

# ENVIRONMENT FUND

## Accounts 2008 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,  
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NÓ TRÍD AN BPOST Ó  
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# **ENVIRONMENT FUND**

## **Accounts 2008 and Comptroller and Auditor General Report**



## Environment Fund Accounts 2008

- **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, 2008

		2008	2007
<u>Income</u>	<u>Notes</u>	€	€
Environmental Levy on the Landfill of Waste	1	33,473,723	32,398,929
Environmental Levy on Plastic Bags	2	26,664,513	22,577,535
Interest on Investments	3	1,279,623	2,749,071
		<u>61,417,859</u>	<u>57,725,535</u>
 <u>Expenditure</u>			
North/South Waste Management Programmes	4	723,577	-
Waste Prevention and National Market Development Programmes	5	3,647,405	1,518,213
Producer Responsibility Initiatives	6	3,525,660	905,793
Environmental Levy Collection Costs	7	391,943	388,025
Waste Prevention Operational Costs	8	64,929	387
Waste Management including Recycling Projects	9	14,257,866	17,246,428
Recycling Operational Costs	10	12,084,950	11,914,847
Local Authority Enforcement Initiatives	11	8,500,725	7,152,351
Environment Awareness	12	9,104,018	1,615,332
Pollution Control Air/Climate	13	299,249	333,754
Contributions to National and International Bodies	14	2,323,893	2,475,774
Environmental International Sustainability	15	97,509	12,147
Anti-Litter Initiatives	16	1,962,418	1,854,464
Office of Environmental Enforcement	17	2,200,000	2,019,188
Environmental Protection Agency Research & Development	18	10,000,000	8,495,000
Water Quality	19	498,278	336,948
Comhar – the Sustainable Development Council	20	538,566	529,079
Hazardous Waste Management Facilitation	21	9,361,954	-
North/South Environmental Initiatives	22	1,000	-
		<u>79,583,940</u>	<u>56,797,730</u>
Surplus/(Deficit) for the Year		(18,166,081)	927,805
Accumulated Surplus at 1 January		<u>58,367,698</u>	<u>57,439,893</u>
Surplus at 31 December		<u>40,201,617</u>	<u>58,367,698</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: 22/12/09

## Environment Fund Balance Sheet as at 31 December 2008.

	<u>Notes</u>	2008 €	2007 €
<b><u>Current Assets</u></b>			
Bank		30,325,401	48,300,814
Environmental Levy on the Landfill of Waste due from local authorities	23	4,132,083	3,654,998
Environmental Levy on Plastic Bags due from Revenue Commissioners	24	7,284,405	6,800,875
		<u>41,741,889</u>	<u>58,756,687</u>
<b><u>Current Liabilities</u></b>			
Accruals	25	1,540,272	388,989
		<u>1,540,272</u>	<u>388,989</u>
<b>Net Assets</b>		<u>40,201,617</u>	<u>58,367,698</u>
<b>Represented by Surplus on Income and Expenditure Account</b>		<u>40,201,617</u>	<u>58,367,698</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: 22/12/09



## Environment Fund Cash Flow Statement as at 31 December, 2008

	2008	2007
	€	€
<b><u>Reconciliation of deficit to net cash inflow from operating activities</u></b>		
Surplus/(Deficit) for the Year	(18,166,081)	927,805
Deposit Interest Earned	(1,279,623)	(2,749,071)
Increase in Debtors	(960,615)	(158,143)
Increase/(Decrease) in Creditors	<u>1,151,283</u>	<u>(613,929)</u>
<b>Net Cash Inflow from Operating Activities</b>	<b><u>(19,255,036)</u></b>	<b><u>(2,593,338)</u></b>
<b>Cash Flow Statement</b>		
Net Cash Flow from Operating Activities	(19,255,036)	(2,593,338)
<b>Return on Investments and Servicing of Finance</b>		
Deposit Interest Earned	<u>1,279,623</u>	<u>2,749,071</u>
Increase/(Decrease) in Cash	<b><u>(17,975,413)</u></b>	<b><u>155,733</u></b>
<b><u>Reconciliation of net cash flows to movement in net funds</u></b>		
Changes in Net Funds resulting from Cash Flow		
Net Funds at beginning of the Year	48,300,814	48,145,081
Net Funds at the end of the Year	<u>30,325,401</u>	<u>48,300,814</u>
Increase/(Decrease) in Cash in the Year	<b><u>(17,975,413)</u></b>	<b><u>155,733</u></b>

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: 22/12/09

## 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:

	2008	2007
	€	€
Levy on the Landfill of Waste from landfills operated by local authorities	21,538,163	22,135,674
Levy on the Landfill of Waste from privately operated landfills	11,882,632	10,249,255
Levy on the Landfill of Waste from unauthorised landfills	52,928	14,000
<b>Total</b>	<u><u>33,473,723</u></u>	<u><u>32,398,929</u></u>

€172,415 (€175,757 in 2007) was retained by local authorities from levies, under Section 9 (4) of the Waste Management (Landfill Levy) (Amendment) Regulations 2006 and 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. North/South Waste Management Programmes

This figure represents expenditure on the all-island fridge freezer initiative.

### 5. Waste Prevention and National Market Development Programmes

Expenditure under this heading is summarised as follows:

	2008	2007
	€	€
National Waste Prevention Programme	3,500,000	1,484,300
National Market Development Programme	142,155	5,522
National Strategy on Biodegradable Waste	5,000	-
Recycling Consultative Forum	250	28,391
<b>Total</b>	<u><u>3,647,405</u></u>	<u><u>1,518,213</u></u>

## Notes to the Accounts (continued)

### 6. Producer Responsibility Initiatives

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

	2008	2007
	€	€
Farm plastic waste initiative	3,520,226	901,098
Batteries	4,808	615
Implementation of Directive 2000/53/EC on end of life of vehicles (ELVs)	626	624
Tyres	-	3,456
<b>Total</b>	<b><u>3,525,660</u></b>	<b><u>905,793</u></b>

### 7. 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.

	2008	2007
	€	€
Revenue Commissioners' annual service fee	391,943	386,270
Training of local authority Enforcement Officers	-	1,755
<b>Total</b>	<b><u>391,943</u></b>	<b><u>388,025</u></b>

### 8. Waste Prevention Operational Costs

This figure represents expenditure on Irish translation services and consultancy costs associated with a Regulatory Impact Assessment on proposed changes to the landfill levy.

### 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:

	2008	2007
	€	€
Waste Management - Capital Grants Scheme	14,082,106	16,681,934
Planning & Procurement for major local authority infrastructure projects	<u>175,760</u>	<u>564,494</u>
<b>Total</b>	<b><u>14,257,866</u></b>	<b><u>17,246,428</u></b>

## Notes to the Accounts (continued)

### 10. Recycling Operational Costs

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

### 11. Local Authority Enforcement Initiatives

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

### 12. 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:

	2008	2007
	€	€
Climate Change Awareness Campaign	6,938,944	195,085
Core Funding – Irish Environmental Network (EENGO)	1,147,774	332,000
LA21 Partnership Fund	327,961	291,689
Grant Assistance – Green Schools	200,000	200,000
Grant Assistance – Crossing the Line Films	180,000	-
Grant Assistance – An Taisce - Planning Process	130,000	-
Advertising	90,139	178,175
Grant Assistance – Cultivate Convergence Festival	50,000	11,000
Grant Assistance – Cork Environmental Forum	18,000	12,000
Grant Assistance – Young Social Innovators	10,000	10,000
Grant Assistance – Sherkin Island Marine Station	8,000	8,000
Grant Assistance – Navan Educate Together NS	2,000	-
Grant Assistance – New Ross Chamber	1,200	-
Printing and Publishing	-	360,583
Grant Assistance – Repak Green Christmas	-	16,800
<b>Total</b>	<b><u>9,104,018</u></b>	<b><u>1,615,332</u></b>

### 13. Pollution Control Air/Climate

This figure represents the contribution by the Fund towards the running of European Mobility Week, as well as expenditure on consultancy costs associated with a predicted green house gas emissions project. This is summarised as follows:

	2008	2007
	€	€
European Mobility Week	203,260	131,500
Climate Change	95,989	202,254
<b>Total</b>	<b><u>299,249</u></b>	<b><u>333,754</u></b>

## Notes to the Accounts (continued)

### 14. 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:

	2008	2007
	€	€
Global Environment Facility	1,420,000	1,420,000
Vienna Convention/ Montreal Protocol for the Protection of the Ozone Layer	416,907	479,847
United Nations Environment Fund	317,000	317,000
OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic	41,755	46,441
Basel Convention	37,416	13,216
Geneva Convention on Long Range Transboundary Air Pollution	33,599	24,729
European Environmental Bureau	20,000	-
Royal Irish Academy	12,216	12,579
Cartagena Protocol on Biosafety	10,043	6,921
Convention on Environmental Impact Assessment in a Transboundary Context (ESPOO)	10,000	-
Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters	4,957	5,000
United Nations Convention on Climate Change (UNFCCC)	-	150,041
<b>Total</b>	<b><u>2,323,893</u></b>	<b><u>2,475,774</u></b>

### 15. Environmental International Sustainability

Expenditure under this heading is summarised as follows:

	2008	2007
	€	€
Irish National Accreditation Body (INAB)	60,000	-
Voluntary contribution to UNECE secretariat	20,000	-
Payment to a local authority to support its application for registration under the EU Management and Audit scheme (EMAS)	16,844	12,147
Green Public Procurement seminar expenses	665	-
<b>Total</b>	<b><u>97,509</u></b>	<b><u>12,147</u></b>

## Notes to the Accounts (continued)

### 16. Anti-Litter Initiatives

This figure represents expenditure on a range of initiatives including:

	2008	2007
	€	€
Local Authority Anti-Litter Awareness Grants	1,371,044	1,233,921
National Spring Clean	355,856	347,237
National Litter Pollution Monitoring System	113,879	130,653
Irish Business Against Litter National Litter League	110,000	106,861
Anti-Litter Awareness Advertising	11,639	35,792
<b>Total</b>	<b><u>1,962,418</u></b>	<b><u>1,854,464</u></b>

### 17. 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.

### 18. Environmental Protection Agency Research & Development

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

### 19. Water Quality

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

	2008	2007
	€	€
Blue Flag Scheme	239,935	185,347
Funding of NGO (SWAN/VOICE)	162,380	120,000
Water Quality Research	94,380	27,669
Protection and improvement of water quality	<u>1,583</u>	<u>3,932</u>
<b>Total</b>	<b><u>498,278</u></b>	<b><u>336,948</u></b>

### 20. 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)

### 21. Hazardous Waste Management Facilitation

This figure represents expenditure incurred in facilitating the management of hazardous waste material.

### 22. North/South Environmental Initiatives

This expenditure is in respect of financial support for cross border initiatives.

### 23. Environmental Levy on the Landfill of Waste

Amounts owed to the Fund by local authorities at 31 December, 2008 were as follows:

	2008	2007
	€	€
Levy on the Landfill of Waste from landfills operated by local authorities	1,849,427	1,804,097
Levy on the Landfill of Waste from privately operated landfills	2,180,656	1,790,901
Levy on the Landfill of Waste from unauthorised landfills	<u>102,000</u>	<u>60,000</u>
<b>Total</b>	<b><u>4,132,083</u></b>	<b><u>3,654,998</u></b>

### 24. Environmental Levy on Plastic Bags

This is the net liability of the Revenue Commissioners to the Fund at 31 December, 2008.

## Notes to the Accounts (continued)

### 25. Accruals

Accrued Expenses at 31 December, 2008 were as follows:

	2008	2007
	€	€
Fridge Freezer Initiative costs	723,577	-
Costs relating to Farm Plastics scheme	483,916	-
Professional Services Withholding Tax and Value Added Tax to be paid over to Revenue Commissioners in respect of December, 2008	271,977	-
Enforcement grant due to local authority	102,000	-
National Market Development Programme	34,787	-
Consultancy costs associated with the National Litter Pollution Monitoring System	19,240	16,867
Costs associated with the Bathing Water Directive	15,486	-
Cost associated with the National Sustainable Development Partnership including printing and advertising	11,532	146,846
Waste Management including recycling projects	10,597	26,215
Consultancy and printing costs associated with Environmental Awareness	3,504	195,351
Environmental International Sustainability	-	12,147
Protection and improvement of water quality	-	3,932
Advertising costs associated with promoting litter awareness	-	847
<b>Total</b>	<b><u>1,676,616</u></b>	<b><u>402,205</u></b>

Prepayments at 31 December, 2008 were as follows:

	2008	2007
	€	€
Contributions to International Organisations	136,344	13,216
<b>Total</b>	<b><u>136,344</u></b>	<b><u>13,216</u></b>
	<b><u>2008</u></b>	<b><u>2007</u></b>
	<b><u>€</u></b>	<b><u>€</u></b>
<b>Net Accruals</b>	<b><u>1,540,272</u></b>	<b><u>388,989</u></b>



## **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, 2008 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 and 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, 2008 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

30 December, 2009