

ENVIRONMENT FUND

Accounts 2007 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 FOILSEACHÁIN RIALTAIS,
TEACH SUN ALLIANCE, SRÁID THEACH LAIGHEAN, BAILE ÁTHA
CLIATH 2,
nó tríd an bpost ó
FOILSEACHÁIN RIALTAIS, AN RANNÓG POST-TRÁCHTA,
AONAD 20 PÁIRC MIONDÍOLA COIS LOCHA, CLÁR CHLAINNE MHUIRIS, CONTAE MHAIGH EO
(Tel: 01 – 6476834/37 nó 1890 213434; Fax 01 – 6476843 nó 094 - 9378964)
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Environment Fund Accounts 2007

- **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 period 1 January 2007 to 31 December 2007

<u>Income</u>	<u>Notes</u>	2007 €	2006 €
Environmental Levy on the Landfill of Waste	1	32,398,929	30,750,433
Environmental Levy on Plastic Bags	2	22,577,535	19,947,315
Interest on Investments	3	2,749,071	1,436,644
		<u>57,725,535</u>	<u>52,134,392</u>
 <u>Expenditure</u>			
North/South Waste Management Programmes		-	602,438
INTERREG Waste Management Projects		-	196
Waste Prevention and National Market Development Programmes	4	1,518,213	1,725,866
Producer Responsibility Initiatives	5	905,793	408,304
Environmental Levy Collection Costs	6	388,025	237,248
Waste Prevention Operational Costs	7	387	59,074
Waste Management including Recycling Projects	8	17,246,428	2,242,334
Recycling Operational Costs	9	11,914,847	10,000,200
Local Authority Enforcement Initiatives	10	7,152,351	7,774,502
Environment Awareness	11	1,615,332	3,649,342
Pollution Control Air/Climate	12	333,754	239,595
Contributions to National and International Bodies	13	2,475,774	2,497,984
Environmental International Sustainability	14	12,147	-
Anti-Litter Initiatives	15	1,854,464	1,371,716
Office of Environmental Enforcement	16	2,019,188	2,185,886
EPA R&D	17	8,495,000	7,000,000
Water Quality	18	336,948	78,974
Comhar - the National Sustainable Development Partnership	19	529,079	292,056
		<u>56,797,730</u>	<u>40,365,715</u>
Surplus / (Deficit) for the Year		927,805	11,768,677
Accumulated Surplus at 1 January		57,439,893	45,671,216
Surplus at 31 December		<u>58,367,698</u>	<u>57,439,893</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 22 form part of these Accounts.

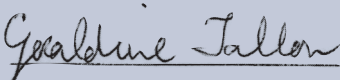
Signed Geraldine Tallon
G. Tallon
Secretary General

Date: 24/2/09

Environment Fund Balance Sheet as at 31 December 2007.

	<u>Notes</u>	2007 €	2006 €
<u>Current Assets</u>			
Bank		48,300,814	48,145,081
Environmental Levy on the Landfill of Waste due from Local Authorities	20	3,654,998	3,862,663
Environmental Levy on Plastic Bags due from Revenue Commissioners	21	6,800,875	6,435,067
		<u>58,756,687</u>	<u>58,442,811</u>
<u>Current Liabilities</u>			
Accruals	22	388,989	1,002,918
		<u>388,989</u>	<u>1,002,918</u>
Net Assets		<u>58,367,698</u>	<u>57,439,893</u>
Represented by Surplus on Income and Expenditure Account		<u>58,367,698</u>	<u>57,439,893</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 22 form part of these Accounts.

Signed 
G. Tallon
Secretary General

Date: 24/2/09

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:

	€
Levy on the Landfill of Waste from landfills operated by local authorities	22,135,674
Levy on the Landfill of Waste from privately operated landfills	10,249,255
Levy on the Landfill of Waste from unauthorised landfills	14,000
Total	<u>32,398,929</u>

€175,757 was retained by local authorities from levies, under section 9 (4) of the Waste Management (Landfill Levy) (Amendment) Regulations 2006, 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. Waste Prevention and National Market Development Programmes

Expenditure under this heading is summarised as follows:

	€
National Waste Prevention Programme	1,484,300
Recycling Consultative Forum	28,391
National Market Development Programme	5,522
Total	<u>1,518,213</u>

Notes to the Accounts (continued)

5. 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:

	€
Farm plastic waste initiative	901,098
Tyres	3,456
Implementation of Directive 2000/53/EC on end of life of vehicles (ELVs)	624
Batteries	615
Total	<u>905,793</u>

6. 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 and expenditure on the training of local authority Enforcement Officers. This is summarised as follows:-

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

7. Waste Prevention Operational Costs

This figure represents expenditure on Irish translation services.

8. 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:

	€
Waste Management - Capital Grants Scheme	16,681,934
Planning & Procurement for major local authority infrastructure projects	564,494
Total	<u>17,246,428</u>

Notes to the Accounts (continued)

9. Recycling Operational Costs

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

10. Local Authority Enforcement Initiatives

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

11. 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:

	€
Printing and Publishing	360,583
Core Funding – Irish Environmental Network (EENGO)	332,000
LA21 Partnership Fund	291,689
Grant Assistance – Green Schools	200,000
Climate Change Awareness Campaign	195,085
Advertising	178,175
Grant Assistance – Repak Green Christmas	16,800
Grant Assistance – Cork Environmental Forum	12,000
Grant Assistance – Cultivate Convergence Festival	11,000
Grant Assistance – Young Social Innovators	10,000
Grant Assistance – Sherkin Island Marine Station	8,000
Total	<u>1,615,332</u>

12. 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:

	€
Climate Change	202,254
European Mobility Week	131,500
Total	<u>333,754</u>

Notes to the Accounts (continued)

13. 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:

	€
Global Environmental Facility	1,420,000
Vienna Convention/Montreal Protocol for the Protection of the Ozone Layer	479,847
United Nations Environment Fund	317,000
United Nations Convention on Climate Change (UNFCCC)	150,041
OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic	46,441
Geneva Convention on Long Range Transboundary Air Pollution	24,729
Basel Convention	13,216
Royal Irish Academy	12,579
Cartagena Protocol on Biosafety	6,921
Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters	5,000
Total	<u>2,475,774</u>

14. Environmental International - Sustainability

This payment to a local authority was to support its application for registration under the EU Environmental Management and Audit Scheme (EMAS).

15. Anti-Litter Initiatives

This figure represents expenditure on a range of initiatives including:

	€
Local Authority Anti-Litter Awareness Grants	1,233,921
National Spring Clean	347,237
National Litter Pollution Monitoring System	130,653
Irish Business Against Litter National Litter League	106,861
Anti-Litter Awareness Advertising	35,792
Total	<u>1,854,464</u>

Notes to the Accounts (continued)

16. 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.

17. EPA R&D

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

18. Water Quality

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

	€
Blue Flag Scheme	185,347
Funding of NGO(SWAN/VOICE)	120,000
Water Quality Research	27,669
Protection and improvement of water quality	3,932
Total	<u>336,948</u>

19. Comhar – the National Sustainable Development Partnership

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.

20. Environmental Levy on the Landfill of Waste

Amounts owed to the Fund by local authorities at 31 December 2007 were as follows:

	€
Levy on the Landfill of Waste from landfills operated by local authorities	1,804,097
Levy on the Landfill of Waste from privately operated landfills	1,790,901
Levy on the Landfill of Waste from unauthorised landfills	60,000
Total	<u>3,654,998</u>

21. Environmental Levy on Plastic Bags

This is the net liability of the Revenue Commissioners to the Fund at 31 December 2007.

Notes to the Accounts (continued)

22. Accruals

Accrued Expenses at 31 December 2007 were as follows:

	€
Consultancy and printing costs associated with Environmental Awareness	195,351
Cost associated with the National Sustainable Development Partnership including printing and advertising	146,846
Waste Management including recycling projects	26,215
Consultancy costs associated with the National Litter Pollution Monitoring System	16,867
Environmental International Sustainability	12,147
Protection and improvement of water quality	3,932
Advertising costs associated with promoting litter awareness	847
Total	<u><u>402,205</u></u>

Prepayments at 31 December 2007 were as follows:

	€
Contributions to International Organisations	<u>13,216</u>
Total	<u><u>13,216</u></u>
Net Accruals	<u><u>388,989</u></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 2007 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 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 2007 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
27 February 2009