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ENVIRONMENT FUND

**Accounts 2001 and 2002
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. 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 paid by 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 their expenses incurred 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.

- **Period of Account**

This set of accounts has been prepared for the period 17 July 2001 to 31 December 2002.

The accounts have been prepared on an accruals basis.

Statement of Accounting Policies

- **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 Landfilling 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 2002 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 Period 17 July 2001 to 31 December 2002.**

<u>Income</u>	<u>Notes</u>	<u>€</u>
Environmental Levy on the Landfill of Waste	1	17,868,726
Environmental Levy on Plastic Bags	2	10,428,413
		<u>28,297,139</u>
 <u>Expenditure</u>		
Producer Responsibility Initiatives	3	1,000
Environmental Levy Collection Costs	4	1,828,688
Waste Management including Recycling Projects	5	2,084,581
OSPAR Convention	6	17,634
		<u>3,931,903</u>
Surplus for the period 17 July 2001 – 31 December 2002		<u>24,365,236</u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 9 form part of these Accounts.

Signed 
N. Callan
Secretary General

Date 29/10/2004

Environment Fund Balance Sheet as at 31 December 2002.

	<u>Notes</u>	€
<u>Current Assets</u>		
Bank		16,297,839
Environmental Levy on the Landfill of Waste due from Local Authorities	7	5,028,827
Environmental Levy on Plastic Bags due from Revenue Commissioners	8	3,327,828
		<u>24,654,494</u>
<u>Current Liabilities</u>		
Accruals	9	289,258
		<u>289,258</u>
Net Assets		<u><u>24,365,236</u></u>
Represented by Surplus on Income and Expenditure Account		<u><u>24,365,236</u></u>

The Statement of Accounting Policies on Page 2 and Notes 1 to 9 form part of these Accounts.

Signed



N. Callan
Secretary General

Date

29/10/2004

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	16,109,084
Levy on the Landfill of Waste from privately operated landfills	1,759,642
Total	<u>17,868,726</u>

€35,940 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. Producer Responsibility Initiatives

This represents a contribution towards to the establishment of the National Construction and Demolition Waste Council (NCDWC).

4. Environmental Levy Collection Costs

This figure represents the total expenditure in respect of the initial set up costs and the annual service fee agreed with the Revenue Commissioners for the operation of the Environmental Levy on the supply of plastic bags. This is summarised as follows:

	€
Publicity Campaign for the introduction of the Levy	296,879
Mail shot to Retailers	61,185
Initial set-up costs incurred	1,200,000
Re-imburement of operational costs	270,624
Total	<u>1,828,688</u>

Notes to the Accounts (continued)

5. 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	1,716,729
Planning & Procurement for major local authority infrastructure projects.	<u>367,852</u>
Total	<u>2,084,581</u>

6. OSPAR Convention

This represents payments made 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.

7. 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 2002. It consists of:

	€
Levy from landfills operated by local authorities	4,542,077
Levy from privately operated landfills	<u>486,750</u>
Total	<u>5,028,827</u>

8. 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 2002.

Notes to the Accounts (continued)

9. Accruals

Accruals at 31 December 2002 were as follows:

	€
Contribution to the National Construction & Demolition Waste Council (NCDWC)	1,000
Recoupment to the Revenue Commissioners in respect of operational costs incurred in respect of the Environmental Levy on plastic bags	270,624
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	17,634
Total	<u>289,258</u>

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 7 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 have been kept by the Department 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 2002 and of the transactions for the period then ended.



John Purcell
Comptroller and Auditor General
22 November, 2004