

**Appropriation Account 2019**

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**Vote 30**

**Agriculture, Food and the Marine**

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## Introduction

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

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2019 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 for payment of certain grants and subsidies 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 2019, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- b) provided for capital supply services in 2019 out of unspent 2018 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €78.629 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 27 of 2019, 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, at Appendix A. However, as valuations for all of these properties are not available, they are not included in the statement of capital assets.

## 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.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is, as follows:

**Shared services**

I have fulfilled my responsibilities in relation to the requirements of the service level agreement between this Department and the National Shared Service Office for the provision of payroll and human resource function.

I reply on a letter of assurance from the Accounting Officer for the National Shared Services Office 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.
- 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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

**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. This includes the following elements:

- 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.

**Non-compliance with procurement rules**

The Department ensures that there is an appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with relevant guidelines and legislation. Nevertheless, 98 contracts with a value of €14,283,712 that were awarded without a competitive process are declared on the Circular 40/2002 return as expenditure against those contracts exceeds the reporting threshold of €25,000 (as set out in Circular 40/2002).

- Procurement with a value of €10,489,674 was undertaken without a competitive process but is considered compliant as the justification for awarding these contracts without a competitive process falls within the exceptions to open/competitive procurement permitted in national and EU legislation.
- The remaining procurement with a value of €3,794,038 was also undertaken without a competitive process but is not considered compliant as the contracts were not subject to an independent review prior to the award of the contract.

The Department is committed to substantially reducing the level of non-compliant procurements undertaken and has continued to work closely with the Office of Government Procurement and the Education Procurement Service to procure specific procurement needs. Where appropriate, the Department has engaged with centrally available frameworks. Within the Department, procurement resources are targeting key areas of non-compliance in a planned, methodical manner.

#### ***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.

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 European 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 2019, the Department was subject to approximately 2,353 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 1306/2013.

#### ***Risk and control framework***

In 2017, an internal audit report of the Department's risk management system found that over time weaknesses had developed in the governance structure surrounding risk management, that the risk database had some technical issues which lead to a potential deficiency in control and that the level of activity engaged in risk management and the monitoring or risk management in the Department was below optimum levels.

Significant action had been taken since then in implementing the internal audit report recommendations.

- Governance structures have been strengthened by re-establishing the previously disbanded Risk Committee, to meet quarterly and by deploying additional resources to the Risk Office. Risk Office monitoring and reporting procedures have been implemented.
- A new Risk Management System is being deployed in DAFM. Risk Office members participated in a cross-departmental user-group in the Department of Public Expenditure and Reform (DPER), which advised on the functionality required from a SharePoint Risk Management System – the resultant system was signed over the DAFM in February 2020.
- Work has commenced to populate this new system, with initial emphasis on identifying high level risks, through discussion with the Management Board. Both organizational and divisional level risks are now on the system.
- The provision of staff training in relation to DAFM's Risk Management Policy and use of the eRisk system commenced in the first half of 2020. Phone, email and help document aids have been provided in place of workshops due to Covid-19 restrictions.
- Quarterly anti-fraud reporting and monitoring procedures have been implemented and a fraud register is maintained in Finance Division.

- The risk policy for the Department was revised and approved by the Management Board in July 2020.

#### ***Ongoing monitoring and review***

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

#### ***Significant financial risks***

##### ***Brexit***

The UK's decision to leave the EU creates potentially very significant challenges for the agri-food sector, and for the Department. The sector's exposure to the UK market, and the highly integrated nature of Irish/UK supply chains, leaves it particularly vulnerable to the effects of Brexit, given the potential for tariffs on the trade of agri-food products as well as the additional costs and delays that would arise from the imposition of import controls and export certification requirements.

The Department incurred significant costs associated with Brexit in 2019. These arose in respect of the Department's share of the cost of providing new physical infrastructure in Dublin and Rosslare ports associated with the carrying out of significantly increased official controls on agri-food goods, together with the related recruitment of additional staff and the provision of enhanced IT infrastructure. Infrastructure costs were apportioned across the relevant Departments in agreement with OPW and paid by way of supplementary estimate, while staffing and IT costs were met from voted expenditure notified to DPER as part of the estimates process. Other expenditure in respect of Brexit support measures for the agri-food industry continued during 2019 through the Strategic Banking Corporation of Ireland and the banking sector, as leveraged by initial funding from the Department.

##### ***Weaknesses in control over fixed assets***

A dedicated asset management unit was formed in January 2017. The unit has been charged with verifying the Department's asset registers. This work encompasses the checking for existence, categorisation, the capturing of capital assets under construction and full asset detailing. As the categories of assets are verified by the unit, adjustments may be made to the asset register as appropriate. The asset verification project is progressing as scheduled for completion in 2021.

##### ***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 back up/recovery procedures are in place for all critical data, including the use of secure off-site storage services and disaster recovery facilities. The Department had dedicated IT security co-ordination and cyber-security units and is proactive in the development and promotion of information security. ICT security arrangements are subject to review by the IT Audit Section and 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 has been subject to bi-annual audits to ensure continued compliance with ISO 27001:2013 Information Security standard.

***Review of effectiveness***

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

***Internal financial control issues***

No weaknesses in internal financial controls were identified in relation to 2019 that resulted in, or may result in, a material loss.

**Brendan Gleeson**

Accounting Officer  
Department of Agriculture, Food and the Marine

23 September 2020

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

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

##### **Opinion on the appropriation account**

I have audited the appropriation account for Vote 30 Agriculture, Food and the Marine for the year ended 31 December 2019 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

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 2019, and
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

##### ***Basis of opinion***

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Agriculture, Food and the Marine and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Report on the statement on internal financial control, and on other matters**

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

##### ***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 2019.

##### ***Financial management and reporting for fishery harbour centres***

Chapter 10 of my report on the accounts of the public services for 2019 examines the progress made to date by the Department in implementing recommendations contained in special report number 82, which relates to the financial management and reporting for fishery harbour centres.

**Seamus McCarthy**  
Comptroller and Auditor General

24 September 2020

## Vote 30 Agriculture, Food and the Marine

### Appropriation Account 2019

	2019		2018
	Estimate provision		Outturn
	€000	€000	€000
<b>Programme expenditure</b>			
A Food Safety, Animal, Plant Health and Animal Welfare			
<i>Original</i>	247,057		
<i>Supplementary</i>	26,784		
		273,841	261,782
B Farm/Sector Support and Controls			221,536
<i>Original</i>	841,057		
<i>Deferred surrender</i>	22,000		
<i>Supplementary</i>	30,409		
		893,466	874,064
C Policy and Strategy			823,173
<i>Original</i>	361,789		
<i>Supplementary</i>	5,431		
		367,220	356,672
D Seafood Sector			370,120
<i>Original</i>	146,097		
<i>Supplementary</i>	(2,200)		
		143,897	142,603
<b>Gross expenditure</b>			<b>131,424</b>
<i>Original</i>	1,596,000		
<i>Deferred surrender</i>	22,000		
<i>Supplementary</i>	60,424		
		<b>1,678,424</b>	<b>1,635,121</b>
<i>Deduct</i>			
E Appropriations-in-aid			
<i>Original</i>	292,317		
<i>Supplementary</i>	41,000		
		<b>333,317</b>	<b>388,443</b>
<b>Net expenditure</b>			<b>471,783</b>
<i>Original</i>	1,303,683		
<i>Deferred surrender</i>	22,000		
<i>Supplementary</i>	19,424		
		<b>1,345,107</b>	<b>1,246,678</b>
			<b>1,074,470</b>

**Surplus**

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 spend in the following year. €19.8 million of unspent allocations in respect of capital elements of the Vote was carried forward to 2020 (Note 6.7).

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Surplus	98,429,934	200,171,768
Deferred surrender	(19,800,000)	(22,000,000)
<b>Surplus to be surrendered</b>	<b><u>78,629,934</u></b>	<b><u>178,171,768</u></b>

**Brendan Gleeson**

Accounting Officer  
Department of Agriculture, Food and the Marine

23 September 2020

## Notes to the Appropriation Account

### Note 1 Operating Cost Statement 2019

	2019	2018
	€000	€000
Programme cost	1,361,106	1,308,711
Pay	180,355	172,628
Non pay	93,660	64,914
<b>Gross expenditure</b>	<b>1,635,121</b>	<b>1,546,253</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>388,443</b>	<b>471,783</b>
<b>Net expenditure</b>	<b>1,246,678</b>	<b>1,074,470</b>
<b>Changes in capital assets</b>		
Purchases cash	(4,789)	
Gain on disposal	(7)	
Disposals cash	12	
Depreciation	4,531	(895)
<b>Changes in net current assets</b>		
Decrease in closing accruals	(39,205)	
Increase in stock	(236)	61,944
<b>Direct expenditure</b>	<b>1,206,984</b>	<b>1,135,519</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	77,168	78,064
Notional rents	7,898	7,713
<b>Net programme cost</b>	<b>1,292,050</b>	<b>1,221,296</b>

#### 1.1 Net allied services expenditure

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

	2019	2018
	€000	€000
Vote 9 Office of the Revenue Commissioners	2	13
Vote 12 Superannuation and Retired Allowances	72,722	72,912
Vote 13 Office of Public Works	3,826	4,548
Vote 18 National Shared Services Office	344	321
Central Fund – Ministerial pensions	274	270
	<b>77,168</b>	<b>78,064</b>

## Note 2 Statement of Financial Position as at 31 December 2019

	Note	2019 €000	2018 €000
<b>Capital assets</b>	2.1	12,647	12,408
<b>Current assets</b>			
Bank and cash	2.2	45,747	55,896
Stocks	2.3	2,320	2,084
<i>Accrued income:</i>			
EAFRD funding due from the EU		165,262	152,227
Other amounts due from the EU		6,924	340
Scheme overpayments	6.2	2,640	2,281
Due for services		7,416	6,203
Prepayments	2.4	33,615	22,333
Other debit balances	2.5	7,765	960
<b>Total current assets</b>		271,689	242,324
<b>Less current liabilities</b>			
Other credit balances	2.6	22,431	25,338
Accrued expenses		5,926	12,658
Net Exchequer funding	2.7	31,081	31,518
<b>Total current liabilities</b>		59,438	69,514
<b>Net current assets</b>		212,251	172,810
<b>Net assets</b>		<b>224,898</b>	<b>185,218</b>
<b>Represented by:</b>			
State funding account	2.8	<b>224,898</b>	<b>185,218</b>

**2.1 Capital assets<sup>a</sup>**

	IT equipment	Motor vehicles and other machinery	Furniture and fittings	Office and other equipment	Total
	€000	€000	€000	€000	€000
<b>Gross assets</b>					
Cost or valuation at 1 January 2019	140,895	7,097	14,581	90,849	253,422
Additions	2,860	296	134	1,499	4,789
Disposals	(69)	(297)	—	(594)	(960)
Transfers to Fishery Harbour Centres Fund	—	(51)	2	—	(49)
Cost or valuation at 31 December 2019	143,686	7,045	14,717	91,754	257,202
<b>Accumulated depreciation</b>					
Opening balance at 1 January 2019	134,849	5,732	14,059	86,374	241,014
Depreciation for the year	2,378	445	112	1,596	4,531
Depreciation on disposals	(68)	(297)	—	(590)	(955)
Transfers to Fishery Harbour Centres Fund	—	(35)	—	—	(35)
Cumulative depreciation at 31 December 2019	137,159	5,845	14,171	87,380	244,555
<b>Net assets at 31 December 2019</b>	<b>6,527</b>	<b>1,200</b>	<b>546</b>	<b>4,374</b>	<b>12,647</b>
Net assets at 31 December 2018	6,046	1,365	522	4,475	12,408

Note <sup>a</sup> State-owned land and buildings controlled or managed by the Department do not have valuations. These are listed in Appendix A.

**2.2 Bank and cash**

at 31 December	2019	2018
	€000	€000
PMG balances	45,345	54,963
Commercial bank account balances	402	933
	<b>45,747</b>	<b>55,896</b>

### 2.3 Stocks

at 31 December	2019	2018
	€000	€000
Laboratory supplies and chemicals	479	515
Stationery supplies	279	78
Computer supplies	11	9
Veterinary supplies	1,158	1,025
Livestock	244	284
Agricultural stock	111	137
Cleaning supplies	9	9
Oil stocks	29	27
	<b>2,320</b>	<b>2,084</b>

### 2.4 Prepayments

at 31 December	Note	2019	2018
		€000	€000
Contributions to World Food Programme	6.5	22,300	19,000
Research, quality and certification grants		6,456	—
Information management technology		3,000	2,837
Subscriptions		1,341	184
Other		518	312
		<b>33,615</b>	<b>22,333</b>

### 2.5 Other debit balances

at 31 December	2019	2018
	€000	€000
Salaries advances	46	41
Imprests and recoupable travel costs	203	180
Advance payments to OPW	6,354	669
Beef data and genomics programme	—	70
Other	1,162	—
	<b>7,765</b>	<b>960</b>

## 2.6 Other credit balances

at 31 December	2019	2018
	€000	€000
<b>Amounts due to the State</b>		
Income tax	2,602	2,394
Pay related social insurance	1,564	1,393
Withholding tax	1,291	1,224
Value added tax	1,428	1,345
Relevant contracts tax	1	—
Pension contributions	1,105	538
Local property tax	23	25
Universal social charge	529	517
	<u>8,543</u>	<u>7,436</u>
Securities	2,527	2,720
Pesticides licencing fees	270	240
EU advances	8,845	8,672
Reimbursement due to EU	—	7
Miscellaneous	2,246	1,312
Other	—	4,951
	<u>22,431</u>	<u>25,338</u>

## 2.7 Net Exchequer funding

at 31 December	2019	2018
	€000	€000
Surplus to be surrendered	78,629	178,172
Deferred surrender	19,800	22,000
Exchequer grant undrawn	(67,348)	(168,654)
<b>Net Exchequer funding</b>	<u>31,081</u>	<u>31,518</u>
<b>Represented by:</b>		
<b>Debtors</b>		
Bank and cash	45,747	55,896
Debit balances: suspense	7,765	960
	<u>53,512</u>	<u>56,856</u>
<b>Creditors</b>		
Due to State	(8,543)	(7,436)
Credit balances: suspense	(13,888)	(17,902)
	<u>(22,431)</u>	<u>(25,338)</u>
	<u>31,081</u>	<u>31,518</u>

## 2.8 State funding account

	Note	2019		2018
		€000	€000	€000
Balance at 1 January			185,218	247,059
Disbursements from the Vote				
Estimate provision	Account	1,345,107		
Deferred surrender	Account	(19,800)		
Surplus to be surrendered	Account	(78,629)		
Net vote			1,246,678	1,074,470
Expenditure (cash) borne elsewhere	1		77,168	78,064
Non cash items – transferred assets	2.1		(14)	(792)
Non cash expenditure – notional rent	1		7,898	7,713
Net programme cost	1		(1,292,050)	(1,221,296)
<b>Balance at 31 December</b>			<b>224,898</b>	<b>185,218</b>

## 2.9 Commitments

Global commitments		
At 31 December	2019	2018
	€000	€000
Procurement of goods and services	39,457	118,488
Non-capital grant programmes	558,905	857,980
Capital grant programmes	609,011	697,528
Major capital project	561	2,674
<b>Total of legally enforceable commitments</b>	<b>1,207,934</b>	<b>1,676,670</b>

**Non capital grant commitments**

	<b>Due 2020</b>	<b>Subsequent years</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Green, low-carbon agri-environment scheme	206,898	96,870	303,768	528,866
Food research	15,242	56,495	71,737	65,363
Beef data genomics programme	47,952	9,180	57,132	102,138
Locally led schemes – current	14,292	29,219	43,511	40,840
Sheep welfare	24,812	3,167	27,979	45,360
World Food Programme	700	25,000	25,700	—
Grants to the organic sector	11,000	4,500	15,500	34,794
Knowledge transfer	5,000	1,000	6,000	31,000
European Maritime and Fisheries Fund – current	3,554	2,000	5,554	5,659
European innovation partnership	641	757	1,398	1,942
School milk and fruit	111	333	444	555
Agri-environment options scheme	109	—	109	898
Rural environment protection scheme	72	—	72	168
Early retirement scheme	—	—	—	330
Continuous professional development	—	—	—	67
<b>Total of legally enforceable commitments</b>	<b>330,383</b>	<b>228,521</b>	<b>558,905</b>	<b>857,980</b>

**Capital grants programme commitments**

	<b>2019 €000</b>	<b>2018 €000</b>
Opening balance	697,528	721,301
Grants paid in year	(192,966)	(176,293)
New commitments	172,640	166,137
Grants decommitments	(68,191)	(13,617)
Closing balance	<b>609,011</b>	<b>697,528</b>

**Capital grant programme commitments**

			<b>2019</b>	<b>2018</b>
	<b>Due 2020</b>	<b>Subsequent years</b>	<b>Total</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Afforestation	82,670	423,016	505,686	563,843
Targeted agriculture modernisation schemes	74,394	—	74,394	105,358
Fisheries	14,820	2,124	16,944	22,353
Food Innovation Hub	6,000	1,150	7,150	—
Capital investment grants	500	1,578	2,078	1,612
Horticulture scheme	1,385	—	1,385	1,744
European Maritime and Fisheries Fund – capital	1,357	—	1,357	1,573
Locally led schemes – capital	17	—	17	25
Johnstown Castle redevelopment programme	—	—	—	1,020
<b>Total of legally enforceable commitments</b>	<b>181,143</b>	<b>427,868</b>	<b>609,011</b>	<b>697,528</b>

**Major capital project commitments**

	<b>Cumulative expenditure to 31 December 2018</b>	<b>Expenditure in 2019</b>	<b>Project commitments in subsequent years</b>	<b>Expected total lifetime spend of project 2019</b>	<b>Expected total lifetime spend of project 2018</b>
<b>Project</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Haulbowline remediation project	22,647	2,113	561	25,321	25,321

## 2.10 Contingent liabilities

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### Haulbowline remediation project

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 €61 million for the project. The amount of expenditure incurred by the Department for the project up to the end of 2019 is €25 million. The most recent projection for completion of the Haulbowline remediation project is 2022.

### EU operations

1. The Department is aware of a temporary suspension under Ireland's EMFF Operational Programme due to the delayed implementation of the EU points system required under EU Regulations.

While Ireland is make every effort to comply with the obligations under the EU control regulations, in 2018 the European Commission suspended recoupment payments to Ireland for control and enforcement expenditure and was withholding €9.618 million in suspended payments at the end of 2019.

The Minister has since introduced regulations which fully meet the relevant requirements in relation to sea fishing boat licence holders. In December 2019, the previous Government approved the Heads of a Bill to legislation for the separate points system for masters of fishing boats. Once certain legal issues are finalised, it is intended that a further Government Decision will be sought on how to proceed with this Bill.

EU regulations provide that the Commission must release the suspended payments when Ireland becomes fully compliant with the points system requirements.

2. The Department is aware of a potential sanction in relation to matters identified around controls in the system used to weigh pelagic catches and catches of blue fin tuna. As the Sea Fisheries Protection Authority, which is legally responsible for operational control, is engaged in an ongoing process with the Commission around this matter, the actual or timing of any potential liabilities, if any, is uncertain.
3. The Department is also aware of a potential disallowance in relation to certain aspects of the allocation of entitlements under the basic payments scheme. As the Department is engaged in an ongoing formal clearance of accounts process with the Commission, the actual amount or timing of any potential liabilities is uncertain.
4. The Department is also aware of a potential disallowance in relation to a DG AGRI audit visit of 18 to 22 November 2019 concerning the EAFRD non-IACS schemes. As the Department is engaged in an ongoing process with the Commission around this matter, the amount or timing of any potential liabilities, if any, is uncertain.

### Other

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 is uncertain.

## Note 3 Vote Expenditure

### Analysis of administration expenditure

Administration expenditure set out below has been apportioned across the programmes, to present complete programme costings.

	Estimate provision		2019	2018
			Outturn	Outturn
	€000	€000	€000	€000
i Salaries, wages and allowances				
	<i>Original</i>	183,077		
	<i>Supplementary</i>	(2,000)		
			181,077	172,628
ii Travel and subsistence			7,999	8,624
iii Training and development and incidental expenses			6,547	5,102
iv Postal and telecommunication services			4,954	4,713
v Office equipment and external IT services			39,611	33,599
vi Office premises expenses				
	<i>Original</i>	7,820		
	<i>Supplementary</i>	30,424		
			38,244	5,972
vii Consultancy services and value for money and policy reviews			208	129
viii Supplementary measures to protect the financial interests of the EU			852	567
ix Laboratory services			6,200	6,208
			<b>285,692</b>	<b>237,542</b>

### Significant variations

The following outlines the reasons for significant variations in administration expenditure (+/- 25% and €100,000).

#### vi Office premises expenses

*Estimate provision: €7.82 million, outturn: €30.715 million*

The increase in expenditure of €22.895 million relative to the original estimate provision was due to the Department incurring significant costs associated with Brexit in 2019. These arose in respect of the Department's share of the cost of providing new physical infrastructure in Dublin and Rosslare ports associated with the carrying out of significantly increased official controls on agri-food goods.

**vii Consultancy services and value for money and policy reviews**

*Estimate provision: €208,000, outturn: €92,000*

The shortfall in expenditure of €116,000 relative to the estimate provision was due to a combination of planned consultancies no longer being needed and planned reviews not being undertaken in 2019.

### Programme A Food Safety, Animal and Plant Health and Animal Welfare

		2019		2018
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay			
	<i>Original</i>	104,315		
	<i>Supplementary</i>	(1,140)		
			103,175	102,764
A.2	Administration – non pay			
	<i>Original</i>	44,110		
	<i>Supplementary</i>	30,424		
			74,534	65,979
A.3	Food safety, animal health and plant health and animal welfare			
	<i>Original</i>	98,632		
	<i>Supplementary</i>	(2,500)		
			96,132	93,039
			<b>273,841</b>	<b>261,782</b>
				<b>86,962</b>
				<b>221,536</b>

**Significant variations**

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the expenditure in relation to Programme A was €14.725 million higher than originally provided. The increase of €20.318 million in administration expenditure has already been explained. The balance of the variance of €5.593 million was mainly due to the following:

**A.3 Food safety, animal health and plant health and animal welfare**

*Estimate provision: €98.632 million, outturn: €93.039 million*

The decrease in expenditure of €5.593 million relative to the original estimate was due to a combination of factors. Savings were made under grants to support the new electronic tagging of sheep as the uptake for the scheme was lower than anticipated. Savings were also made under the control of horses scheme. Further savings were made as prudent provisions for scrapie, BSE and fallen animal cases were not fully required and a lower than projected amount was paid to Animal Health Ireland for the training of private veterinary practitioners.

### Programme B Farm/Sector Support and Controls

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
B.1	Administration – pay				
	<i>Original</i>	54,195			
	<i>Supplementary</i>	(591)			
			53,604	53,389	52,103
B.2	Administration – non pay		20,343	19,094	18,600
B.3	Agri-environmental schemes				
	<i>Original</i>	229,500			
	<i>Supplementary</i>	7,000			
			236,500	236,500	256,860
B.4	Areas of natural constraint scheme		250,000	248,552	228,666
B.5	Development of agriculture and food (farm)				
	<i>Original</i>	78,395			
	<i>Supplementary</i>	7,000			
			85,395	83,650	72,510
B.6	Beef sustainability schemes				
	<i>Original</i>	67,800			
	<i>Supplementary</i>	18,000			
			85,800	87,108	47,451
B.7	Knowledge transfer		25,000	22,167	21,665
B.8	Animal welfare scheme for sheep		18,000	17,382	17,650
B.9	Early retirement scheme		220	187	830
B.10	Forestry and bio energy				
	<i>Original</i>	81,428			
	<i>Deferred surrender</i>	22,000			
			103,428	89,732	94,509
B.11	Control and other support scheme costs		12,351	14,213	9,305
B.12	Other schemes				
	<i>Original</i>	3,825			
	<i>Supplementary</i>	(1,000)			
			2,825	2,090	3,024
			<b>893,466</b>	<b>874,064</b>	<b>823,173</b>

### Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/- 5% and €100,000). Overall, the net expenditure in relation to Programme B was €33.007 million higher than originally provided. An underspend of €2.055 million in administration expenditure has already been explained. The offsetting overspend of €35.062 million was mainly due to the following:

#### B.5 Development of agriculture and food (farm)

*Estimate provision: €78.395 million, outturn: €83.65 million*

The increase in expenditure of €5.255 million relative to the original estimate was due to a €7.026 million increase under the TAMS II scheme. This was partly offset by savings of €1.071 million in the organic processing investment grant scheme as applications were less than forecast. Savings of €400,000 also occurred in the waste processing scheme as an anticipated claim was not submitted. Further savings of €166,000 occurred under the horticulture scheme due to applicants not proceeding with approved investments and others not being completed in time for payment in 2019. Additional funding was provided by supplementary estimate and virement.

#### B.6 Beef sustainability schemes

*Estimate provision: €67.8 million, outturn: €87.108 million*

The increase in expenditure of €19.308 million relative to the original estimate was due to the commencement of the Beef Exceptional Aid Measure which was an EU scheme introduced in July 2019 as an exceptional aid measure for the Irish beef sector in response to market conditions. Additional funding was provided by supplementary estimate and virement and from savings within subhead where expenditure on beef data and genomics programme and beef environmental efficiency pilot was less than provisions for these schemes.

#### B.7 Knowledge transfer

*Estimate provision: €25 million, outturn: €22.167 million*

The shortfall in expenditure of €2.833 million relative to the estimate was due to withdrawals from the scheme and participants not meeting the full requirements of the programme.

#### B.10 Forestry and bio energy

*Estimate provision: €103.428 million, outturn: €89.732 million*

The shortfall in expenditure of €13.696 million relative to the estimate provision (including deferred surrender from 2018) was mainly due to a saving of €10.349 million in the afforestation scheme as it is demand led and demand was down on previous years. There was also a saving of €2.799 million for the support schemes due to a reduction in applicants for the road scheme. This reduction is due to issues relating to the planning permission for forest road entrances onto a public road. Relevant legislation was passed by the Oireachtas in February 2020, and should now lead to an increase in applications.

**B.11 Control and other support scheme costs**

*Estimate provision: €12.351 million, outturn: €14.213 million*

The increase in expenditure of €1.862 million relative to the estimate was due to an increase of €3.554 million for payments in respect of conformity decisions. This was offset by savings of €1.449 million due to there being no intervention stock purchases during the year and also savings of €739,000 due to lower interest rates on short term borrowings necessary to fund EAGF payments prior to reimbursement by the Commission. There was an increase of €475,000 in the cost of the land parcel identification system upgrade as more digitisation than anticipated was needed. Additional funding was provided through virement.

**B.12 Other schemes**

*Estimate provision: €3.825 million, outturn: €2.09 million*

There was a saving of €1.735 million relative to the original estimate as expenditure on the fodder schemes introduced in response to the 2018 fodder crisis was lower than provided for, due to the return to normal grass growing conditions towards the end of 2018 and better grazing conditions over the winter.

**Programme C Policy and Strategy**

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
C.1	Administration – pay				
	<i>Original</i>	15,446			
	<i>Supplementary</i>	(169)			
			15,277	15,216	14,827
C.2	Administration – non pay		5,267	4,771	4,585
C.3	Research, quality and certification				
	<i>Original</i>	28,461			
	<i>Supplementary</i>	(2,900)			
			25,561	25,161	27,747
C.4	Development and promotion of agriculture and food (non farm)				
	<i>Original</i>	20,340			
	<i>Supplementary</i>	(6,900)			
			13,440	7,550	8,839
C.5	Teagasc grant				
	<i>Original</i>	141,232			
	<i>Supplementary</i>	(3,000)			
			138,232	134,673	133,082
C.6	An Bord Bia grant		46,619	44,844	40,383
C.7	Horse and Greyhound Racing Fund		84,000	84,000	80,000
C.8	Cedra Rural Innovation and Development Fund		1,500	1,486	1,501
C.9	Food aid donations – World Food Programme				
	<i>Original</i>	3,000			
	<i>Supplementary</i>	20,000			
			23,000	25,300	19,000
C.10	Brexit resilience measures		—	—	25,000
C.11	Other services				
	<i>Original</i>	15,924			
	<i>Supplementary</i>	(1,600)			
			14,324	13,671	15,156
			<b>367,220</b>	<b>356,672</b>	<b>370,120</b>

### Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the net expenditure in relation to Programme C was €5.117 million lower than originally provided. The variation of €726,000 in administration expenditure has already been explained. The balance of the variance of €4.391 million was mainly due to the following:

#### C.3 Research, quality and certification

*Estimate provision: €28.461 million, outturn: €25.161 million*

The shortfall in expenditure of €3.3 million relative to the original estimate was due to a combination of a lower than anticipated level of applications in the 2019 Research Stimulus Fund call and delays in the submission of tranche claims on previously funded projects.

#### C.4 Development and promotion of agriculture and food (non farm)

*Estimate provision: €20.34 million, outturn: €7.55 million*

The shortfall in expenditure of €12.79 million relative to the original estimate was mainly due to savings of €9.845 million in supports for food companies to meet potential demand in advance of the initial scheduled Brexit departure in March 2019 and funds to assist food companies to improve competitiveness. Due to the extension of the Brexit deadline to 2020 and the overall uncertainty surrounding Brexit demand for the schemes remained low. Additional savings of €1.583 million were made under the LEADER Food Initiative as uptake was slower than anticipated and savings of €1.068 million were also made in grants to companies to optimise their production facilities as it wasn't always possible to complete the works within the 12 month timeframe.

#### C.5 Teagasc grant

*Estimate provision: €141.232 million, outturn: €134.673 million*

The shortfall in expenditure of €6.559 million relative to the original estimate was due to a saving in of €4.85 million in relation to the drawdown of grant-in-aid for the Food Innovation Hub due to planning delays and a saving of €1.709 million in relation to the drawdown of grant-in-aid for superannuation costs due to lower than expected retirement costs.

#### C.9 Food aid donations – World Food Programme

*Estimate provision: €3 million, outturn: €25.3 million*

The increase in expenditure of €22.3 million relative to the estimate was due to the Executive Director of World Food Programme writing to the Department to ask if Ireland would consider an early disbursement of the 2020 allocation. The Department agreed to an early payment of €22.3 million of the 2020 allocation, with payment being made in December 2019, and this amount is included in prepayments in the statement of financial position.

#### C.11 Other services

*Estimate provision: €15.924 million, outturn: €13.671 million*

The shortfall in expenditure of €2.253 million relative to the original estimate was mainly due to savings arising from the provision for legal payments not being required during the year and legal cases not concluded in 2019.

### Programme D Seafood Sector

		Estimate provision		2019	2018
		€000	€000	Outturn	Outturn
		€000	€000	€000	€000
D.1	Administration – pay				
	<i>Original</i>	9,121			
	<i>Supplementary</i>	(100)			
			9,021	8,986	8,756
D.2	Administration – non pay		4,471	3,816	4,097
D.3	Fisheries				
	<i>Original</i>	42,488			
	<i>Supplementary</i>	(1,600)			
			40,888	41,562	35,195
D.4	Marine Institute grant				
	<i>Original</i>	35,429			
	<i>Supplementary</i>	(500)			
			34,929	34,926	32,239
D.5	Bord Iascaigh Mhara grant		38,293	38,195	31,134
D.6	Sea Fisheries Protection Authority		13,795	13,005	10,302
D.7	Haulbowline remediation project		2,500	2,113	9,701
			<b>143,897</b>	<b>142,603</b>	<b>131,424</b>

#### Significant variations

The following outlines the reasons for significant variations in programme expenditure (+/-5% and €100,000). Overall, the net expenditure in relation to Programme D was €3.494 million lower than originally provided. The variation of €790,000 in administration expenditure has already been explained. The balance of the variance of €2.704 million was mainly due to the following:

#### D.6 Sea Fisheries Protection Authority

*Estimate provision: €13.795 million, outturn: €13.005 million*

The shortfall in expenditure of €790,000 relative to the estimate provision was due to the following reasons: a saving of €187,000 arose in expected pensions payments as estimates were based on employees' minimum retirement dates, however less than were eligible decided to retire. Non-pay savings of €603,000 arose due the delay in receipt of expected invoices and the delay in the completion of IT project work.

**D.7 Haulbowline remediation project**

*Estimate provision: €2.5 million, outturn: €2.113 million*

The shortfall in expenditure of €387,000 relative to the estimate provision was due to a combination of aspects of expenditure as budgeted not being incurred until 2020 or not arising. Cork County Council act as agent of the Minister on the project and is responsible for the progression of all operational aspects of the remediation and costs are then reimbursed by the Department on a matured liability basis.

## Note 4 Receipts

### 4.1 Appropriations-in-aid

	Subhead	2019		2018	
		Estimated	Realised	Realised	
		€000	€000	€000	
1	Recoupment of salaries etc. of officers on loan to outside bodies	600	690	556	
2	Forfeited deposits and securities under EU intervention, export refund, etc. arrangements	1	187	9	
3	Refunds from veterinary inspection fees for inspection at poultry and other meat plants	A.3	15,436	19,531	19,804
4	Receipts from veterinary fees for live exports	A.3	613	664	666
5	Receipts from fees for dairy premises inspection services	A.3	6,500	8,143	7,405
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	A.3	670	602	671
7	Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	C.3	1,856	2,766	3,155
8	Receipts from farmer contributions towards the cost of eradicating bovine disease	A.3	7,000	7,637	7,508
9	Land Commission receipts		350	380	285
10	Other receipts		2,470	3,129	2,807
11	Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	B.11	975	300	1,239
12	Intervention stock losses, etc	B.11	—	960	880

	Subhead	2019		2018
		Estimated	Realised	Realised
		€000	€000	€000
13	EAFRD (European Agricultural Fund for Rural Development)			
	<i>Original</i>	205,000		
	<i>Supplementary</i>	41,000		
		246,000	299,533	387,280
14	Veterinary Fund A.3	9,200	9,279	10,274
15	Other Guarantee receipts from EU (Agriculture) B.11	36	36	36
16	Proceeds of fines and forfeitures in respect of sea fisheries D.3	100	292	7
17	Receipts under the 1933 Foreshore Act and the 1954 State Property Act D.3	100	188	151
18	EU recoupment in respect of expenditure on the conservation and management of fisheries D.3	1	—	—
19	Aquaculture licence fees D.3	412	578	592
20	EU receipts for EMFF D.3	30,000	23,030	13,596
21	EFF (Fisheries) 2007-2013 D.3	—	—	2,641
22	Receipts from Sustainable Food Systems Ireland	200	74	75
23	Receipts from additional superannuation contributions on public service remuneration <sup>a</sup>	10,797	10,444	12,146
	<b>Total</b>	<b>333,317</b>	<b>388,443</b>	<b>471,783</b>

Note <sup>a</sup> The 2018 figure refers to pension related deductions. These were replaced by additional superannuation contributions from 1 January 2019.

### Significant variations

Overall, appropriations-in-aid were €96.126 million greater than the original estimate. Explanations for variances are set out below:

#### 2 Forfeited deposits and securities under EU intervention, export refund, etc. arrangements

*Estimate: €1,000, realised: €187,000*

The increase of €186,000 was due to three relatively large security forfeitures on licences and given their nature revenue from this source would be difficult to predict.

#### 3 Refunds from veterinary fees for inspection at poultry and other meat plants

*Estimate: €15.436 million, realised: €19.531 million*

The increase of €4.153 million was due to an increase in activity levels in the poultry and other meat plant sector again in 2019.

**5 Receipts from fees for dairy premises inspection services**

*Estimate: €6.5 million, realised: €8.143 million*

The increase of €1.643 million was due to an increase year on year in receipts due to further growth in milk production.

**7 Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm**

*Estimate: €1.856 million, realised: €2.766 million*

The increase of €910,000 was mainly due to an increase in registration fees received for plant protection products and biocidal products. There was also an increase in inspection fees which is predicated on external market factors and therefore income will vary from year to year.

**8 Receipts from farmer contributions towards the cost of eradicating bovine disease**

*Estimate: €7 million, realised: €7.637 million*

The increase of €637,000 was due to an increase in both milk processing and the numbers of animals slaughtered or exported, compared to the numbers forecast.

**10 Other receipts**

*Estimate: €2.47 million, realised: €3.129 million*

The main component of this subhead are pension contributions remitted from state agencies. The increase of €659,000 was mainly due to pension contributions that Teagasc collect from funded research programmes where contractors are employed to conduct the research.

**11 Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures**

*Estimate: €975,000, realised: €300,000*

The decrease of €675,000 was due to the lower than anticipated levels of intervention activity as all intervention stock was sold in March/April 2019 resulting in a lower associated cost and consequently lower than estimated associated cost recovery from the EU.

**12 Intervention stock losses, etc**

*Estimate: € nil, realised: €960,000*

The increase of €960,000 was due to the revenue under this subhead being derived from provisions under Article 55 of EU Regulation 1306/2013 whereby Member states are entitled to retain 20% of irregularities recovered under EAGF. Revenue from this is difficult to predict as it is dependant of debts incurred and recoveries in the year.

**13 EAFRD (European Agricultural Fund for Rural Development)**

*Estimate: €205 million, realised: €299.533 million*

The increase of €93.299 million was mainly due to the timing of advance payments under the ANC scheme being made in September 2019 rather than in October, as previously forecast. This resulted in a greater December 2019 EAFRD receipt rather than an expected 2020 receipt. This increase in receipts was only partly provided for in the supplementary estimate as payment of full amount in 2019 was not assured until after supplementary process.

**16 Proceeds of fines and forfeitures in respect of sea fisheries**

*Estimate: €100,000, realised: €292,000*

The increase of €192,000 was due to the nature of these receipts being variable depending on detections and the subsequent fines paid.

**19 Aquaculture licence fees**

*Estimate: €412,000, realised: €578,000*

The increase of €166,000 was due to an increase in the number of licensed aquaculture sites in recent years.

**20 EU receipts for EMFF**

*Estimate: €30 million, realised: €23.03 million*

The decrease of €6.97 million was due to the ongoing suspension of EMFF funds for control and enforcement. Ireland has made a number of attempts to implement a points system in respect of serious infringements of the rules of the CFP by licence holders but the matter is ongoing and while the recoupment of funds expended on control and enforcement was claimed in 2019, the Commission has temporarily suspended payment to Ireland until the implementation of processes and controls under Ireland's EMFF Operational Programme has been carried out.

**22 Receipts from Sustainable Food Systems Ireland**

*Estimate: €200,000, realised: €74,000*

The decrease of €126,000 was due to the fact that Sustainable Food Systems Ireland (SFSI) receipts are related to annual expenditures on the SFSI project, with reimbursement coming from each of the participating agencies (Enterprise Ireland, Teagasc, Bord Bia and Food Safety Authority of Ireland) and the expenditure being reimbursed was lower than projected.

**4.2 Extra receipts payable to the Exchequer**

	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Interest on refund of overpaid sugar levies	—	428
Clearance of suspense accounts	—	550
1% superlevy surplus	705	—
Proceeds of SFPA fleet sale	419	—
Transferred to the Exchequer	(1,124)	(978)
Balance as at 31 December	<u>—</u>	<u>—</u>

## Note 5 Staffing and Remuneration

### 5.1 Employee numbers

<b>Full time equivalents</b>	<b>2019</b>	<b>2018</b>
Number of staff at year end		
Department	3,358	3,176
Agencies <sup>a</sup>	1,609	1,520
	<b>4,967</b>	<b>4,696</b>

Note <sup>a</sup> The agencies under the aegis of the Department are Bord Bia, Bord Iascaigh Mhara, Marine Institute, Sea-Fisheries Protection Authority and Teagasc.

### 5.2 Pay

<b>Remuneration of Department staff</b>	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
Pay	163,536	156,844
Higher, special or additional duties allowances	242	264
Other allowances	1,528	1,514
Overtime	3,011	3,235
Shift allowances	659	562
Employer's PRSI	11,671	10,491
<b>Total pay</b>	<b>180,647</b>	<b>172,910</b>

#### Agency remuneration

	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
Pay	79,470	77,059
Higher, special or additional duties allowances	979	818
Other allowances	588	111
Overtime	162	145
Gratuity payments	307	117
Employer's PRSI	3,551	2,762
<b>Total pay</b>	<b>85,057</b>	<b>81,012</b>

Note The allowances, overtime and other remuneration details in notes 5.3 through to 5.5 below relate only to the Department's staff, paid directly from the Vote under programmes A to D. Detailed information in relation to the remuneration arrangements of the Department's associated State bodies is available from the relevant annual reports or directly from the State bodies concerned.

### 5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2019	2018
			€	€
Higher, special or additional duties allowances	81	2	12,410	11,932
Shift allowances	117	21	20,741	18,990
Other allowances	627	9	20,614	20,596
Overtime	785	81	28,171	38,893
Extra remuneration in more than one category	347	172	39,614	42,531

### 5.4 Other remuneration arrangements

In total €1,534,809 (gross) was paid to 68 retired civil servants, in receipt of civil service pensions, who were re-engaged on a fee basis. The principles of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 apply to these fees.

### 5.5 Payroll overpayments

at 31 December	Number of recipients	2019	2018
		€	€
Overpayments	299	746,314	475,222
Recovery plans in place	128	392,782	312

## Note 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.

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

Programme B includes 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. Programmes C and D includes expenditure in respect of activities co-financed by the EU through European Maritime Fisheries Fund, 2014-2020 (EMFF). Programme B includes a charge to the Vote of €5.745 million for EU Funding which has been disallowed due to conformity clearance decisions and late payments.

The account includes interest of €161,486 paid on short-term borrowings of €725 million borrowed in 2018 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2019 along with interest.

A total of €750 million in short-term funds were borrowed in 2019 to fund EAGF Guarantee expenditure pending EU recoupment in 2020. These loans are reflected in the financial statements of the European Agricultural Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), Irish operations.

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

	2019	2018
	€m	€m
Direct payment/basic payment scheme	1,204	1,208
Intervention/aid to private storage <sup>a</sup>	(12)	19.5
Other market supports <sup>b</sup>	61.8	4.5
Other	(3)	(3)
<b>Co-funded receipts (measures co-funded by the EU) <sup>c</sup></b>	<b>2019</b>	<b>2018</b>
	€m	€m
EAFRD Rural Development Programmes	299	387
Veterinary fund	9	10
Other co-financing receipts	1	1
<b>Fisheries</b>		
EFF – European Fisheries Fund 2007-2013 and EMFF – European Maritime and Fisheries Fund 2014 – 2020 <sup>d, e</sup>	23	16
	<b>1,582.8</b>	<b>1,643</b>

- Notes
- <sup>a</sup> €12.6 million was as a result of sales of skimmed milk powder in stock.
  - <sup>b</sup> Increase was due to the Exceptional Aid Measure BEAM of €48.3 million.
  - <sup>c</sup> Only the EU co-funding on these programmes is shown in this table.
  - <sup>d</sup> EMFF receipts of €8.8 million are held in a suspense account (EU advances) in accordance with public financial procedures.
  - <sup>e</sup> Under EU Regulation 908/2014 Article 28, amounts recovered are declared and netted against the scheme expenditure where the liability for recovery arose.

## 6.2 Scheme overpayments

	2019	2018
	€000	€000
Scheme overpayments at 1 January	2,281	1,087
Adjustment for early retirement scheme	(6)	(7)
Overpayments raised in the year	15,506	20,260
Corrections	(816)	(3,355)
Recoveries	(14,058)	(15,522)
Write-offs (note 6.3)	(267)	(182)
Scheme overpayments at 31 December	<u>2,640</u>	<u>2,281</u>

## 6.3 Write-offs

The following sums were written off in the year	2019	2018
	€	€
<b>Scheme overpayments:</b>		
Afforestation schemes	22,060	41,758
Rural environment protection scheme	229,546	96,277
Miscellaneous EU premia and area based schemes	13,121	36,391
Miscellaneous Vote premia	846	7,965
Private veterinary practitioners	1,174	—
	<u>266,747</u>	<u>182,391</u>
<b>Customers:</b>		
Dispute in relation to administration of scheme	—	14,827
Customers no longer trading <sup>a</sup>	1,630,294	18,475
Aquaculture licences expired/surrendered and not renewed	7,429	28,061
Other reasons	6	2,035
	<u>1,637,729</u>	<u>63,398</u>

- Note <sup>a</sup> A review of legacy debt was undertaken in 2019 – this resulted in the identification of a large number of debtors who were no longer trading, and where no further means of collection was possible. This has increased the level of write-offs in the year.

## 6.4 Compensation and legal costs

	Number of cases	Legal costs paid by the Department €000	Compensation awarded €000	Legal costs awarded €000	2019	2018
					Total	Total
					€000	€000
Claims by employees of the Department	13	26	90	19	135	412
Claims by members of the public	22	138	423	1,004	1,565	841
		<b>164</b>	<b>513</b>	<b>1,023</b>	<b>1,700</b>	<b>1,253</b>

## 6.5 Food aid donations

The World Food Programme – Ireland Strategic Partnership Agreement 2019 – 2021, was signed by World Food Programme (WFP) Executive Director and the Department in December 2018. This agreement outlined increased support for WFP throughout this period, subject to annual budget appropriations by Dáil Éireann. The three-year agreement outlined a minimum of €20 million in multilateral contributions per year, with the three-year total allocated under the agreement at least €70 million.

This allocation is made in continued support of the current strategic objectives of the World Food Programme, namely:

- to end hunger, by protecting access to food
- to improve nutrition
- to achieve food security
- to support implementation of Sustainable Development Goals (SDG)
- to partner for SDG results.

The Executive Director of WFP wrote to the Department to ask if Ireland would consider an early disbursement of the 2020 allocation. The Department agreed to an early payment of €22.3 million of the 2020 allocation, with payment being made in December 2019, and this amount is included in prepayments in the statement of financial position.

The Food and Agriculture Organisation (FAO) is the main specialised agency of the United Nations that leads international efforts to end worldwide hunger; to achieve food security for all; and to make sure that people have regular access to enough high quality food to lead active, healthy lives.

Subscriptions and additional voluntary contributions to FAO are used to provide aid to 130 countries to help them in the development of sustainable agriculture and food systems. Ireland's (DAFM) contribution to FAO in 2019 amounted to €2.605 million (2018: €4.259 million).

## 6.6 Ex-gratia payments

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An ex-gratia payment of €50,000 was made to Cherry Orchard Equine Centre towards the purchase of farm machinery for their equine education & training centre.

Ex-gratia payments totalling €250,000 were made to the Irish Equine Centre as support towards the costs associated with achieving and maintaining World Organisation for Animal Health reference laboratory status.

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

	<b>2019</b>	<b>2018</b>
	€	€
Irish Shows Association Ltd	82,500	82,500
Macra na Feirme	75,000	75,000
Irish Country Women's Association	9,000	9,000
Irish Country Markets Ltd	6,000	6,000
Irish Draught Horse Society	4,000	4,000
Agricultural Science Association	—	2,000

## 6.7 Deferred surrender

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Deferred surrender comprises savings in 2019 of €19.8 million in capital expenditure, in the following subheads, that were carried over to 2020.

B.10	Forestry	€12.6 million
C.4	Development and promotion of agriculture and food (non farm)	€5.4 million
C.5	Teagasc grant	€1.8 million

**Note 7 Horse and Greyhound Racing Fund**

Account of receipts and payments for the year ended 31 December 2019

	<b>2019</b>	<b>2018</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	—
Receipts (subhead C.7)	84,000	80,000
Payments		
Horse Racing Ireland	67,200	64,000
Bord na gCon	16,800	16,000
Balance at 31 December	<u>—</u>	<u>—</u>

## **Appendix A State-owned lands and buildings controlled or managed by the Department which do not have valuations**

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<b>Property</b>	<b>Area (Hectares)</b>
<b>Cork</b>	
Haulbowline Island (including bridge and access road)	45.7
Blood testing laboratory, Model Farm Road	—
Regional veterinary laboratory, Model Farm Road	2.0
Land Commission non-agricultural land, Annagannihy	56.5
Forest plot, Ballyhooley	1.0
Forest plot, Ballyhoura	1.6
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
<b>Donegal</b>	
Potato testing centre, Raphoe	78.0
Forest plot, Letterkenny	0.2
<b>Dublin</b>	
Forest plot, Killakee	0.7
<b>Galway</b>	
Land Commission non-agricultural lands	
Kilcooley	1.7
Kylenalmelly	1.3
Sylaun	1.7
Rosmore	3.2
Meelickmore	12.4
Cooloo	52.1
Lands, Teagasc College, Athenry	14.0
Forest plot, Ballinaninch	60.7
Forest plot, Oughterard	7.0

**Kerry**

Land Commission non-agricultural lands	
Glanlea	4.0
Ballydunlea	284.6
Forest plot, Kenmare	0.2

**Kildare**

Stacumny Cottage, Backweston	—
Lands, Backweston	150.0

**Kilkenny**

Regional Veterinary Laboratory, Kilkenny	0.9
Lands, Kildalton Teagasc College, Pilltown	18.0

**Laois**

Forest plot, Durrow	2.2
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**Limerick**

Dairy Science Laboratory, Limerick	3.2
Regional Veterinary Laboratory, Limerick	1.2
Forest plot, Adare	3.0

**Longford**

Land Commission non-agricultural land, Rossbeg	79.0
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**Mayo**

Land Commission non-agricultural lands	
Ballymacrah	12.1
Derry	34.8
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	
Ballynahouna/Ballaghculia	4.6
Cloonakillig	0.7
Cloonshanvill	22.4
Cloonfad	2.9
Cloonboley	4.9
Cloonacolly	4.4
Cleaheen	0.6

Cloonroughan	21.9
Termon More	55.3
Tonrevagh	10.8
Cloonchambers	18.4
Clonree	25.7
Moor	32.6
Lissergool	5.3
Forest plot, Lough Key	32.0
<b>Sligo</b>	
Regional Veterinary Laboratory, Sligo	1.4
Land Commission non-agricultural land, Cloonkeelaun	244.0
Forest plot, Benbulbin	0.5
<b>Tipperary</b>	
Forest plot, Clogheen	1.3
Forest plot, Clonmel	3.2
Forest plot, Rear Cross	0.5
Forest plots, Carrick-on-Suir	2.5
Forest plots, Kilsheelan	1.9
<b>Westmeath</b>	
Regional Veterinary Laboratory, Athlone	1.7
Forest plot, Castlepollard	0.2
Forest plot, Lough Ennel	14.5
<b>Wexford</b>	
Forest plot, Forth	4.8
Forest plots, Gorey	11.1
<b>Wicklow</b>	
Forest plot, Shelton	0.2
Forest plot, Avonmore	1.0
Forest plot, Enniskerry	4.0
Forest plot, Glendalough	7.6
Forest plot, Saggart	1.4
Forest plot, Glen of Imaal	3.0

**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.

## Appendix B Accounts of bodies and funds under the aegis of the Department of Agriculture, Food and the Marine

The following table lists the bodies and funds under the aegis of the Department where the Department has an obligation to present financial statements. It indicates, at the account signing date, the period to which the last audited financial statements relate and the date on which they were presented to the Oireachtas.

Body/departmental fund	Last accounting period	Date of audit report	Date received by Minister/ Department	Date presented to the Oireachtas
Aquaculture Licences Appeals Board	2018	27 Nov 2019	3 Feb 2020	18 Jun 2020
Bord Bia	2018	2 Oct 2019	8 Nov 2019	4 Dec 2019
Bord na gCon	2018	4 Sept 2019	4 Sept 2019	23 Oct 2019
Bord Iascaigh Mhara	2018	23 Oct 2019	22 Nov 2019	19 Mar 2020
Coillte Teoranta <sup>a</sup>	2018	28 Mar 2019	29 Mar 2019	21 May 2019
European Agricultural Guarantee Fund, European Agricultural Fund for Rural Development and the European Maritime Fisheries Fund – Irish Operations	2018	22 Dec 2019	6 Jan 2020	7 Jan 2020
Fishery Harbour Centres Fund	2018	20 Dec 2019	6 Jan 2020	31 Mar 2020
Horse Racing Ireland	2018	30 Jun 2019	12 July 2019	23 Sep 2019
Irish National Stud Company Ltd <sup>b</sup>	2018	25 Mar 2019	23 Apr 2019	8 May 2019
Marine Institute	2018	9 Dec 2019	16 Dec 2019	28 May 2020
National Milk Agency <sup>c</sup>	2018	20 Mar 2019	28 Aug 2019	17 Sep 2019
Sea Fisheries Protection Authority	2018	30 Jun 2019	30 Jul 2019	10 Oct 2019
Teagasc	2018	26 Jun 2019	2 Jul 2019	19 Jul 2019
The Public Trustee of Ireland	2018	5 Apr 2019	5 Apr 2019	27 May 2019

Notes <sup>a</sup> Coillte, as a self-financing commercial state body, is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 31 of the Forestry Act 1988 under which it was established.

<sup>b</sup> Irish National Stud Company Ltd is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 25 of the National Stud Act, 1945 under which it was established.

<sup>c</sup> National Milk Agency is not audited by the C&AG; the company's annual report and accounts are laid before the Houses of the Oireachtas in accordance with Section 18 of the Milk (Regulation of Supply) Act 1994.