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Le ceannach díreach ón  
OIFIG DHÍOLTA FOILSEACHÁN RIALTAIS  
TEACH SUN ALLIANCE, SRÁID THEACH LAIGHEAN, BAILE ÁTHA CLIATH 2,  
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# **ENVIRONMENT FUND**

## **Accounts 2005 and Comptroller and Auditor General Report**



## Environment Fund Accounts

- **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.

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**

Expenditure from the Fund in respect of collection of plastic bag levies 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.

- **Accrued Income**

This represents income due to the Fund on 31 December 2005, which had not been received by that date.

- **Accrued Expenditure**

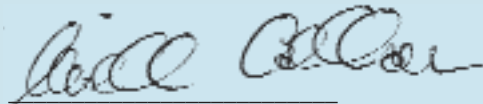
In the case of goods and services, an accrued expense/liability is recognised when the supplier has met the contractual requirement to provide goods and services ordered and presented an invoice. In the case of grants, a liability is recognised when the grantee has met all requirements for the grant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

## Environment Fund Income and Expenditure Account for the Year ended 31 December 2005

| <u>Income</u>   | <u>Notes</u> | <u>2005</u><br>€  | <u>2004</u><br>€  |
|---|--------------|-------------------|-------------------|
| Environmental Levy on the Landfill of Waste                 | 1            | 27,798,605        | 26,765,514        |
| Environmental Levy on Plastic Bags                          | 2            | 17,484,551        | 15,278,107        |
| Interest  |              | 914,525           | 891,815           |
|   |              | <u>46,197,681</u> | <u>42,935,436</u> |
| <br><b><u>Expenditure</u></b>                               |              |                   |                   |
| North/South Waste Management Programmes                     | 3            | 341,858           | 83,917            |
| INTERREG Waste Management Projects                          | 4            | 92,669            | 250,800           |
| Waste Prevention and National Market Development Programmes | 5            | 802,042           | 283,463           |
| Producer Responsibility Initiatives                         | 6            | 541,137           | 61,674            |
| Environmental Levy Collection Costs                         | 7            | 480,825           | 374,601           |
| Waste Prevention Operational Costs                          | 8            | 6,530             | 123,868           |
| Waste Management including Recycling Projects               | 9            | 7,272,502         | 22,007,645        |
| Recycling Operational Costs                                 | 10           | 7,000,020         | 7,000,200         |
| Local Authority Enforcement Initiatives                     | 11           | 8,848,972         | 4,051,313         |
| Environment Awareness                                       | 12           | 4,085,359         | 2,619,155         |
| Pollution Control Air/Climate                               | 13           | 137,389           | 332,205           |
| International Conventions/Bodies/Organisations              | 14           | 2,436,226         | 2,318,268         |
| Litter Initiatives  | 15           | 1,044,339         | 1,206,690         |
| REACH   | 16           | 14,188            | -                 |
| Office of Environmental Enforcement                         | 17           | 1,800,000         | 861,000           |
| EPA R&D   | 18           | 7,000,000         | 7,250,000         |
| Water Quality   | 19           | 177,927           | 193,932           |
| Comhar - the National Sustainable Development Partnership   | 20           | 102,567           | 167,623           |
|   |              | <u>42,184,550</u> | <u>49,186,354</u> |
| <br>Surplus / (Deficit) for the Year                        |              | <br>4,013,131     | <br>(6,250,918)   |
| Accumulated Surplus at 1 January                            |              | 41,658,085        | 47,909,003        |
| Surplus at 31 December                                      |              | <u>45,671,216</u> | <u>41,658,085</u> |

The Statement of Accounting Policies on Page 2 and Notes 1 to 23 form part of these Accounts.

Signed



N. Callan  
Secretary General

Date: 12/12/2006

## Environment Fund Balance Sheet as at 31 December 2005.

|  | <u>Notes</u> | 2005<br>€         | 2004<br>€         |
|--|--------------|-------------------|-------------------|
| <b><u>Current Assets</u></b>   |              |                   |                   |
| Bank   |              | 35,927,556        | 30,733,746        |
| Refund of bank charges due   |              | 138               | -                 |
| Refund of VAT due from Revenue Commissioners                           |              | 102,056           | -                 |
| Environmental Levy on the Landfill of Waste due from Local Authorities | 21           | 6,053,760         | 6,303,498         |
| Environmental Levy on Plastic Bags due from Revenue Commissioners      | 22           | 5,292,184         | 5,333,915         |
|  |              | <u>47,375,694</u> | <u>42,371,159</u> |
| <b><u>Current Liabilities</u></b>                                      |              |                   |                   |
| Accruals   | 23           | 1,704,478         | 713,074           |
|  |              | <u>1,704,478</u>  | <u>713,074</u>    |
| <b>Net Assets</b>  |              | <u>45,671,216</u> | <u>41,658,085</u> |
| <b>Represented by Surplus on Income and Expenditure Account</b>        |              | <u>45,671,216</u> | <u>41,658,085</u> |

The Statement of Accounting Policies on Page 2 and Notes 1 to 23 form part of these Accounts.

Signed

  
N. Callan  
Secretary General

Date: 12/12/2006



## 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 | 21,415,162               |
| Levy on the Landfill of Waste from privately operated landfills            | <u>6,383,443</u>         |
| <b>Total</b>   | <b><u>27,798,605</u></b> |

€100,848 was retained from levies in respect of 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. North/South Waste Management Programmes

This figure represents expenditure on the all-island fridge freezer initiative and Ireland's contribution towards the cost of a North / South paper mill feasibility study.

|   |                       |
|---|-----------------------|
|   | €                     |
| All-island fridge freezer initiative  | 259,294               |
| Ireland's contribution towards the cost of a North / South paper mill feasibility study | <u>82,564</u>         |
| <b>Total</b>  | <b><u>341,858</u></b> |

### 4. INTERREG Waste Management Projects

This figure represents expenditure on the North/South INTERREG IIIa programme.

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

This figure represents expenditure on the Waste Prevention Programme.

### 6. Producer Responsibility Initiatives

This figure represents expenditure on consultancy services in respect of the implementation of the EU Directives on Waste Electrical and Electronic Equipment (WEEE), and on the End of Life of Vehicles (ELVs). It also includes a contribution to the National Construction and Demolition Waste Council, and expenditure in relation to packaging waste initiatives. This is summarised as follows:

## Notes to the Accounts (continued)

|  |                       |
|--|-----------------------|
|  | €                     |
| Implementation of Directive 2002/96/EC on Waste Electrical and Electronic Equipment (WEEE) | 511,940               |
| National Construction & Demolition Waste Council's Voluntary Industry Initiative           | 19,834                |
| Packaging waste initiatives  | 8,569                 |
| Implementation of Directive 2000/53/EC on End of Life Vehicles (ELVs)                      | 794                   |
| <b>Total</b>   | <u><u>541,137</u></u> |

### 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.

### 8. Waste Prevention Operational Costs

This figure represents expenditure on translation services and advertisements. This is summarised as follows:

|                      |                     |
|----------------------|---------------------|
|                      | €                   |
| Translation services | 4,872               |
| Advertisements       | 1,658               |
| <b>Total</b>         | <u><u>6,530</u></u> |

### 9. Waste Management, including Recycling Projects

This represents payments made to local authorities from the Fund to assist in meeting costs associated with the provision of waste management infrastructure. In addition, funding was also provided towards the costs of planning and procurement in relation to the provision of major local authority waste management infrastructure.

|   |                         |
|---|-------------------------|
|   | €                       |
| Waste Management - Capital Grants Scheme                                  | 4,442,347               |
| Planning & Procurement for major local authority infrastructure projects. | 2,830,155               |
| <b>Total</b>  | <u><u>7,272,502</u></u> |

### 10. Recycling Operational Costs

This represents payments made to local authorities from the Fund to assist in meeting costs associated with the operational costs 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.

## Notes to the Accounts (continued)

### 12. Environment Awareness

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

|  |                         |
|--|-------------------------|
|  | €                       |
| Waste Awareness Campaign   | 3,527,186               |
| Grant assistance   | 544,825                 |
| Printing and publishing costs associated with the waste awareness campaign | 13,080                  |
| LIFE Seminar   | 268                     |
| <b>Total</b>   | <b><u>4,085,359</u></b> |

### 13. Pollution Control, Air / Climate

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

|                        |                       |
|------------------------|-----------------------|
|                        | €                     |
| Climate Change         | 89,651                |
| European Mobility Week | 47,738                |
| <b>Total</b>           | <b><u>137,389</u></b> |

### 14. International Conventions/Bodies/Organisations

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

|   |                         |
|---|-------------------------|
|   | €                       |
| Global Environmental Facility   | 1,432,500               |
| Vienna Convention/Montreal Protocol for the Protection of the Ozone Layer           | 449,758                 |
| United Nations Environment Fund   | 317,000                 |
| United Nations Convention on Climate Change (UNFCCC)                                | 127,972                 |
| Basel Convention on the Control of Transboundary Movements of Hazardous Wastes      | 37,277                  |
| Cartagena Protocol on Biosafety   | 27,935                  |
| Geneva Convention on Long Range Transboundary Air Pollution                         | 24,550                  |
| OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic | 19,234                  |
| <b>Total</b>  | <b><u>2,436,226</u></b> |

## Notes to the Accounts (continued)

### 15. Litter Initiatives

This figure represents expenditure on a range of anti-litter initiatives including Local Authority Anti-litter Awareness Grants, contributions to National Spring Clean and Irish Business Against Litter National Litter League, expenditure on developing and implementing the National Litter Pollution Monitoring System and on anti-litter awareness advertising. These are summarised as follows:

|  |                         |
|--|-------------------------|
|  | €                       |
| Local Authority Anti-Litter Awareness Grants         | 509,769                 |
| National Spring Clean                                | 324,448                 |
| Irish Business Against Litter National Litter League | 100,000                 |
| National Litter Pollution Monitoring System          | 97,864                  |
| Anti-Litter Awareness Advertising                    | <u>12,258</u>           |
| <b>Total</b>   | <b><u>1,044,339</u></b> |

### 16. REACH

This figure represents expenditure on the proposed regulatory framework on Registration, Evaluation and Authorisation of Chemicals (REACH)

### 17. Office of Environmental Enforcement

This figure represents the costs incurred by the Environmental Protection Agency in respect of the operations of the Office of Environmental Enforcement.

### 18. EPA R&D

This figure represents 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:

|   |                       |
|---|-----------------------|
|   | €                     |
| Blue Flag Scheme                                | 99,094                |
| Water Quality Research                          | 33,396                |
| Seminar on protection of the marine environment | 25,479                |
| North/South Water Management Projects           | 17,760                |
| Support for NGO's                               | 1,500                 |
| Publications                                    | <u>698</u>            |
| <b>Total</b>                                    | <b><u>177,927</u></b> |

### 20. Comhar – the National Sustainable Development Partnership

This expenditure relates to the activities of Comhar - the National Sustainable Development Partnership – the forum for national consultation and dialogue on all issues relating to sustainable development.

## Notes to the Accounts (continued)

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

This figure represents local authorities' net liability to the Fund in respect of the Environmental Levy on the Landfill of Waste at 31 December 2005. It consists of:

|   |                         |
|---|-------------------------|
|   | €                       |
| Levy from landfills operated by local authorities | 4,069,302               |
| Levy from privately operated landfills            | 1,984,458               |
| <b>Total</b>                                      | <b><u>6,053,760</u></b> |

### 22. Environmental Levy on Plastic Bags

This figure represents the net liability of the Revenue Commissioners to the Fund in respect of the Environmental Levy on the supply of Plastic Bags at 31 December 2005.

### 23. Accruals

Accruals at 31 December 2005 were as follows:

|  |                         |
|--|-------------------------|
|  | €                       |
| Waste management including recycling projects  | 410,750                 |
| Recoupment to the Revenue Commissioners in respect of operational cost incurred in respect of the Environmental Levy on Plastic Bags | 387,752                 |
| Race Against Waste Promotion   | 316,517                 |
| Local Agenda 21 Environmental Partnership Fund   | 250,000                 |
| Local authority recycling operational costs  | 111,600                 |
| Blue Flag Scheme   | 56,094                  |
| Printing costs associated with the implementation of Directive 2002/96/EC on Waste Electrical and Electronic Equipment (WEEE)        | 32,856                  |
| VAT  | 32,568                  |
| Pollution control and air climate measures   | 30,000                  |
| Professional services withholding tax  | 25,126                  |
| Consultancy costs associated with predicted green house emissions  | 12,502                  |
| Geneva Convention on Long Range Transboundary Air Pollution  | 12,275                  |
| United Nations Convention on Climate Change (UNFCCC)   | 8,448                   |
| Costs associated with the National Sustainable Development Partnership including printing and advertising                            | 7,296                   |
| Overpayment of levy from landfills operated by local authorities   | 5,567                   |
| Overpayment of levy from privately operated landfills  | 4,280                   |
| Advertising costs associated with promoting the recycling of construction and demolition waste                                       | 847                     |
| <b>Total</b>   | <b><u>1,704,478</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 on pages 1 to 10 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 2005 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 Purcell**  
**Comptroller and Auditor General**  
**21 December, 2006**