

ENVIRONMENT FUND

Accounts 2009 and Comptroller and Auditor General Report



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BAILE ÁTHA CLIATH
ARNA FHOILSIÚ AG OIFIG AN TSOLÁTHAIR
LE CEANNACH DÍREACH ÓN
OIFIG DHÍOLTA FOILSEACHÁN RIALTAIS,
TEACH SUN ALLIANCE, SRÁID THEACH LAIGHEAN, BAILE ÁTHA CLIATH 2,
NÓ TRÍD AN BPOST Ó
FOILSEACHÁN RIALTAIS, AN RANNÓG POST-TRÁCHTA,
AONAD 20 PÁIRC MIONDÍOLA COIS LOCHA, CLÁR CHLAINNE MHUIRIS, CONTAE MHAIGH EO
(TEIL: 01-6476834/37 NÓ 1890 213434; FAX: 01-6476843 NÓ 094-9378964)
NÓ TRÍ AON DÍOLTÓIR LEABHAR.

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Environment Fund Accounts 2009

- **General**

The Environment Fund was established by the Waste Management (Amendment) Act 2001 (No. 36 of 2001), to be managed and controlled by the Minister for the Environment, Heritage and Local Government. The Fund was established with effect from 17 July, 2001.

Environmental Levies were introduced in respect of plastic bags by the Waste Management (Environmental Levy) (Plastic Bag) Regulations 2001 (S.I. No. 605 of 2001) and in respect of landfill by the Waste Management (Landfill Levy) Regulations 2002 (S.I. No. 86 of 2002).

The proceeds of the Environmental Levy on the supply of plastic bags, collected by the Revenue Commissioners, and the Environmental Levy on the landfilling of waste, collected by local authorities, are paid into the Fund.

Collection costs incurred by the Revenue Commissioners are reimbursed from the Fund, while each local authority may deduct and retain up to 2% (maximum of €50,000 per annum) from levies payable in respect of privately operated landfill facilities, to meet expenses incurred by them in the enforcement and collection of levies.

Expenditure from the Fund in respect of collection of the Environmental Levy on the supply of plastic bags is agreed under an operation and service level agreement with the Revenue Commissioners.

Other expenditure is authorised by the Minister in accordance with the purposes permitted by the Waste Management legislation.

Section 74(9) of the Waste Management Act 1996 (as inserted by Section 12 of the Waste Management (Amendment) Act, 2001) specifies the purposes for which payments may be made from the Environment Fund. The Waste Management (Environment Fund) (Prescribed Payments) Regulations 2003 (S.I. No. 478 of 2003) extend these purposes to include initiatives undertaken in the State, or on an international or trans-national basis relating to the protection of the environment and/or sustainable development, including areas such as research and development together with contributions to international organisations.

Statement of Accounting Policies

The accounts have been prepared on an accruals basis.

- **Income**

Income from the Environmental Levy on the supply of plastic bags is the amount collected by the Office of the Revenue Commissioners. Income from the Environmental Levy on the Landfill of Waste is the amount collected by local authorities, less amounts retained from levies paid in respect of privately operated facilities.

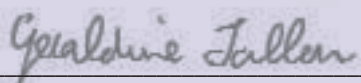
- **Expenditure**

In the case of goods and services, an expense/liability is recognised when the supplier has met the contractual requirement to provide goods and services ordered and presented an invoice. In the case of grants, an expense/liability is recognised when the grantee has met all requirements for the grant being paid.

Environment Fund Income and Expenditure Account for the year ended 31 December, 2009

		2009	2008
<u>Income</u>	<u>Notes</u>	€	€
Environmental Levy on the Landfill of Waste	1	31,941,650	33,473,723
Environmental Levy on Plastic Bags	2	23,466,113	26,664,513
Interest on Investments	3	354,761	1,279,623
		<u>55,762,524</u>	<u>61,417,859</u>
<u>Expenditure</u>			
Recycling Operational Costs	4	14,212,500	12,084,950
Environmental Protection Agency Research & Development	5	11,140,000	10,000,000
Local Authority Enforcement Initiatives	6	8,655,498	8,500,725
Environment Awareness	7	4,345,932	9,104,018
Waste Prevention and National Market Development Programmes	8	4,223,114	3,647,405
Waste Management including Recycling Projects	9	2,726,123	14,257,866
Contributions to National and International Bodies	10	2,492,219	2,323,893
Office of Environmental Enforcement	11	2,200,000	2,200,000
Producer Responsibility Initiatives	12	2,185,015	3,525,660
Anti-Litter Initiatives	13	1,652,708	1,962,418
Comhar – the Sustainable Development Council	14	441,593	538,566
Water Quality	15	400,824	498,278
Environmental Levy Collection Costs	16	397,133	391,943
Biodiversity Awareness Campaign	17	358,812	-
Architectural and Archaeological Heritage Projects	18	209,278	-
International Review of Waste Management Policy	19	159,791	-
Pollution Control Air/Climate	20	129,232	299,249
Environmental International Sustainability	21	60,000	97,509
Waste Prevention Operational Costs	22	50,483	64,929
Hazardous Waste Management Facilitation		-	9,361,954
North/South Waste Management Programmes		-	723,577
North/South Environmental Initiatives		-	1,000
		<u>56,040,255</u>	<u>79,583,940</u>
Deficit for the Year		(277,731)	(18,166,081)
Accumulated Surplus at 1 January		<u>40,201,617</u>	<u>58,367,698</u>
Surplus at 31 December		<u>39,923,886</u>	<u>40,201,617</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 25 form part of these Accounts.

Signed 
G. Tallon
Secretary General

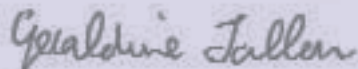
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Environment Fund Balance Sheet as at 31 December 2009.

	<u>Notes</u>	2009 €	2008 €
<u>Current Assets</u>			
Bank		29,871,889	30,325,401
Environmental Levy on Plastic Bags due from Revenue Commissioners	23	7,356,335	7,284,405
Environmental Levy on the Landfill of Waste due from Local Authorities	24	3,315,394	4,132,083
Prepayments	25	160,790	136,344
		<u>40,704,408</u>	<u>41,878,233</u>
<u>Current Liabilities</u>			
Accruals	25	780,522	1,676,616
		<u>780,522</u>	<u>1,676,616</u>
Net Assets		<u>39,923,886</u>	<u>40,201,617</u>
Represented by Surplus on Income and Expenditure Account		<u>39,923,886</u>	<u>40,201,617</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 25 form part of these Accounts.

Signed



G. Tallon
Secretary General

Date:

26/1/11

Environment Fund Cash Flow Statement as at 31 December, 2009

	2009	2008
	€	€
<u>Reconciliation of deficit to net cash inflow from operating activities</u>		
Deficit for the Year	(277,731)	(18,166,081)
Deposit Interest Earned	(354,761)	(1,279,623)
(Increase)/Decrease in Debtors	720,313	(1,083,743)
Increase/(Decrease) in Creditors	(896,094)	1,274,411
Net Cash Inflow from Operating Activities	<u>(808,273)</u>	<u>(19,255,036)</u>
Cash Flow Statement		
Net Cash Flow from Operating Activities	(808,273)	(19,255,036)
Return on Investments and Servicing of Finance		
Deposit Interest Earned	<u>354,761</u>	<u>1,279,623</u>
Decrease in Cash	<u>(453,512)</u>	<u>(17,975,413)</u>
<u>Reconciliation of net cash flows to movement in net funds</u>		
Changes in Net Funds resulting from Cash Flow		
Net Funds at the beginning of the Year	30,325,401	48,300,814
Net Funds at the end of the Year	<u>29,871,889</u>	<u>30,325,401</u>
Decrease in Cash in the Year	<u>(453,512)</u>	<u>(17,975,413)</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 25 form part of these Accounts.

Signed Geraldine Tallon
G. Tallon
Secretary General

Date: 26/1/11

Notes to the Accounts

1. Receipts from the Environmental Levy on the Landfill of Waste

This figure represents the amounts collected by local authorities in respect of the Environmental Levy on the Landfill of Waste. This is summarised as follows:

	2009	2008
	€	€
Levy on the Landfill of Waste from landfills operated by local authorities	20,955,972	21,538,163
Levy on the Landfill of Waste from privately operated landfills	10,983,278	11,882,632
Levy on the Landfill of Waste from unauthorised landfills	2,400	52,928
Total	<u>31,941,650</u>	<u>33,473,723</u>

€199,055 (€172,415 in 2008) was retained by local authorities from levies, under section 8 (3) of the Waste Management (Landfill Levy) Regulations 2008, for the purpose of defraying expenses incurred in the enforcement and collection of the levy at privately operated landfill facilities.

2. Receipts from the Environmental Levy on the supply of plastic bags

This figure represents the amount collected from retailers by the Revenue Commissioners.

3. Interest on Investments

This figure represents interest earned from the investment of funds awaiting dispersal.

4. Recycling Operational Costs

This represents payments made to local authorities from the Fund to assist in meeting the operational cost of waste management infrastructure.

5. Environmental Protection Agency Research & Development

This is a re-imbursment of the costs incurred by the Environmental Protection Agency in respect of Research and Development.

6. Local Authority Enforcement Initiatives

This expenditure is in respect of grants paid to local authorities in support of enforcement initiatives.

Notes to the Accounts (continued)

7. Environment Awareness

This figure represents expenditure on the waste and climate awareness campaign and grant assistance provided for various environment awareness initiatives. This is summarised as follows

	2009	2008
	€	€
Climate Change Awareness Campaign	2,664,015	6,938,944
Irish Environmental Network (EENGO)- Core/ Capacity & Project Funding	779,012	1,147,774
LA21 Partnership Fund	311,405	327,961
Grant Assistance		
- New Digital ENFO Service	220,000	-
- Crossing the Line Films	90,000	180,000
- Cultivate Greenhouse	85,000	-
- An Taisce - Planning Process	80,000	130,000
- Cultivate Convergence Festival	50,000	50,000
- Young Environmentalists Awards	35,000	-
- An Taisce – Green Communities	10,000	-
- Young Social Innovators	10,000	10,000
- Sherkin Island Marine Station	8,000	8,000
- Green Schools	-	200,000
- Cork Environmental Forum	-	18,000
- Navan Educate Together NS	-	2,000
- New Ross Chamber	-	1,200
Sponsorship for Seminar - Urban Governance and the Citizen	3,500	-
Advertising	-	90,139
Total	<u>4,345,932</u>	<u>9,104,018</u>

8. Waste Prevention and National Market Development Programmes

Expenditure under this heading is summarised as follows:

	2009	2008
	€	€
National Waste Prevention Programme	3,633,045	3,500,000
National Market Development Programme	583,682	142,155
National Strategy on Biodegradable Waste	6,387	5,000
Recycling Consultative Forum	-	250
Total	<u>4,223,114</u>	<u>3,647,405</u>

Notes to the Accounts (continued)

9. Waste Management including Recycling Projects

This represents payments made to local authorities from the Fund to assist in meeting the capital costs of providing waste management infrastructure. Funding was also provided towards the costs of planning and procurement of major local authority waste management infrastructure. This is summarised as follows:

	2009	2008
	€	€
Waste Management - Capital Grants Scheme	2,344,849	14,082,106
Planning & Procurement for major local authority infrastructure projects	381,274	175,760
Total	<u>2,726,123</u>	<u>14,257,866</u>

10. Contributions to National and International Bodies

This figure represents Ireland's national mandatory and voluntary contributions to organisations concerned with the protection of the environment. These are summarised as follows:

	2009	2008
	€	€
Global Environment Facility	1,421,000	1,420,000
Vienna Convention/Montreal Protocol for the Protection of the Ozone Layer	490,052	416,907
United Nations Environment Fund	317,000	317,000
United Nations Convention on Climate Change (UNFCCC)	118,487	-
OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic	37,684	41,755
Geneva Convention on Long Range Transboundary Air Pollution	35,641	33,599
Basel Convention	17,857	37,416
Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters	13,565	4,957
Royal Irish Academy	10,861	12,216
Cartagena Protocol on Biosafety	10,691	10,043
Convention on Environmental Impact Assessment in a Transboundary Context (ESPOO)	10,000	10,000
Forum on Contaminated Soil	7,381	-
United Nations Economic Commission for Europe (UNECE) ¹	2,000	20,000
European Environmental Bureau	-	20,000
Total	<u>2,492,219</u>	<u>2,343,893</u>

¹ The 2008 contribution is included under Note 15 (Environmental International Sustainability) in the 2008 Environment Fund Accounts.

Notes to the Accounts (continued)

11. Office of Environmental Enforcement

This is a re-imbusement of the costs incurred by the Environmental Protection Agency in respect of the operations of the Office of Environmental Enforcement.

12. Producer Responsibility Initiatives

This figure represents expenditure in relation to initiatives on farm plastic and packaging waste. It also includes expenditure in respect of the implementation of the EU Directive on end of life of vehicles (ELVs). This is summarised as follows:

	2009	2008
	€	€
Farm plastic waste initiative	1,934,850	3,520,226
End of life of vehicles (ELVs)	250,000	626
Packaging Waste	165	-
Batteries	-	4,808
Total	<u>2,185,015</u>	<u>3,525,660</u>

13. Anti-Litter Initiatives

This figure represents expenditure on a range of initiatives including:

	2009	2008
	€	€
Local Authority Anti-Litter Awareness Grants	1,149,541	1,371,044
National Spring Clean	318,674	355,856
National Litter Pollution Monitoring System	104,223	113,879
Irish Business Against Litter National Litter League	80,270	110,000
Anti-Litter Awareness Advertising	-	11,639
Total	<u>1,652,708</u>	<u>1,962,418</u>

14. Comhar – the Sustainable Development Council

Comhar is the forum for national consultation and dialogue on all issues relating to sustainable development. The Fund makes an annual contribution to its activities.

Notes to the Accounts (continued)

15. Water Quality

This expenditure relates to grant aid contributions towards various initiatives concerning water quality. These are summarised as follows:

	2009	2008
	€	€
Blue Flag Scheme	199,802	239,935
Funding of NGO (SWAN/VOICE)	168,331	162,380
Protection and improvement of water quality	20,000	1,583
Water Quality Research	12,691	94,380
Total	<u><u>400,824</u></u>	<u><u>498,278</u></u>

16. Environmental Levy Collection Costs

This figure represents the annual service fee agreed with the Revenue Commissioners for the operation of the Environmental Levy on the supply of plastic bags.

17. Biodiversity Awareness Campaign

This expenditure relates to the support of projects and targeted public awareness initiatives that enhance awareness of Irish biodiversity, increase awareness of the underlying threats to biodiversity and highlight issues such as the economic costs of not conserving biodiversity and the essential links between biodiversity, food production, nutrition and health.

18. Architectural and Archaeological Heritage Projects

This figure represents expenditure on architectural and archaeological heritage projects, including activity on research, surveys, conferences, the establishment of heritage trails and related interpretation, small scale archaeological conservation projects and other projects promoting awareness of architectural and archaeological heritage.

19. International Review of Waste Management Policy

This figure represents expenditure to support an International Review of Waste Management Policy as set out in the 2007 Programme for Government and associated policy measures.

Notes to the Accounts (continued)

20. Pollution Control Air/Climate

This figure represents the contribution by the Fund towards the running of European Mobility Week, funding measures aimed at reducing noise/air pollution as well as expenditure incurred in the development and implementation of national policy on climate change. This is summarised as follows:

	2009	2008
	€	€
European Mobility Week	68,939	203,260
Air/Noise pollution control	45,867	10,666
Climate Change	14,426	85,323
Total	<u>129,232</u>	<u>299,249</u>

21. Environmental International Sustainability

This figure represents the contribution by the Fund towards the Irish National Accreditation Body (INAB).

22. Waste Prevention Operational Costs

This figure represents expenditure on advertising for the Race Against Waste campaign and expenditure on consultancy costs associated with a Regulatory Impact Assessment on proposed changes to the landfill levy as well as expenditure on Irish translation services.

23. Environmental Levy on Plastic Bags

This is the net liability of the Revenue Commissioners to the Fund at 31 December, 2009.

24. Environmental Levy on the Landfill of Waste

Amounts owed to the Fund by local authorities at 31 December, 2009 were as follows:

	2009	2008
	€	€
Levy on the Landfill of Waste from privately operated landfills	1,650,664	2,180,656
Levy on the Landfill of Waste from landfills operated by local authorities	1,562,730	1,849,427
Levy on the Landfill of Waste from unauthorised landfills	102,000	102,000
Total	<u>3,315,394</u>	<u>4,132,083</u>

Notes to the Accounts (continued)

25. Accruals and Prepayments

Accrued Expenses at 31 December, 2009 were as follows:

	2009	2008
	€	€
Costs relating to Farm Plastics scheme	245,019	483,916
Costs associated with Environmental Awareness National Market Development Programme	153,023	3,504
Enforcement grant due to local authority	145,259	34,787
Professional Services Withholding Tax to be paid over to the Revenue Commissioners in respect of December, 2009	103,091	102,000
Professional Services Withholding Tax to be paid over to the Revenue Commissioners in respect of December, 2009	47,112	271,977
Costs associated with Architectural and Archaeological Heritage Projects	29,662	-
Costs associated with Biodiversity Awareness	26,500	-
Consultancy costs associated with the National Litter Pollution Monitoring System	13,456	19,240
Waste Management including recycling projects	10,597	10,597
Cost associated with the National Sustainable Development Partnership including printing and advertising	6,803	11,532
Fridge Freezer Initiative costs	-	723,577
Costs associated with the Bathing Water Directive	-	15,486
Total	<u>780,522</u>	<u>1,676,616</u>

Prepayments at 31 December, 2009 were as follows:

	2009	2008
	€	€
Contributions to International Organisations	141,780	136,344
Research Grant	19,010	-
Total	<u>160,790</u>	<u>136,344</u>

Environment Fund Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements of the Environment Fund for the year ended 31 December 2009 under Section 74(6) of the Waste Management Act 1996 (as amended).

The financial statements, which have been prepared in accordance with the Act, comprise the Accounting Policies, the Income and Expenditure Account, Balance Sheet Cash Flow Statement and the related notes.

Respective Responsibilities of the Department of Environment, Heritage and Local Government and the Comptroller and Auditor General

The Department is responsible for preparing the financial statements and for ensuring the regularity of transactions.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements are properly presented in accordance with the Act. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them. I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations that attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements properly present, in accordance with the Act, the balance of the Fund at 31 December 2009 and of the transactions for the year then ended.

In my opinion, proper books of account have been kept by the Department. The financial statements are in agreement with the books of account.



John Buckley
Comptroller and Auditor General

2 February 2011

