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# **ENVIRONMENT FUND**

## **Accounts 2003 and Comptroller and Auditor General Report**



## Environment Fund Accounts

- **General**

The Environment Fund was established by the Waste Management (Amendment) Act 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 2003, which has yet to be received.

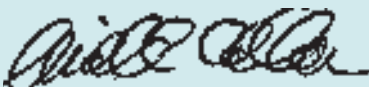
- **Accrued Expenditure**

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 2003

<u>Income</u>	<u>Notes</u>	2003 €	2002* €
Environmental Levy on the Landfill of Waste	1	29,359,585	17,868,726
Environmental Levy on Plastic Bags	2	12,883,408	10,428,413
Interest		71,383	-
		<u>42,314,376</u>	<u>28,297,139</u>
 <u>Expenditure</u>			
North/South Waste Management Programmes	3	945	-
Producer Responsibility Initiatives	4	234,327	1,000
Environmental Levy Collection Costs	5	346,405	1,828,688
Waste Prevention Operational Costs	6	96,362	-
Waste Management including Recycling Projects	7	5,625,391	2,084,581
Recycling Operational Costs	8	5,000,005	-
Local Authority Enforcement Initiatives	9	741,201	-
Waste Infrastructure Operational Costs	10	85,825	-
Environment Awareness	11	2,465,400	-
Pollution Control Air/Climate	12	171,828	-
International Conventions/Bodies/Organisations	13	2,373,030	17,634
Litter Initiatives	14	1,043,482	-
Office of Environmental Enforcement	15	266,509	-
Water Quality	16	151,052	-
Comhar - the National Sustainable Development Partnership	17	168,847	-
		<u>18,770,609</u>	<u>3,931,903</u>
<b>Surplus for the Year</b>		<u>23,543,767</u>	<u>24,365,236</u>
Accumulated Surplus at 1 January		24,365,236	
Surplus for the Year		23,543,767	24,365,236
<b>Surplus at 31 December</b>		<u>47,909,003</u>	<u>24,365,236</u>

\* Accounts for the period ended 31 December 2002 covered the period from 17 July 2001  
The Statement of Accounting Policies on Page 2 and Notes 1 to 21 form part of these Accounts.

Signed   
N. Callan  
Secretary General


Date 19/12/2005

## Environment Fund Balance Sheet as at 31 December 2003.

	<u>Notes</u>	2003 €	2002* €
<b><u>Current Assets</u></b>			
Bank		39,767,051	16,297,839
International Conventions/Bodies/Organisations Advance Payment	18	10,647	-
Environmental Levy on the Landfill of Waste due from Local Authorities	19	5,150,525	5,028,827
Environmental Levy on Plastic Bags due from Revenue Commissioners	20	3,554,299	3,327,828
		<u>48,482,522</u>	<u>24,654,494</u>
<b><u>Current Liabilities</u></b>			
Accruals	21	573,519	289,258
<b>Net Assets</b>		<u>47,909,003</u>	<u>24,365,236</u>
<b>Represented by Surplus on Income and Expenditure Account</b>		<u>47,909,003</u>	<u>24,365,236</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 21 form part of these Accounts.

\* Accounts for the period ended 31 December 2002 covered the period from 17 July 2001

Signed   
N. Callan  
Secretary General

Date 19/12/2005



## 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	24,541,263
Levy on the Landfill of Waste from privately operated landfills	4,818,322
<b>Total</b>	<b><u>29,359,585</u></b>

€58,766 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 tendering process for an all island fridge freezer initiative.

### 4. Producer Responsibility Initiatives

This figure represents expenditure on consultancy services in respect of the development of an End of Life Vehicles (ELV) Producer Responsibility Initiative together with contributions to local authorities who conducted WEEE (Waste Electronic and Electrical Equipment) collection trials. It also includes costs incurred by the WEEE Taskforce. This is summarised as follows:

	€
Consultancy services in respect of the development of an End of Life Vehicles (ELV) Producer Responsibility Initiative	177,392
Contributions to local authorities who conducted WEEE (Waste Electronic and Electrical Equipment) collection trials.	50,000
WEEE Taskforce Expenses	6,935
<b>Total</b>	<b><u>234,327</u></b>

## Notes to the Accounts (continued)

The relevant stakeholders undertook to reimburse the Department for any expenditure incurred on consultancy studies in respect of the development of an End of Life Vehicle (ELV) Producer Responsibility Initiative. The Department is in ongoing discussions with the stakeholders concerned with a view to recouping this expenditure.

### 5. 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.

### 6. Waste Prevention Operational Costs

Expenditure under this heading was mainly for a Study on the Application of Economic Instruments, an EPA Packaging Waste Study and assistance for a Waste Characterisation Study.

### 7. 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	5,136,860
Planning & Procurement for major local authority infrastructure projects.	488,531
<b>Total</b>	<b><u>5,625,391</u></b>

### 8. Recycling Operational Costs

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

### 9. 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)

### 10. Waste Infrastructure Operational Costs

This figure represents expenditure on the consultancy study on waste infrastructure.

### 11. Environment Awareness

This figure represents expenditure on the waste awareness campaign, grant assistance provided for various environment awareness initiatives including Local Agenda 21 Partnership Fund, NGO Developmental funding and miscellaneous project based funding for a range of activities from website development to schemes under the Rapid programme. This is summarised as follows:

	€
Waste Awareness Campaign	1,836,143
Grant assistance	618,221
Printing and publishing costs associated with the waste awareness campaign	11,036
<b>Total</b>	<b><u>2,465,400</u></b>

### 12. Pollution Control Air/Climate

This figure represents the expenditure incurred in respect of the Department's contribution to the cost of the consultancy to advise on the national allowance apportionment to emissions trading and the establishment of the new EPA Emissions Trading Unit, together with expenditure on car free day as well as the design, printing and distribution of information leaflets in relation to the extension of the ban on the sale and marketing of bituminous coal to four additional areas.

	€
Car-free day and the design, printing and distribution of information leaflets in relation to the extension of the ban on the sale and marketing of bituminous coal to four additional areas.	66,111
Consultancy to advise on the national allowance apportionment to emissions trading and the establishment of the new EPA Emissions Trading Unit.	105,717
<b>Total</b>	<b><u>171,828</u></b>

## Notes to the Accounts (continued)

### 13. 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:

	€
Basel Convention	10,647
Geneva Convention on Long Range Transboundary Air Pollution	21,490
Vienna Convention for the Protection of the Ozone Layer	486,316
Convention on Climate Change (UNFCCC)	95,429
United Nations Environment	317,000
Global Environmental Facility	1,420,000
Non Government Organisations	5,000
OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic	17,148
<b>Total</b>	<b><u>2,373,030</u></b>

### 14. 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.

### 15. Office of Environmental Enforcement

This figure represents the costs incurred by the Environmental Protection Agency on the establishment of the Office of Environmental Enforcement.

### 16. Water Quality

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

	€
North/South Water Management Projects	31,195
Water Quality Research	5,808
Blue Flag Scheme	75,156
Catchment Based Water management	38,048
Support for NGO's	845
<b>Total</b>	<b><u>151,052</u></b>

## Notes to the Accounts (continued)

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

This expenditure relates to the activities of Comhar - the National Sustainable Development Partnership.

### 18. International Conventions/Bodies/Organisations Advance Payment

This figure represents an advance payment in respect of Ireland's contribution to the Basel Convention.

### 19. 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 2003. It consists of:

Levy from landfills operated by local authorities	2,973,033
Levy from privately operated landfills	2,177,492
<b>Total</b>	<b><u>5,150,525</u></b>

### 20. 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 2003.

### 21. Accruals

Accruals at 31 December 2003 were as follows:

Recoupment to the Revenue Commissioners in respect of operational costs incurred in respect of the Environmental Levy on plastic bags	264,030
Payments to consultants in respect of the Waste Awareness Campaign	251,910
Waste Awareness Grant Assistance	15,000
Contribution to the OSPAR Commission in respect of Ireland's contribution to the OSPAR Convention on Protection of the Marine Environment of the North-East Atlantic	17,148
Expenses of Comhar - the National Sustainable Development Partnership	3,245
Overpayment of levy from landfills operated by local authorities	22,186
<b>Total</b>	<b><u>573,519</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 8 under Section 74(6) of the Waste Management Act 1996 (as amended).

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

The Department of the Environment, Heritage and Local Government is responsible under Section 74 of the Waste Management Act 1996 (as amended) for the preparation of the financial statements of the Environment Fund. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me and to report on them.

#### **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 auditing standards issued by the Auditing Practices Board and by reference to the special considerations which 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 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 circumstances of the Fund, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary 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, proper books of account and records have been kept by the Department of the Environment, Heritage and Local Government and the financial statements, which are in agreement with them, give a true and fair view of the balance of the Fund at 31 December 2003 and of its transactions for the year then ended.



**John Purcell**  
**Comptroller and Auditor General**  
**30 December, 2005**