and incidental expenses	1,177	957	687
iv	Postal and telecommunications services	785	509	361
v	Office equipment and external IT services	4,654	3,429	2,394
vi	Office premises expenses	963	727	666
vii	Consultancy services and value for money and policy reviews	1,917	808	1,822
viii	Equipment, stores and maintenance	296	194	270
		<u>31,617</u>	<u>26,127</u>	<u>21,829</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	412,768	378,133
Pay	18,807	15,160
Non pay	7,320	6,669
Gross expenditure	438,895	399,962
<i>Deduct</i>		
Appropriations-in-aid	228,535	236,652
Net expenditure	210,360	163,310
Changes in capital assets		
Purchases cash	(1,320)	
Depreciation	827	(493)
		818
Changes in net current assets		
Increase in closing accruals	640	
Increase in stock	(97)	543
		1,252
Direct expenditure	210,410	165,380
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	13,917	14,772
Notional rents	1,830	1,279
Net programme cost	226,157	181,431

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	45	45
Vote 12 Superannuation and Retired Allowances	9,719	10,587
Vote 13 Office of Public Works	4,060	4,066
Vote 18 National Shared Services Office	35	23
Central Fund - Ministerial pensions	58	51
	13,917	14,772

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	3,077	2,562
		3,077	2,562
Current assets			
Bank and cash	2.3	9,881	15,984
Stocks	2.4	312	215
Prepayments		209	373
Accrued income		708	500
Other debit balances	2.5	146	141
Total current assets		11,256	17,213
Less current liabilities			
Accrued expenses		1,383	699
Other credit balances	2.6	3,153	3,087
Net liability to the exchequer	2.7	6,874	13,038
Deferred income		101	101
Total current liabilities		11,511	16,925
Net current (liabilities)/assets		(255)	288
Net assets		2,822	2,850
Represented by:			
State funding account	2.1	2,822	2,850

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		2,850	4,920
Disbursements from the Vote			
Estimate provision	Account	242,814	
Deferred surrender	Account	(12,128)	
Surplus to be surrendered	Account	(20,326)	
Net vote		210,360	163,310
Expenditure (cash) borne elsewhere	1	13,917	14,772
Non cash expenditure – notional rent	1	1,830	1,279
Adjustment – net transfer of assets	2.2	22	—
Net programme cost	1	(226,157)	(181,431)
Balance at 31 December		2,822	2,850

2.2 Capital Assets

	Land and buildings	Office furniture	Office and IT equipment	Specialist equipment and motor vehicles	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2016	859	1,231	20,692	4,474	27,256
Additions	—	7	1,110	203	1,320
Transfer of assets	—	52	—	—	52
Disposals	—	(2)	(446)	(24)	(472)
Cost or valuation at 31 December 2016	859	1,288	21,356	4,653	28,156
Accumulated depreciation					
Opening balance at 1 January 2016	—	1,186	19,835	3,673	24,694
Depreciation for the year	—	18	522	287	827
Cumulative depreciation on transfers	—	30	—	—	30
Depreciation on disposals	—	(2)	(446)	(24)	(472)
Cumulative depreciation at 31 December 2016	—	1,232	19,911	3,936	25,079
Net assets at 31 December 2016	859	56	1,445	717	3,077
Net assets at 31 December 2015	859	45	857	801	2,562

The following fisheries are not included in capital assets but are owned by the Minister and are managed by Inland Fisheries Ireland.

- i. Galway
- ii. Owenea/Owentocker, Co. Donegal

Land and buildings relate to the GPO and the Henry Street Arcade in Dublin.

The Minister for Communications, Climate Action and Environment has a beneficial interest in Metropolitan Area Networks (MANs), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund. This interest has not been recognised as an asset in the statement of capital assets.

2.3 Bank and Cash	2016	2015
at 31 December	€000	€000
PMG balances and cash	9,881	15,981
Commercial bank account balance	—	3
	<u>9,881</u>	<u>15,984</u>
2.4 Stocks	2016	2015
at 31 December	€000	€000
Geological Survey of Ireland	302	208
Stationery	10	7
	<u>312</u>	<u>215</u>
2.5 Other Debit Balances	2016	2015
at 31 December	€000	€000
Salary suspense	—	23
Other	146	118
	<u>146</u>	<u>141</u>
2.6 Other Credit Balances	2016	2015
at 31 December	€000	€000
Amounts due to the State		
Withholding Tax	234	550
Value Added Tax	528	279
Extra Exchequer receipts (note 4.2)	100	—
PAYE/PRSI	632	476
	<u>1,494</u>	<u>1,305</u>
Suspense (emergency call answering service/payroll deduction)	1,659	1,782
	<u>3,153</u>	<u>3,087</u>

2.7 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000
Surplus to be surrendered	20,326	9,174
Deferred surrender	12,128	5,250
Exchequer grant undrawn	(25,580)	(1,386)
Net liability to the Exchequer	<u>6,874</u>	<u>13,038</u>

Represented by:**Debtors**

Bank and cash	9,881	15,984
Debit balances: suspense	146	141
	<u>10,027</u>	<u>16,125</u>

Creditors

Due to the State	(1,494)	(1,305)
Credit balances: suspense	(1,659)	(1,782)
	<u>(3,153)</u>	<u>(3,087)</u>
	<u>6,874</u>	<u>13,038</u>

2.8 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	—	669
Grant programmes	1,716	—
Capital grant programmes	1,085,865	927,260
Total of legally enforceable commitments	<u>1,087,581</u>	<u>927,929</u>

b) Capital Grant Programmes

	2016	2015
	€000	€000
Opening balance	927,260	773,584
Grants paid in year	84,256	81,006
New grant commitment	78,349	72,670
Grant decommitment	(4,000)	—
Closing balance	<u>1,085,865</u>	<u>927,260</u>

The global commitments figure at 31 December 2016 includes contracts for commitments in excess of €10,000.

(c) Multi-annual capital commitments

Project	Cumulative expenditure to 31 December 2015	Expenditure in 2016	Project commitments in subsequent years	Expected total spend lifetime of project 2016	Expected total spend lifetime of project 2015
	€000	€000	€000	€000	€000
ICT programmes	301,069	5,293	12,273	318,635	322,675
Multimedia developments	42,172	3,067	5,813	51,052	51,052
Sustainable energy programmes	320,020	60,070	21,152	401,242	336,294
Energy research programmes	36,880	5,205	6,963	49,048	43,112
Mining services	12,447	1,282	625	14,354	13,178
Geoscience initiatives	19,810	3,015	4,250	27,075	24,095
National Seabed Survey	35,626	3,165	9,464	48,255	43,626
Tellus	4,319	3,159	7,464	14,942	9,219
	772,343	84,256	68,004	924,603	843,251

Expenditure figures for 2016 and prior years relate only to projects with future legally binding capital commitments.

Significant variations

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

Project	Amount of Increase €000	Explanation
Sustainable energy programmes	64,948	Reflects the cost of running the programme for an additional year.
Energy research programmes	5,936	Savings as the Renewal Heat Incentive Programme was not initiated in 2016 due to delays in finalising a detailed consultancy report (€117,000) and due to a number of research and development projects coming in under budget.
Mining services	1,176	Additional commitments for environmental monitoring at the Avoca and Silvermines sites.
Geoscience initiatives	2,980	Reflects increased allocation and expenditure for major groundwater/clean drinking water initiative and increased research collaborations.
National Seabed Survey	4,629	Reflects restoration of Programme funding to €4 million per annum level and increased commitment under DCCA /Marine Institute Service Level Agreement.
Tellus	5,723	Reflects increase in annual programme funding and longer term contracting undertaken as cost saving measure.

2.9 Land Remediation

Avoca Mine Site

The Government allocated €3 million to address essential health and safety issues at the Avoca mine site over a three year period 2014 to 2016. A multi-disciplinary team via a Single Supplier Framework Agreement was appointed in December 2013 for three years to provide specialist design, procurement and project management services to oversee this project to address the priority public health and safety works. Following the granting of Planning Permission at the end of 2015 a contractor was procured in 2016 to undertake the capital works. During 2016 the capping and regrading of the spoil heaps at Tigroney West was undertaken together with capping and making safe a number of shafts at other locations. The total cost in 2016 was €1.28 million. In accordance with terms of the Single Supplier Framework Agreement awarded in 2013, an extension was granted to the end of 2017 by which time it is anticipated that the work under the framework agreement will be completed.

Silvermines

Remediation of six mine sites at Silvermines was undertaken between 2007 and 2011. No further remediation works are currently envisaged until funding becomes available for the final phase. A provision of €0.4 million was made available for 2016 in respect of land acquisition and contingencies that may have arisen from ongoing environmental monitoring designed to detect any changes at the site. While the provision of €0.4 million was not required in 2016, the same contingency has been made available for 2017 and future provisions will be required to cover any additional costs that may arise.

Environmental Monitoring at Avoca and Silvermines

Essential specialist monitoring cost €0.15 million in 2015, €0.14 million in 2016 and is estimated to cost €0.15 million in 2017. It is estimated that an additional amount of €0.6 million will also be required for each year from 2018 to 2020 in respect of continued monitoring of the Avoca and Silvermines sites.

2.10 Contingent Liabilities

There is potential for financial liabilities to arise in 2017 and subsequent 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 Programme Expenditure by Subhead

		2016		2015
		Estimate	Outturn	Outturn
		provision		
	€000	€000	€000	
A	Communications			
A.1	Administration – pay	4,524	4,030	4,025
A.2	Administration – non pay	1,869	1,310	1,448
A.3	Information and communications technology programme	16,750	5,392	13,130
A.4	Multimedia developments	5,438	4,654	5,785
A.5	Information society	5,664	3,664	3,374
A.6	Other capital (incl. capital contingency)	500	—	—
		34,745	19,050	27,762

Significant variations

Overall, the expenditure in relation to Programme A was €15.695 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Admin-non pay	559	Savings due to ongoing efforts to reduce operating costs.
Information and communication technology programmes	11,358	The extended duration of the complex procurement process under the National Broadband Plan resulted in a level of programme expenditure that was considerably less than was estimated.
Multimedia developments	784	Savings arose because capital funding earmarked for the restoration of a building owned by the Digital Hub Development Agency was not required and also due to changes in the frequency and period of funding of the National Digital Research Centre in 2016.
Information society	2,000	Lower than anticipated expenditure (€1.1 million) as the Trading Online Voucher Scheme is demand-led and expenditure levels are reflective of the time lag between the award of vouchers to successful companies and the establishment of a meaningful trading online presence prior to redeeming the voucher. The delay in relocating the National Cyber Security Centre led to an underspend of €0.9 million.
Other capital	500	The savings arose because capital contingency funds were not required.

	2016		2015
	Estimate provision		Outturn
	€000	€000	€000
B Broadcasting			
B.1 Administration – pay		959	855
B.2 Administration – non pay		639	440
B.3 Grant to Radio Telefís Éireann for broadcasting licence fees		185,724	179,285
B.4 Payment to An Post for collection of broadcasting licence fees		12,457	11,494
B.5 Deontas i leith Theilifís na Gaeilge			
<i>Current year provision</i>	33,460		
<i>Deferred surrender</i>	1,400	34,860	35,360
B.6 Broadcasting Fund		14,704	13,657
		249,343	241,091
			239,282

Significant variations

Overall, the expenditure in relation to Programme B was €3.252 million lower than provided.

This was mainly due to the following:

Description	Less/ (more) than provided €000	Explanation
Admin-non pay	199	Savings due to ongoing efforts to reduce operating costs.
Grant to Radio Teilifís Eireann	6,439	Grant payments to RTE are vote neutral and are based on television licence sales income which was lower than anticipated.
Payment to An Post for collection of broadcasting licence fee	963	These payments are vote neutral and are based on television licence sales income which was lower than anticipated.
Broadcasting Fund	1,047	These payments are vote neutral and are based on television licence sales income which was lower than anticipated.

	Estimate provision		2016	2015
			Outturn	Outturn
	€000	€000	€000	€000
C Energy				
C.1 Administration - pay		4,425	3,942	3,937
C.2 Administration - non pay		2,261	1,544	1,752
C.3 Sustainable Energy Authority of Ireland - administration and general expenses		7,351	7,165	6,771
C.4 Sustainable energy programmes				
<i>Current year provision</i>	65,337			
<i>Deferred surrender</i>	3,850			
		69,187	66,262	56,004
C.5 Energy research programmes		10,561	6,321	7,184
C.6 Gas services		32	23	32
C.7 Subscriptions to international organisations		290	254	171
		94,107	85,511	75,851

Significant variations

Overall, the expenditure in relation to Programme C was €8.596 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Admin-non pay	717	Savings due to ongoing efforts to reduce operating costs.
Sustainable energy programmes	2,925	Savings due to an underspend on the following demand led schemes: Better Energy Warmer Homes, Better Energy Communities and Electric Vehicles.
Energy research programmes	4,240	Savings as the Renewal Heat Incentive Programme was not initiated in 2016 due to delays in finalising a detailed consultancy report (€117,000) and due to a number of research and development projects coming in under budget.

	2016		2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
D Natural Resources			
D.1 Administration – pay	6,262	5,578	5,572
D.2 Administration - non pay	3,341	2,414	2,631
D.3 Petroleum services	441	191	4,509
D.4 Mining services	3,585	1,560	917
D.5 GSI services	9,584	9,817	8,554
D.6 Subscriptions to International Organisations	135	120	132
<i>Ordnance Survey Ireland *</i>	—	—	7,000
	23,348	19,680	29,315

*Responsibility for Ordnance Survey Ireland was transferred to the Department of Justice and Equality at 1 January 2016.

Significant variations

Overall, the expenditure in relation to Programme D was €3.668 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Admin-non pay	927	Savings due to ongoing efforts to reduce operating costs.
Petroleum services	250	Contributions to the Petroleum Infrastructure Support Group were lower than anticipated due to timing of invoicing of companies.
Mining services	2,025	Savings due to (1) lower than expected extraction rates of private minerals by the mining companies and legal delays in settling outstanding claims (2) Delays in concluding a compulsory purchase order process as part of the Silvermines Rehabilitation Project.

		2016		2015
		Estimate	Outturn	Outturn
		provision		
	€000	€000	€000	
E	Inland Fisheries			
E.1	Administration - pay	869	774	773
E.2	Administration - non pay	442	296	343
E.3	Inland fisheries	27,053	29,322	26,636
		28,364	30,392	27,752

Significant variations

Overall, the expenditure in relation to Programme E was €2.028 million higher than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
	€000	
Admin-non pay	146	Savings due to ongoing efforts to reduce operating costs.
Inland fisheries	(2,269)	Additional expenditure related to the funding of new boats, trailers, field equipment and the fit out of a new national warehouse for Inland Fisheries Ireland.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
F	Environment and Waste Management			
F.1	Administration - pay		3,843	3,629
F.2	Administration - non pay		2,183	1,315
F.3	Environmental Protection Agency			
	<i>Current year provision</i>	20,534		
	<i>Deferred surrender</i>	<u>4,398</u>	24,932	24,932
F.4	Carbon Fund		470	423
F.5	International climate change commitments		2,000	2,000
F.6	Landfill remediation			
	<i>Current year provision</i>	8,500		
	<i>Deferred surrender</i>	<u>4,680</u>	13,180	7,816
F.7	Technical research and modelling		1,250	335
F.8	Subscriptions to international organisations		3,000	2,721
F.9	Other services		47	—
			<u>50,905</u>	<u>43,171</u>
				<u>30,315</u>

2015 balances were accounted for in Vote 34 Department of Housing, Planning, Community and Local Government, and so are not recorded in the appropriation account of this Vote for 2015. 2015 balances are included here for comparative purposes.

Significant variations

Overall, the expenditure in relation to Programme F was €7.734 million lower than provided. This was mainly due to the following:

Description	Less/ (more) than provided	Explanation
€000		
Administration- non pay	868	Savings due to ongoing efforts to reduce operating costs.
Landfill remediation	5,364	These projects often require multiple statutory consents before proceeding and may also be involved in complex legal cases. In 2016, three projects were delayed for these reasons.
Technical research and modelling	915	Savings as two research projects made slower progress than anticipated.
Subscriptions to international organisations	279	Savings due to currency fluctuations and lower requests for funding than anticipated.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimate provision	Realised	Realised
	€000	€000	€000
1. Proceeds of fines in respect of fishery offences	50	19	25
2. Receipts under the Minerals Development Act, 1940 and the Petroleum and Other Minerals Act, 1960	8,795	8,056	14,787
3. Petroleum Infrastructure Support Group	437	192	297
4. Broadcasting licence fees	222,130	213,681	214,018
5. Geological Survey Ireland income	300	185	595
6. Rent on properties in GPO	223	204	350
7. Miscellaneous	1,280	1,879	1,732
8. Pension contribution from Agencies	694	641	1,102
9. Receipts from pension-related deduction on public service remuneration	4,089	3,678	3,746
Total	237,998	228,535	236,652

Miscellaneous	2016	2015
	€000	€000
Costs recovered from other bodies	827	79
Corrib verification process	139	744
Royalties in respect of Metropolitan Area Networks	876	864
Other	37	45
Total	1,879	1,732

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	Explanation
	€000	
Receipts under the Minerals Development Act, 1940 and the Petroleum and Other Minerals Act, 1960	739	Lower income than anticipated due to a decline in data sales following the closure of the Atlantic Licensing Round in September 2015.
Petroleum Infrastructure Support Group	245	Lower income than anticipated due to timing of invoicing of companies party to a frontier exploration licence.
Broadcasting licence fees	8,449	Receipts are based on television licence sales income which was lower than anticipated.
Geological Survey Ireland income	115	Receipts lower than anticipated from the Groundwater Protection reports carried out for Group Water Schemes and also from business cluster membership fees.
Miscellaneous	(599)	Higher receipts than anticipated primarily due to the refund of grant moneys from the SEAI (€259,000) and the Loughs Agency (€218,000).
Receipts from pension-related deduction on public service remuneration	411	Receipts lower than anticipated due to payroll savings and a reduction of PRD rates in the budget.

4.2 Extra receipts payable to the Exchequer

	2016 €000	2015 €000
Balance on 1 January	—	8
Refunds from the Loughs Agency	100	—
Receipts from emissions trading scheme	38,966	—
Transferred to the Exchequer	(38,966)	(8)
Balance at 31 December	100	—

€40,128,355 represents Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading System (ETS) in 2016, from which an amount of €1,162,355 is deducted towards Environmental Protection Agency expenses for the costs of EU ETS administration in Ireland. Responsibility for this scheme transferred to the Department in 2016.

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)		
Department	320	250
Agencies	1,022	859
	<u>1,342</u>	<u>1,109</u>

Note: The number of staff employed at the end of 2016 includes staff of a number of non-commercial state agencies that are not in direct receipt of exchequer funding.

	2016	2015
	€000	€000
Remuneration of all staff (Department and agencies)		
Pay	57,540	33,774
Higher, special or additional duties allowance	367	263
Other allowances	1,387	1,309
Overtime	29	90
Employer's PRSI	5,001	2,832
Total pay	<u>64,324</u>	<u>38,268</u>

The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, C.1, C.3, D.1, E.1, E.3, F.1 and F.3. The figures include non voted moneys.

The 2016 staff numbers and total pay figures includes 53 staff that transferred from the Department of Housing, Planning, Community and Local Government in 2016 and the staff of the Environmental Protection Agency which is now under the auspices of this Department.

The figures for 2015 have not been restated on a comparative basis.

5.1 Department

	2016	2015
	€000	€000
Pay	17,439	14,167
Higher, special or additional duties allowance	146	82
Other allowances	54	50
Overtime	15	24
Employer's PRSI	1,153	837
Total pay	<u>18,807</u>	<u>15,160</u>

Total pay costs include staff costs relating to 53 staff transferred from the Department of Housing, Planning, Community and Local Government in the year.

The figures for 2015 have not been restated on a comparative basis.

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016	Maximum individual payment 2015
			€	€
Higher, special or additional duties	8	2	20,613	21,406
Other allowances	28	—	7,732	7,357
Overtime	6	—	7,302	7,435
Extra remuneration in more than one category	1	1	11,850	11,304

5.2 Agencies

	2016	2015
	€000	€000
Pay	40,154	19,607
Higher, special or additional duties allowance	233	181
Other allowances	1,268	1,259
Overtime	14	66
Employer's PRSI	3,848	1,995
Total pay *	45,517	23,108

*Total pay costs for 2016 include staff costs of €21.739 million relating to 371 staff of the Environment Protection Agency.

Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016	Maximum individual payment 2015
			€	€
Higher, special or additional duties	52	1	10,971	7,118
Other allowances	292	—	8,000	8,351
Overtime	9	—	3,000	12,000
Extra remuneration in more than one category	36	—	9,373	12,000

The agencies included above are Inland Fisheries Ireland, Sustainable Energy Authority of Ireland, the Environmental Protection Agency, the Digital Hub Development Agency and the Loughs Agency.

The figures in Note 5 and Note 5.2 include non voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (Circular 17/2013).

5.3 Other remuneration arrangements

Five public sector workers in receipt of public sector pensions were re-engaged on a contract basis at a total cost of €83,362.

5.4 Payroll overpayments

Overpayments at year end were €101,306 (28 cases) (2015: €22,966, 11 cases). Of this €80,866 (14 cases) have recovery plans in place.

5.5 Severance payments

Severance payments totalling €68,479 were made to five former Ministerial appointees.

6 Miscellaneous

6.1 EU Funding

The outturn shown in subheads A.3, C.4, D.5 and E.3 includes payments in respect of activities which are co-financed from the EU. Estimates of expenditure and actual outturns were as follows:

	2016			2015
	Estimate	Outturn	Outturn	
	€000	€000	€000	
A.3 Information and communications technology programme		16,750	5,392	13,130
C.4 Sustainable energy programmes				
<i>Current year provision</i>	65,337			
<i>Deferred surrender</i>	3,850	69,187	66,262	56,004
D.5 GSI services		9,584	9,817	8,554
E.3 Inland fisheries		27,053	29,322	26,636
		122,574	110,793	104,324

6.2 Committees and Commissions

€23,246 was paid in respect of various expenses arising out of the Department's involvement in the Moriarty Tribunal. The total payments made to date are €2.094 million.

6.3 Compensation and legal costs

	Number of cases	Legal costs paid by the Department	Legal costs awarded	Compensation awarded	2016	2015
					Total	Total
					€000	€000
Claims by members of the public	3	—	9	134	143	15

There were no claims by employees of the Department in 2016.

6.4 Carryover to 2017

Under the provisions of Section 91 of the Finance Act 2004, €12.128 million of unspent allocation in respect of the capital elements of subheads A.3, A.4, A.5, A.7 and C.4 was carried forward to 2017.

7. Miscellaneous Accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2016.

	2016	2015
	€000	€000
Balance at 1 January	7,541	5,205
Receipts	356	4,357
Payments	(1,539)	(2,021)
Balance at 31 December	<u>6,358</u>	<u>7,541</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 exploration and researchers. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead D.3.

The Fund is administered by the Petroleum Affairs Division of the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2016.

	2016	2015
	€000	€000
Balance at 1 January	31,810	33,903
Receipts	—	—
Investments	—	(2,093)
Balance at 31 December	<u>31,810</u>	<u>31,810</u>

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are (1) to support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (2) to promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Levy Revenue Fund to the EENF and is committed to investing this amount in a qualifying investor fund (QIF) authorised and regulated by the Central Bank of Ireland. The State funding is matched by private sector funding. The Minister, along with other investors is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on the QIF's performance.

The total cost of investment to the end of 2016 is €3.19 million.

At 31 March 2016, net assets attributable to holders of redeemable shares stood at €5,129,725. At that point in time, the Minister owned 45.7% of the total shareholding in the fund.