

Appropriation Account 2017

Vote 29

Communications, Climate Action and Environment

Introduction

As Accounting Officer for Vote 29, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2017 for the salaries and expenses of the Office of the Minister for Communications, Climate Action and Environment, including certain services administered by that Office and for payment of certain grants.

The expenditure outturn is compared with the sums:

- granted by Dáil Éireann under the Appropriation Act 2017, including the amount that could be used as appropriations-in-aid of expenditure for the year, and
- provided for capital supply services in 2017 out of unspent 2016 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €26.26 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure and Reform in Circular 25 of 2017, have been applied in the preparation of the account, except for the following:

Depreciation

Motor vehicles are depreciated over 5 years at 20% per annum. Certain bespoke IT systems and specialist seabed survey equipment assets are depreciated over 10 years at 10% per annum, while all other Office/IT equipment is depreciated over 5 years at 20% per annum.

Capital assets

Details of land and buildings owned by the State and controlled or managed by the Department are listed in Appendix A. A number of fisheries which are managed by Inland Fisheries Ireland are not included in the statement of capital assets, as valuations for the fisheries are not available.

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Accounting Officer of the National Shared Services Office is responsible for the operation of controls within the Shared Services Centres.

I have fulfilled my responsibilities in relation to the requirements of the Service Management Agreement between this Department and the National Shared Services Office for the provision of human resources and payroll shared services. I rely on a letter of assurance from the Accounting Officer of the Vote for Shared Services that the appropriate controls are exercised in the provision of shared services to the Department.

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system
- procedures for key business processes have been documented
- there are systems in place to safeguard the assets.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place, including segregation of duties and a system of delegation and accountability. This includes the following elements:

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. In 2017, the Department complied with the guidelines with the exception of thirteen contracts to the value of €2.283 million. Details of these contracts are included in my annual return in respect of Circular 40/02 and comprise of: four contracts (€902,194) relating to software licences for existing systems, four contracts (€696,000) in respect of specialised research and analysis, three contracts (€265,450) relating to specialist technical expertise required for urgent business needs and two contracts (€418,973) in respect of computer hardware and software for the National Cyber Security Centre. Of the €2.283 million committed in respect of the foregoing non-competitive procurements, an amount of €1.635 million was paid in 2017, with the balance of €0.648 million being carried into 2018.

Internal Audit and Audit Committee

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, jointly approved by me and the Audit Committee, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I am satisfied that procedures are in place to ensure that the reports of the internal audit function are followed up.

Risk and Control Framework

The Department has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Department and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Management Board on a bi-annual basis, while risks relating to key projects are subject to ongoing review. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and assigns responsibility for operation of controls to specific staff.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Management Board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of Effectiveness

I confirm that the Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal Financial Control Issues

No weaknesses in internal financial control were identified in relation to 2017 that require disclosure in the Appropriation Account.

Mark Griffin

Accounting Officer

Department of Communications, Climate Action and Environment

29 March 2018

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 29 Communications, Climate Action and Environment

Opinion on the appropriation account

I have audited the appropriation account for Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2017 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 29 Communications, Climate Action and Environment for the year ended 31 December 2017
- has been prepared in the form prescribed by the Minister for Public Expenditure and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the *Preface to the Appropriation Accounts*. I am independent of the Department of Communications, Climate Action and Environment and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the *Preface to the Appropriation Accounts*.

Reporting on matters arising from audit

Chapters 8 and 9 of my report on the accounts of the public services for 2017 refer to certain matters relating to Vote 29 Communications, Climate Action and Environment.

Seamus McCarthy
Comptroller and Auditor General

24 September 2018

Vote 29 Communications, Climate Action and Environment Appropriation Account 2017

| | Estimate provision | | 2017 | 2016 |
|------------------------------------|--------------------|----------------|----------------|----------------|
| | €000 | | Outturn | Outturn |
| | €000 | €000 | €000 | €000 |
| Programme expenditure | | | | |
| A Communications | | 39,910 | 31,483 | 19,050 |
| B Broadcasting | | 261,209 | 254,289 | 241,091 |
| C Energy | | | | |
| <i>Current year provision</i> | 115,383 | | | |
| <i>Deferred surrender</i> | <u>7,551</u> | | | |
| | | 122,934 | 111,402 | 85,511 |
| D Natural resources | | 26,196 | 24,785 | 19,680 |
| E Inland fisheries | | 30,601 | 30,318 | 30,392 |
| F Environment and waste management | | | | |
| <i>Current year provision</i> | 54,936 | | | |
| <i>Deferred surrender</i> | <u>4,577</u> | | | |
| | | 59,513 | 50,639 | 43,171 |
| Gross expenditure | | | | |
| <i>Current year provision</i> | 528,235 | | | |
| <i>Deferred surrender</i> | <u>12,128</u> | | | |
| | | 540,363 | 502,916 | 438,895 |
| <i>Deduct</i> | | | | |
| G Appropriations-in-aid | | 237,599 | 232,412 | 228,535 |
| Net expenditure | | | | |
| <i>Current year provision</i> | 290,636 | | | |
| <i>Deferred surrender</i> | <u>12,128</u> | | | |
| | | 302,764 | 270,504 | 210,360 |

Surplus

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

| | 2017 | 2016 |
|----------------------------------|-------------------|-------------------|
| | € | € |
| Surplus | 32,259,657 | 32,453,667 |
| Deferred surrender | (6,000,000) | (12,128,000) |
| Surplus to be surrendered | 26,259,657 | 20,325,667 |

Mark Griffin

Accounting Officer

Department of Communications, Climate Action and Environment

29 March 2018

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2017

| | 2017 | 2016 |
|--|----------------|----------------|
| | €000 | €000 |
| Programme cost | 475,795 | 412,768 |
| Pay | 20,510 | 18,807 |
| Non pay | 6,611 | 7,320 |
| Gross expenditure | 502,916 | 438,895 |
| <i>Deduct</i> | | |
| Appropriations-in-aid | 232,412 | 228,535 |
| Net expenditure | 270,504 | 210,360 |
| | | |
| Changes in capital assets | | |
| Purchases cash | (1,439) | |
| Depreciation | 1,022 | |
| | (417) | (493) |
| Changes in net current assets | | |
| Decrease in closing accruals | (476) | |
| Increase in stock | (22) | |
| | (498) | 543 |
| Direct expenditure | 269,589 | 210,410 |
| | | |
| Expenditure borne elsewhere | | |
| Net allied services expenditure (note 1.1) | 15,584 | 13,917 |
| Notional rents | 1,466 | 1,830 |
| Net programme cost | 286,639 | 226,157 |

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 29 borne elsewhere.

| | | 2017 | 2016 |
|---|---|---------------|---------------|
| | | €000 | €000 |
| Vote 9 Office of the Revenue Commissioners | e | 45 | 45 |
| Vote 12 Superannuation and Retired Allowances | e | 10,791 | 9,719 |
| Vote 13 Office of Public Works | e | 4,648 | 4,060 |
| Vote 18 National Shared Services Office | e | 41 | 35 |
| Central Fund - Ministerial pensions | e | 59 | 58 |
| | | 15,584 | 13,917 |

"e" indicates that the number is an estimated value or an apportioned cost.

Note 2 Statement of Financial Position as at 31 December 2017

| | Note | 2017 €000 | 2016 €000 |
|---|------|---------------|---------------|
| Capital assets | 2.2 | 2,532 | 3,077 |
| Current assets | | | |
| Bank and cash | 2.3 | 10,939 | 9,881 |
| Stocks | 2.4 | 334 | 312 |
| Prepayments | | 424 | 209 |
| Accrued income | | 799 | 708 |
| Other debit balances | 2.5 | 356 | 146 |
| Total current assets | | 12,852 | 11,256 |
| Less current liabilities | | | |
| Accrued expenses | | 1,213 | 1,383 |
| Other credit balances | 2.6 | 4,005 | 3,153 |
| Net Exchequer funding due | 2.7 | 7,290 | 6,874 |
| Deferred income | | 101 | 101 |
| Total current liabilities | | 12,609 | 11,511 |
| Net current assets / (liabilities) | | 243 | (255) |
| Net assets | | 2,775 | 2,822 |
| Represented by: | | | |
| State funding account | 2.1 | 2,775 | 2,822 |

2.1 State funding account

| | Note | 2017 €000 | 2016 €000 |
|--|---------|--------------|--------------|
| Balance at 1 January | | 2,822 | 2,850 |
| Disbursements from the Vote | | | |
| Estimate provision | Account | 302,764 | |
| Deferred surrender | Account | (6,000) | |
| Surplus to be surrendered | Account | (26,260) | |
| Net vote | | 270,504 | 210,360 |
| Expenditure (cash) borne elsewhere | 1 | 15,584 | 13,917 |
| Non cash expenditure – notional rent | 1 | 1,466 | 1,830 |
| Adjustment – net transfer of assets | 2.2 | — | 22 |
| Adjustment – historic depreciation | 2.2 | (103) | — |
| Adjustment – restatement of land & buildings | 2.2 | (859) | — |
| Net programme cost | 1 | (286,639) | (226,157) |
| Balance at 31 December | | 2,775 | 2,822 |

2.2 Capital assets

| | Land and buildings | Office furniture | Office and IT equipment | Specialist equipment and motor vehicles | Total |
|---|-----------------------|---------------------|-------------------------------|--|--------------|
| | €000 | €000 | €000 | €000 | €000 |
| Gross assets | | | | | |
| Cost or valuation at 1 January 2017 | 859 | 1,288 | 21,356 | 4,653 | 28,156 |
| Additions | — | 8 | 271 | 1,160 | 1,439 |
| Disposals | — | (8) | — | (14) | (22) |
| Adjustments ^a | (859) | (2) | (10) | (104) | (975) |
| Cost or valuation at 31 December 2017 | — | 1,286 | 21,617 | 5,695 | 28,598 |
| Accumulated depreciation | | | | | |
| Opening balance at 1 January 2017 | — | 1,232 | 19,911 | 3,936 | 25,079 |
| Depreciation for the year | — | 14 | 497 | 511 | 1,022 |
| Depreciation on disposals | — | (8) | — | (14) | (22) |
| Adjustment ^b | — | — | — | (13) | (13) |
| Cumulative depreciation at 31 December 2017 | — | 1,238 | 20,408 | 4,420 | 26,066 |
| Net assets at 31 December 2017 | — | 48 | 1,209 | 1,275 | 2,532 |
| Net assets at 31 December 2016 | 859 | 56 | 1,445 | 717 | 3,077 |

^a Adjustment for land and buildings refers to the removal of the General Post Office (GPO) properties from the Department's capital assets, since these State-owned assets are managed by an outside body. Other adjustments relate to historic depreciation.

^b Adjustments relate to historic depreciation.

2.3 Bank and cash

| at 31 December | 2017 | 2016 |
|-----------------------|--------|-------|
| | €000 | €000 |
| PMG balances and cash | 10,939 | 9,881 |

2.4 Stocks

| at 31 December | 2017 | 2016 |
|---------------------------|------------|------------|
| | €000 | €000 |
| Geological Survey Ireland | 323 | 302 |
| Stationery | 11 | 10 |
| | 334 | 312 |

2.5 Other debit balances

| at 31 December | 2017 | 2016 |
|----------------------------|------------|------------|
| | €000 | €000 |
| Imprests for academic fees | 94 | 87 |
| Salaries of seconded staff | 79 | — |
| Gratuities | 57 | — |
| Other suspense | 126 | 59 |
| | 356 | 146 |

2.6 Other credit balances

| at 31 December | 2017 | 2016 |
|---|--------------|--------------|
| | €000 | €000 |
| Amounts due to the State | | |
| Withholding Tax | 481 | 234 |
| Value Added Tax | 511 | 528 |
| Extra Exchequer receipts (note 4.3) | — | 100 |
| PAYE/PRSI | 752 | 632 |
| | 1,744 | 1,494 |
| Suspense (emergency call answering service/payroll deduction) | 2,261 | 1,659 |
| | 4,005 | 3,153 |

2.7 Net Exchequer funding due

| at 31 December | 2017 | 2016 |
|----------------------------------|----------------|----------------|
| | €000 | €000 |
| Surplus to be surrendered | 26,260 | 20,326 |
| Deferred surrender | 6,000 | 12,128 |
| Exchequer grant undrawn | (24,970) | (25,580) |
| Net Exchequer funding due | 7,290 | 6,874 |
| Represented by: | | |
| Debtors | | |
| Bank and cash | 10,939 | 9,881 |
| Debit balances: suspense | 356 | 146 |
| | 11,295 | 10,027 |
| Creditors | | |
| Due to the State | (1,744) | (1,494) |
| Credit balances: suspense | (2,261) | (1,659) |
| | (4,005) | (3,153) |
| | 7,290 | 6,874 |

2.8 Commitments

a) Global commitments

| at 31 December | 2017 | 2016 |
|---|---------------|---------------|
| | €000 | €000 |
| Procurement of goods and services* | 1,413 | 1,293 |
| Grant programmes | 4,614 | 1,716 |
| Capital grant programmes | 66,405 | 68,004 |
| Total of legally enforceable commitments | 72,432 | 71,013 |

* 2016 commitment amount was not published in the 2016 account

(b) Multi-annual capital commitments

| Project | Cumulative expenditure to 31 December 2016 | Expenditure in 2017 | Project commitments end 2017 | Expected total spend lifetime of project 2017 | Expected total spend lifetime of project 2016 |
|--|--|---------------------|------------------------------|---|---|
| | €000 | €000 | €000 | €000 | €000 |
| ICT programmes | 306,362 | 15,024 | 7,989 | 329,375 | 318,635 |
| Multimedia developments | 45,239 | 4,530 | 1,880 | 51,649 | 51,052 |
| Sustainable energy programmes | 380,090 | 83,542 | 23,769 | 487,401 | 401,242 |
| Energy research programmes | 42,085 | 5,510 | 4,231 | 51,826 | 49,048 |
| Mining services | 13,729 | 1,251 | 232 | 15,212 | 14,354 |
| GSI services | 69,094 | 14,218 | 27,816 | 111,128 | 90,272 |
| Climate initiatives (including technical research and modelling) | 335 | 613 | 488 | 1,436 | 335 |
| | 856,934 | 124,688 | 66,405 | 1,048,027 | 924,938 |

Significant variations

| Programme | Amount of increase/decrease €000 | Explanation |
|-------------------------------|---|---|
| ICT programmes | 10,740 | The increase is mainly due to increased expenditure on next generation broadband and post codes. |
| Multimedia developments | 597 | The increase reflects, in the main, commitments relating to the National Digital Research Centre. |
| Sustainable energy programmes | 86,159 | The increase reflects the expansion of the Better Energy programmes and other energy efficiency measures. |
| Energy research programmes | 2,778 | The increase reflects increased commitments relating to energy research projects. |
| Mining services | 858 | The increase is mainly due to ongoing remediation works at the Avoca mine. |
| GSI services | 20,856 | The increase reflects the costs and commitments relating to the ongoing INFOMAR and Tellus mapping projects and geoscience initiatives programme. |
| Climate Initiatives | 1,101 | The increase is due to new commitments. |

2.9 Land remediation

Avoca Mine Site

A multi-disciplinary team was appointed in December 2013 for three years to provide specialist design, procurement and project management services to oversee a project to address the priority public health and safety works. During 2016, the capping and regrading of the spoil heaps at Tigroney West was undertaken together with capping and making safe a number of shafts at other locations. The cost in 2016 was €1.28 million. During 2017, the remainder of the capital work of the first phase of the project was completed. Health and safety measures were implemented across the site. The drainage network across the capped area was also completed. The spend for 2017 amounted to €1.057 million and total spend on the project to date was €3.52 million. It is now proposed to build on the original feasibility study and develop an overall remediation project plan for the site during 2018.

Silvermines

A provision of €0.4 million was made available in 2017 in respect of land acquisition and contingencies that may have arisen from ongoing environmental monitoring designed to detect any changes at the Silvermines site. No expenditure was incurred in 2017 and a similar provision has been made available for 2018. Future funding will be provided to cover any additional costs that may arise.

Environmental Monitoring at Avoca and Silvermines

Essential specialist monitoring cost €0.15 million in 2015, €0.14 million in 2016 and €0.98 million in 2017. It is estimated that an additional amount of €0.6 million will be required for each year from 2018 to 2020 in respect of continued monitoring of the Avoca and Silvermines sites. This monitoring is to ensure that no significant change in conditions occurs at either of the sites without detection.

2.10 Contingent liabilities

There is potential for financial liabilities to arise in 2018 and subsequent years depending on the outcomes of current, pending and possible future EU and other legal actions. The amounts involved cannot be determined at this point.

Note 3 Vote Expenditure by Subhead

Analysis of administration expenditure

The following note presents an analysis of the administration expenditure of the Vote and outlines the reasons for significant variations (+/- 25% and €100,000). Administration expenditure has been apportioned across the programmes, to present complete programme costings.

| | | 2017 | | 2016 |
|------|---|--------------------|---------------|---------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| i | Salaries, wages and allowances | 22,632 | 20,510 | 18,807 |
| ii | Travel and subsistence | 942 | 841 | 696 |
| iii | Training and development and incidental expenses | 1,590 | 952 | 957 |
| iv | Postal and telecommunications services | 784 | 431 | 509 |
| v | Office equipment and external IT services | 4,116 | 2,297 | 3,429 |
| vi | Office premises expenses | 962 | 763 | 727 |
| vii | Consultancy services and value for money and policy reviews | 1,917 | 1,083 | 808 |
| viii | Equipment, stores and maintenance | 296 | 244 | 194 |
| | | 33,239 | 27,121 | 26,127 |

Significant variations

iii Training and development and incidental expenses

Estimate provision: €1.590 million, outturn: €0.952 million

The saving of €0.638 million on expenditure was due to lower than anticipated conference, training and legal costs.

iv Postal and telecommunications services

Estimate provision : €0.784 million, outturn: €0.431million

The saving of €0.353 million was due to ongoing efforts to reduce operating costs.

v Office equipment and external IT services

Estimate provision : €4.116 million, outturn: €2.297 million

The saving of €1.819 million was due to reduced licensing costs and savings on IT hardware equipment and maintenance costs.

vii Consultancy services and value for money and policy reviews

Estimate provision: €1.917 million, outturn: €1.083 million

The saving of €0.834 million was due to lower than anticipated spend on consultancy services.

Programme A Communications

| | | 2017 | | 2016 |
|-----|---|---------------------------|----------------|----------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| A.1 | Administration – pay | 4,934 | 4,471 | 4,030 |
| A.2 | Administration – non pay | 1,846 | 1,141 | 1,310 |
| A.3 | Information and communications technology programme | 20,490 | 15,024 | 5,392 |
| A.4 | Multimedia developments | 5,176 | 5,604 | 4,654 |
| A.5 | Information society | 6,964 | 5,243 | 3,664 |
| A.6 | Other capital (incl. capital contingency) | 500 | — | — |
| | | 39,910 | 31,483 | 19,050 |

Significant variations

Overall, the expenditure in relation to Programme A was €8.427 million lower than provided. €1.168 million of this related to administration expenditure and has already been explained, and the balance of the variance of €7.259 million was mainly due to the following:

A.3 Information and communications technology programme

Estimate provision: €20.490 million, outturn: €15.024 million

The saving of €5.466 million relative to the estimate provision was due, in the main, to lower than anticipated programme expenditure in respect of the ongoing complex procurement process for the State-led intervention under the National Broadband Plan.

A.4 Multimedia developments

Estimate provision: €5.176 million, outturn: €5.604 million

The excess of €0.428 million relates to the payment in 2017 of a deferred contractual payment provided in the concession agreement with the National Digital Research Centre.

A.5 Information society

Estimate provision: €6.964 million, outturn: €5.243 million

The saving of €1.721 million relates, in the main, to lower than anticipated expenditure in respect of the demand-led Trading Online Voucher Scheme, which is impacted by the time lag between the establishment of a trading online presence and the drawdown of the grant payment by successful businesses.

A.6 Other capital (incl. capital contingency)

Estimate provision: €0.5 million, outturn: €Nil

The saving of €0.5 million arose as the capital contingency funds were not required.

Programme B Broadcasting

| | | 2017 | | 2016 |
|-----|---|--------------------|----------------|----------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| B.1 | Administration – pay | 995 | 902 | 855 |
| B.2 | Administration – non pay | 619 | 381 | 440 |
| B.3 | Grant to Raidió Telefís Éireann in respect of broadcasting licence fees | 190,724 | 184,801 | 179,285 |
| B.4 | Payment to An Post for collection of broadcasting licence fees | 12,457 | 11,916 | 11,494 |
| B.5 | Deontas i leith Theilifis na Gaeilge | 33,710 | 34,240 | 35,360 |
| B.6 | Broadcasting Fund | 14,704 | 14,073 | 13,657 |
| B.7 | RTÉ spectrum | 8,000 | 7,976 | — |
| | | 261,209 | 254,289 | 241,091 |

Significant variations

Overall, the expenditure in relation to Programme B was €6.920 million lower than provided. €0.331million of this related to administration expenditure and has already been explained, and the balance of the variance of €6.589 million was mainly due to the following:

B.3 Grant to Raidió Telefís Éireann

Estimate provision: €190.724 million, outturn: €184.801 million

The saving of €5.923 million relative to the estimate provision arose because grant payments to RTÉ which are vote neutral are based on television licence sales, the proceeds of which were lower than anticipated.

Programme C Energy

| | | 2017 | | 2016 |
|-----|---|--------------------|----------------|----------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| C.1 | Administration – pay | | 5,070 | 4,594 |
| C.2 | Administration – non pay | | 2,164 | 1,336 |
| C.3 | Sustainable Energy Authority of Ireland - administration and general expenses | | 9,430 | 8,579 |
| C.4 | Sustainable energy programmes | | | |
| | <i>Current year provision</i> | 90,790 | | |
| | <i>Deferred surrender</i> | 7,551 | 98,341 | 90,118 |
| C.5 | Energy research programmes | | 7,607 | 6,505 |
| C.6 | Gas services | | 32 | 23 |
| C.7 | Subscriptions to international organisations | | 290 | 247 |
| | | | 122,934 | 111,402 |
| | | | | 85,511 |

Significant variations

Overall, the expenditure in relation to Programme C was €1.532 million lower than provided. €1.304 million of this related to administration expenditure and has already been explained, and the balance of the variance of €10.228 million was mainly due to the following:

C.3 Sustainable Energy Authority of Ireland

Estimate provision: €9.430 million, outturn: €8.579 million

The saving of €0.851 million relative to the estimate provision was due to lower than expected payroll costs in the Sustainable Energy Authority of Ireland.

C.4 Sustainable energy programmes

Estimate provision: €98.341 million, outturn: €90.118 million

The saving of €8.223 million relative to the estimate provision arose due to the delayed launch of the Support Scheme for Renewable Heat and lower than expected demand in respect of the pilot Deep Retrofit and Warmth and Wellbeing Schemes.

C.5 Energy research programmes

Estimate provision: €7.607 million, outturn: €6.505 million

The saving of €1.102 million relative to the estimate provision was due to the timing of expenditure on demand led research programmes.

Programme D Natural Resources

| | | 2017 | | 2016 |
|-----|--|---------------|---------------|---------------|
| | | Estimate | Outturn | Outturn |
| | | provision | | |
| | | €000 | €000 | €000 |
| D.1 | Administration – pay | 6,383 | 5,784 | 5,578 |
| D.2 | Administration – non pay | 3,453 | 2,199 | 2,414 |
| D.3 | Petroleum services | 441 | 405 | 191 |
| D.4 | Mining services | 3,700 | 1,488 | 1,560 |
| D.5 | GSI services | 12,084 | 14,789 | 9,817 |
| D.6 | Subscriptions to international organisations | 135 | 120 | 120 |
| | | 26,196 | 24,785 | 19,680 |

Significant variations

Overall, the expenditure in relation to Programme D was €1.411 million lower than provided. This was due, in the main, to reduced administrative expenditure of €1.853 million and a combination of the following:

D.4 Mining services

Estimate provision: €3.700 million, outturn: €1.488 million

The saving of €2.212 million relative to the estimate provision was due to (1) lower than expected extraction rates of private minerals by the mining companies and legal delays in settling outstanding claims and (2) delays in acquiring a site as part of the rehabilitation of Silvermines.

D.5 GSI services

Estimate provision: €12.084 million, outturn: €14.789 million

The excess of €2.705 million relative to the estimate provision was due to additional expenditure on specialised equipment to support the Tellus mapping programme which gathers the geochemical and geophysical data and for the development of a digital database of core drilled by mineral companies.

Programme E Inland Fisheries

| | | 2017 | | 2016 |
|-----|--------------------------|---------------|---------------|---------------|
| | | Estimate | Outturn | Outturn |
| | | provision | | |
| | | €000 | €000 | €000 |
| E.1 | Administration - pay | 905 | 820 | 774 |
| E.2 | Administration - non pay | 413 | 255 | 296 |
| E.3 | Inland fisheries | 29,283 | 29,243 | 29,322 |
| | | 30,601 | 30,318 | 30,392 |

Programme F Environment and Waste Management

| | | 2017 | | 2016 |
|------|--|--------------------|---------------|---------------|
| | | Estimate provision | Outturn | Outturn |
| | | €000 | €000 | €000 |
| F.1 | Administration – pay | 4,345 | 3,938 | 3,629 |
| F.2 | Administration – non pay | 2,112 | 1,298 | 1,315 |
| F.3 | Environmental Protection Agency | | | |
| | <i>Current year provision</i> | 26,932 | | |
| | <i>Deferred surrender</i> | 4,577 | 31,509 | 24,932 |
| F.4 | Carbon Fund | 800 | 431 | 423 |
| F.5 | International climate change commitments | 2,500 | 2,500 | 2,000 |
| F.6 | Landfill remediation | 11,000 | 5,721 | 7,816 |
| F.7 | Technical research and modelling | 1,750 | 613 | 335 |
| F.8 | Subscriptions to international organisations | 3,000 | 2,778 | 2,721 |
| F.9 | National dialogue | 350 | — | — |
| F.10 | Waste campaign | 1,600 | 1,358 | — |
| F.11 | Other services | 547 | — | — |
| | | 59,513 | 50,639 | 43,171 |

Significant variations

Overall, the expenditure in relation to Programme F was €8.874 million lower than provided. €1.221million of this related to administration expenditure and has already been explained, and the balance of the variance of €7.653 million was mainly due to the following:

F.4 Carbon Fund

Estimate provision: €0.800 million, outturn: €0.431million

The saving of €0.369 million relative to the estimate provision was due to a smaller contribution required under the Bio-Carbon Fund. The Bio-Carbon Fund is one of three multilateral funds under the Carbon Fund which invests in projects aimed at achieving greenhouse gas emissions reductions.

F.6 Landfill remediation

Estimate provision: €11million, outturn: €5.721million

The saving of €5.279 million relative to the estimate provision arose because a number of larger landfill remediation projects, which are often complex and vulnerable to delay, did not progress as anticipated because of delays encountered in project planning, licensing and securing site access.

F.7 Technical research and modelling

Estimate provision: €1.750 million, outturn: €0.613 million

The saving of €1.137 million relative to the estimate provision was due to the commencement of some research projects later than anticipated.

F.8 Subscriptions to international organisations

Estimate provision: €3.000 million, outturn: €2.778million

The saving of €0.222 million relative to the estimate provision was due to currency fluctuations and lower requests for funding than anticipated.

F.9 National dialogue

Estimate provision: €0.350 million, outturn: €Nil

The saving of €0.350 million relative to the estimate provision occurred as new initiatives under the National Dialogue on Climate Action requiring funding were still in development during the course of 2017.

F.10 Waste campaign

Estimate provision: €1.600 million, outturn: €1.358 million

The saving of €0.242 million relative to the estimate provision was due to the delay in the rollout of the recycling ambassador programme.

F.11 Other services

Estimate provision: €0.547 million, outturn: €Nil

The saving of €0.547 million relative to the estimate provision was due to the pilot radon testing scheme not proceeding as planned in 2017.

4 Receipts

4.1 Appropriations-in-aid

| | | 2017 | | 2016 |
|---|--|--------------------|----------------|----------------|
| | | Estimate provision | Realised | Realised |
| | | €000 | €000 | €000 |
| 1 | Proceeds of fines in respect of inland fishery offences | 50 | 10 | 19 |
| 2 | Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960 | 8,795 | 11,333 | 8,056 |
| 3 | Petroleum Infrastructure Support Group | 437 | 349 | 192 |
| 4 | Broadcasting licence fees | 222,130 | 215,035 | 213,681 |
| 5 | Geological Survey Ireland income | 300 | 293 | 185 |
| 6 | Rent on properties in GPO | 223 | 215 | 204 |
| 7 | Miscellaneous receipts (note 4.2) | 1,070 | 1,153 | 1,879 |
| 8 | Pension contribution from agencies | 694 | 368 | 641 |
| 9 | Receipts from pension-related deduction on public service remuneration | 3,900 | 3,656 | 3,678 |
| | Total | 237,599 | 232,412 | 228,535 |

Significant variations

Overall, appropriations-in-aid were €5.187 million less than the estimate.

Explanations for variances are set out below:

2 *Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960*

Estimate provision: €8.795 million, outturn: €11.333 million

The increase in income of €2.538 million was due to greater than expected royalties as a result of increased production by a lease/licence holder.

8 *Pension contribution from agencies*

Estimate Provision: €0.694 million, outturn €0.368 million

The lower income of €0.326 million was due to the late receipt of a payment in respect of 2017.

9 *Receipt from pension-related deduction on public service remuneration*

Estimate Provision: €3.900 million, outturn: €3.656 million

The lower income of €0.244 million mainly reflects lower than anticipated payroll costs in 2017.

4.2 Miscellaneous receipts

| | 2017 | 2016 |
|--|--------------|--------------|
| | €000 | €000 |
| Costs recovered from other bodies | 100 | 827 |
| Corrib verification process | — | 139 |
| Royalties in respect of metropolitan area networks | 878 | 876 |
| Other | 175 | 37 |
| Total | 1,153 | 1,879 |

4.3 Extra receipts payable to the Exchequer

| | 2017 | 2016 |
|---|-------------|-------------|
| | €000 | €000 |
| Balance on 1 January | 100 | — |
| Refunds from the Loughs Agency | — | 100 |
| Receipts from emissions trading scheme ^a | 52,298 | 38,966 |
| Galway Mayo telecommunications duct | 114 | (38,966) |
| Transferred to the Exchequer | (52,512) | — |
| Balance at 31 December | <u>—</u> | <u>100</u> |

^a €53.56 million represents Ireland's gross share of receipts arising from auctioning of allowances in EU Emissions Trading Systems (ETS) in 2017. €1.262 million is deducted for the Environmental Protection Agency's administration expenses, resulting in a net receipt of €52.298 million being returned to the Exchequer.

Note 5 Employee Numbers and Pay

5.1 Employee numbers

| Number of staff at year end (full time equivalents) | 2017 | 2016 |
|---|--------------|--------------|
| Department | 374 | 320 |
| Agencies | 1,045 | 1,022 |
| | 1,419 | 1,342 |

5.2 Pay

| Remuneration of all staff (Department and agencies) | 2017 | 2016 |
|---|---------------|---------------|
| | €000 | €000 |
| Pay | 61,967 | 57,540 |
| Higher, special or additional duties allowance | 276 | 367 |
| Other allowances | 1,389 | 1,387 |
| Overtime | 53 | 29 |
| Employer's PRSI | 5,533 | 5,001 |
| Total pay | 69,218 | 64,324 |

The remuneration arrangements refer to the pay element of subheads A.1, A.4, B.1, C.1, C.3, D.1, E.1, E.3, F.1 and F.3. The figures include non voted moneys.

5.3 Department staff

| | 2017 | 2016 |
|--|---------------|---------------|
| | €000 | €000 |
| Pay | 18,997 | 17,439 |
| Higher, special or additional duties allowance | 57 | 146 |
| Other allowances | 63 | 54 |
| Overtime | 30 | 15 |
| Employer's PRSI | 1,363 | 1,153 |
| Total pay | 20,510 | 18,807 |

Allowances and overtime payments

| | Number of recipients | Recipients of €10,000 or more | Highest individual payment 2017 | Highest individual payment 2016 |
|---|----------------------|-------------------------------|---------------------------------|---------------------------------|
| | | | € | € |
| Higher, special or additional duties ^a | 20 | 1 | 16,597 | 7,732 |
| Other allowances ^a | 15 | 2 | 20,614 | 20,613 |
| Overtime | 24 | — | 8,091 | 7,302 |
| Extra remuneration in more than one category | 5 | 1 | 10,913 | 11,850 |

^a Prior to 2017, the allowance paid to the Minister's Private Secretary was assigned to Higher, special or additional duties. From 2017, it is classified as an other allowance.

5.4 Agency staff

| | 2017 | 2016 |
|--|---------------|---------------|
| | €000 | €000 |
| Pay | 42,970 | 40,154 |
| Higher, special or additional duties allowance | 219 | 233 |
| Other allowances | 1,326 | 1,268 |
| Overtime | 23 | 14 |
| Employer's PRSI | 4,170 | 3,848 |
| Total pay | 48,708 | 45,517 |

Allowances and overtime payments

| | Number of recipients | Recipients of €10,000 or more | Highest individual payment 2017 € | Highest individual payment 2016 € |
|--|----------------------------|-------------------------------------|---|---|
| Higher, special or additional duties | 47 | 1 | 10,971 | 10,971 |
| Other allowances | 303 | 1 | 10,000 | 8,000 |
| Overtime | 14 | — | 4,000 | 3,000 |
| Extra remuneration in more than one category | 34 | — | 9,589 | 9,373 |

The agencies included above are Inland Fisheries Ireland, Sustainable Energy Authority of Ireland, the Environmental Protection Agency, the Digital Hub Development Agency and the Loughs Agency.

The figures in Note 5.2 include non-voted moneys to ensure compliance with Department of Public Expenditure and Reform guidelines (Circular 17/2013).

5.5 Other remuneration arrangements

Four public sector workers in receipt of public sector pensions were re-engaged on a contract basis at a total cost of €91,490. The payments made were consistent with the principles of the Public Service (Single Scheme and other Provisions) Act 2012.

This account includes expenditure of €581,793 in respect of eight officers who were serving outside the Department for all or part of 2017 and whose salaries were paid by the Department.

5.6 Payroll overpayments

Overpayments at year end were €103,990 (29 cases) of which, €69,386 (12 cases) have recovery plans in place. (2016: €101,306 (28 cases)).

Note 6 Miscellaneous

6.1 Carryover to 2018

Under the provisions of Section 91 of the Finance Act 2004, €6 million of the unspent allocation in respect of the capital element of subhead C4 was carried forward to 2018.

6.2 Compensation and legal costs

There were no compensation or legal costs in 2017 (2016: €143,000).

6.3 EU funding

The outturn shown in subheads below includes payments in respect of activities which are co-financed from the EU. Estimates of expenditure and actual outturns were as follows:

| | | 2017 | | 2016 |
|-----------------------------------|-------------------------------|----------------|----------------|----------------|
| | | Estimate | Outturn | Outturn |
| | €000 | €000 | €000 | €000 |
| C.4 Sustainable energy programmes | | | | |
| | <i>Current year provision</i> | 90,790 | | |
| | <i>Deferred surrender</i> | 7,551 | | |
| D.4 Mining services | | 3,700 | 1,488 | 1,560 |
| D.5 GSI services | | 12,084 | 14,789 | 9,817 |
| E.3 Inland Fisheries | | 29,283 | 29,243 | 29,322 |
| | | 143,408 | 135,638 | 106,961 |

EU funding of €244,972 was received in 2017 as appropriations-in-aid in respect of activities funded through subheads C.4, D.4 and D.5. EU funding in respect of E.3 is accounted for by Inland Fisheries Ireland and the Loughs Agency in their accounts.

Note 7 Miscellaneous Accounts

7.1 Petroleum Infrastructure Programme Fund

Statement of the receipts and payments of the Petroleum Infrastructure Programme Fund for the year ended 31 December 2017.

| | 2017 | 2016 |
|------------------------|---------------------|---------------------|
| | €000 | €000 |
| Balance at 1 January | 6,358 | 7,541 |
| Receipts | 482 | 356 |
| Payments | (629) | (1,539) |
| Balance at 31 December | <u>6,211</u> | <u>6,358</u> |

The Petroleum Infrastructure Programme (PIP) was established in 1997 and is funded by oil companies with offshore exploration licences issued by Petroleum Affairs Division. Its aim is to promote hydrocarbon exploration and development activities by strengthening local support structures, funding of research data gatherings and 'land based' research in Irish offshore areas. Receipts in relation to the PIP Fund are recorded as appropriations-in-aid and paid into the fund via subhead D.3.

The Fund is administered by the Petroleum Affairs Division of the Department.

7.2 Energy Efficiency National Fund

Statement of receipts and payments of the Energy Efficiency National Fund for the year ended 31 December 2017.

| | 2017 | 2016 |
|------------------------|----------------------|----------------------|
| | €000 | €000 |
| Balance at 1 January | 31,810 | 31,810 |
| Receipts | — | — |
| Investments | — | — |
| Balance at 31 December | <u>31,810</u> | <u>31,810</u> |

The Energy Efficiency National Fund (EENF) was established in 2014 under the provisions of the European Union (Energy Efficiency Obligation Scheme) Regulations 2014 (SI 131 of 2014). The objectives of the Fund are to (i) support the delivery of energy efficiency improvement programmes and other energy efficiency measures, and (ii) promote the development of a market for energy efficiency improvement measures. The Government provided €35 million from the Carbon Revenue Levy Fund to the EENF. Funding is invested in a qualifying investor fund (QIF) authorised and regulated by the Central Bank of Ireland. The State funding is matched by private sector funding. The Minister, along with other investors, is represented on an investment advisory committee and all shareholders receive annual reports and interim financial statements on the QIF's performance.

The total investment and set up costs met by the State to 31 December 2017 is €3.19 million, leaving a balance remaining in the Fund at that date of €31.81 million. At 31 December 2017, the State's investment in the QIF was valued at €1.45 million.

Appendix A Schedule of land and buildings

The Minister owns the following General Post Office (GPO) properties:

- 1 GPO Building
- 2 GPO Arcade
- 3 1-6 Post Office Buildings
- 4 24-30 Henry Street

These properties are managed under leases and / or licences granted by the State.

The Minister owns Fisheries in Galway and Owenea/Owentocker, County Donegal which are managed by Inland Fisheries Ireland.

The Minister also has a beneficial interest in the metropolitan area networks (MANS), the construction of which was funded jointly with certain local authorities and the European Regional Development Fund.

Appendix B Accounts of bodies and funds under the aegis of the Department of Communications, Climate Action and Environment

The following table lists the bodies under the aegis of the Department and where the Department has an obligation to present financial statements. It indicates, as at end March 2018, the period to which the last audited financial statements relate and when they were presented to the Oireachtas.

| Body/ departmental fund | Last accounting period | Date of audit report | Date received by Minister/ Department | Date presented to the Oireachtas |
|--|------------------------|----------------------|---------------------------------------|----------------------------------|
| An Post | 2016 | 27 Apr 17 | 27 Apr 17 | 31 May 17 |
| Commission for Communications Regulation | 2016 | 23 Dec 16 | 7 Jul 17 | 3 Aug 17 |
| Digital Hub Development Agency | 2015 | 30 Sept 16 | 29 Nov 16 | 14 Dec 16 |
| Broadcasting Authority of Ireland | 2016 | 30 Jun 17 | 26 Jul 17 | 10 Nov 17 |
| RTÉ | 2016 | 20 Apr 17 | 28 Apr 17 | 18 Jul 17 |
| TG4 | 2016 | 26 May 17 | 22 Jun 17 | 13 Jul 17 |
| Bord na Móna | 2017 | 22 Jun 17 | 29 Jun 17 | 17 Jul 17 |
| Commission for the Regulation of Utilities | 2016 | 22 Nov 17 | 18 Jan 18 | — ¹ |
| Eirgrid | 2016 | 22 Dec 16 | 16 Jan 17 | 08 Jun 17 |
| ESB | 2017 | 1 Mar 18 | 8 Mar 18 | 9 Mar 18 |
| Irish National Petroleum Corporation | 2016 | 7 Feb 17 | 28 Mar 17 | 16 May 17 |
| National Oil Reserves Agency | 2016 | 14 Jun 17 | 27 Jun 17 | 13 Jul 17 |
| Sustainable Energy Authority of Ireland | 2016 | 29 Jun 17 | 30 Jun 17 | 1 Jul 17 |
| Inland Fisheries Ireland | 2016 | 22 Dec 17 | 12 Jan 18 | 12 Mar 18 |
| Loughs Agency | 2016 | 10 Aug 17 | 20 Dec 17 | — ² |
| Environmental Protection Agency | 2016 | 30 Jun 17 | 21 Aug 17 | 24 Nov 17 |
| Environmental Fund | 2016 | 22 Dec 17 | 22 Dec 17 | 6 Mar 18 |

¹ Approved by Government and awaiting presentation

² Awaiting submission to Government