

**Committee of Public Accounts Report on the Examination of the 2019 Appropriation Account for
Vote 30 - Agriculture, Food and the Marine, and related financial matters.**

Update April 2023

Bovine TB

Recommendation 1: The Committee recommends that the Department provides it with an update on an annual basis from January 2023 on the progress achieved in eradicating Bovine Tuberculosis by 2030.

The Minister for Public Expenditure and Reform is informed by the Department of Agriculture, Food and the Marine that it accepts this recommendation. The Department of Agriculture, Food and the Marine will provide an update on an annual basis from January 2023 on the progress achieved in eradicating Bovine Tuberculosis by 2030.

Update – 2022 statistics relevant to this report are being finalised and the report will be issued to the Committee by the end of May.

Recommendation 2: The Committee recommends that the Department includes a separate subhead in the Appropriation Account for Vote 30 to account for expenditure on the Bovine Tuberculosis Eradication Programme commencing with the 2022 Appropriation Account.

The Minister for Public Expenditure and Reform is informed by the Department of Agriculture, Food and the Marine that it accepts this recommendation. Commencing in the 2022 Appropriation Account a separate subhead will account for expenditure on the Bovine Tuberculosis Eradication Programme.

Update – Subhead A.4 Bovine TB and Brucellosis Eradication published in the 2023 Revised Estimates under Programme A.

Fisheries

Recommendation 3: The Committee recommends that the Department:

- completes the implementation of the four outstanding recommendations in the C&AG's Special Report 82, and
- implements the three recommendations in Chapter 10 of the C&AG's Report on the Accounts of the Public Services 2019 without delay, and reports back to the Committee on the progress on same in January 202

Implementation of the four outstanding recommendations in the C&AG's Special Report 82

Recommendation 1 – Accounting C&AG's Special Report 82

An amendment to the Fishery Harbour Centres Acts is on the legislative programme and the Department has commenced a review process to support that.

Update – Review concluded. Implementation plan underway

Recommendation 2 - Governance Arrangements C&AG's Special Report 82

Governance arrangements have been implemented in line with the recommendation and this can now be considered completed

Update - Completed.

Recommendation 3 - Charging Capacity C&AG's Special Report 82

As per the implementation report in September 2022, the Department has reviewed charging in the Fishery Harbour Centres and considers that it is not an appropriate time to increase or introduce new charges due to the impact of the current geopolitical climate on fuel and energy costs for the seafood sector.

Update - Completed

Recommendation 6 - Effectiveness of Debt Collection C&AG's Special Report 82

As of Q3 2022 mature debt is not in excess of the target debt level of €1.8m

Update - Completed.

Recommendations included in Chapter 10 of the C&AG's Report on the Accounts of the Public Service 2019

Recommendation 10.1 - Chapter 10 of the C&AG's Report on the Accounts of the Public Service 2019

In relation to the operation of fishery harbour centres, the Department should complete a review of the financial reporting and financial management processes. Following consultation with relevant parties, it should adopt a formal plan to implement recommendations identified by that review within a specified timescale".

In response to the recommendation and certain other matters also raised in Chapter 10 of the Report on the Accounts of the Public Services 2019, the Secretary General of the Department decided to form a group to look at aspects of the findings. The group was chaired by the Chief Financial Officer of the Department and membership included a Senior Finance Specialist from the Institute of Public Administration and a representative of the Government Accounting Unit in DPER.

The terms of reference for the Review Group were as follows:

To review the current financial management processes in place in the Fishery Harbour Centres and to examine and consider the steps required to bring the format of the financial reports of the Fishery Harbour Fund into line with standard accounting practice as set out in the C&AG's Special Report 82- *Financial Management and Reporting for Fishery Harbour Centres*.

The Group examined the operation of the harbours in terms of commercial activity, funding, management and development and concluded that the Department should proceed to subsume the current receipts and payments into the Vote and to set aside the need for a separate financial account. The group was satisfied that the reporting requirements of the Departments Appropriation Account

will provide all the necessary transparency and this can continue to be supplemented by whatever management reporting is required. The Department's Management Board agreed with the recommendations of the Group on 13th July 2021.

The Department is progressing work towards subsuming the Fishery Harbour Centres Fund into the Department Vote. Implementing this recommendation requires an amendment to the Fishery Harbour Centres Act 1968 (as amended) to adjust the provisions obliging the Minister to establish, manage and maintain the Fund and, more specifically, as it relates to the payment of all monies (rates, tolls, charges and rents) received into the Fund and the payment of all outlays and expenditures from the Fund. As a first step towards enabling this recommendation, which will require Oireachtas approval, the Sea Fisheries Administration Division has commenced a review of the Act.

Update: Review concluded. Implementation plan underway.

Recommendation 10.2 - Chapter 10 of the C&AG's Report on the Accounts of the Public Service 2019

"The Department should set an appropriate target date for earlier presentation of its annual financial statements for the fishery harbour centres and should develop a plan to achieve delivery within that target timeframe. This plan should also take account of the requirements for the preparation, audit and presentation of the other financial statements the Department is required to produce".

There has already been a significant improvement in the timeliness of financial reporting, although there are particular circumstances in 2020 that meant that the 2019 accounts could not be submitted as early as those for 2018. The 2020 & 2021 Financial Statements were submitted to the audit team on 31st March 2021 and 6th April 2022 respectively.

Update - The 2022 Financial Statements were submitted to the audit team on 30th March this year.

Recommendation 10.3 - Chapter 10 of the C&AG's Report on the Accounts of the Public

Service 2019

"The Department should ensure that all management committees have a clearly defined terms of reference that has been approved at an appropriate level, minutes of meetings held are prepared and approved and that there are appropriate formal reporting arrangements".

The Secretary General formally signed off on the Terms of Reference of the Fishery Harbour Centres Management Committee on 18th November 2020. The Committee meets regularly (4 times in 2021 and to date twice in 2022). An annual report is submitted to the Department's Management Board.

Update – Completed

World Food Programme

Recommendation 4: The Committee recommends that the Department improves forecasting for the projected expenditure on the State's contribution to the World Food Programme, and puts structures in place to ensure supplementary estimates for the World Food Programme are avoided in so far as possible.

Update - Recommendation accepted. The Department will consider if there is a more appropriate funding mechanism as part of the next budgetary cycle, or before the Department enters into a new commitment with the World Food Programme.

Climate Action Fund

Recommendation 5: The Committee recommends that the Department of Public Expenditure and Reform provides it with an update by January 2023 on any allocations provided to the Department of Agriculture, Food and the Marine from the Climate Action Fund.

Update - The Department of Agriculture, Food and the Marine has not received any allocations from the Climate Action Fund. The Department's Carbon Tax fund allocations are published by the Department of Public Expenditure, NDP Delivery and Reform.

ACRES Funding

Recommendation 6: The Committee recommends that the Department of Agriculture, Food and the Marine provides the Committee with a report by January 2023 as to its intended distribution of its Climate Action fund allocation to the Agri-Climate Rural Environment Scheme (ACRES) over the course of the Common Agricultural Policy 2023 to 2027, as well as the arising co-financing rate.

Update –

Carbon Tax Funding

The Programme for Government commitment provides for €1.5bn of carbon tax funding over the period 2020-2030. The funding will be made available as it is generated and will be utilised to fund the flagship agri-environment and climate measure over the period of the CSP and for future CAP programmes as it becomes available. The carbon tax funding is expected to increase year on year with the largest revenue expected to be available in the later years.

€723m of carbon tax funding will be made available over the period of the CAP Strategic Plan 2023 to 2027 with the remaining funds to be available in the next programming period.

The carbon tax funding will be used primarily to support the Agri-Climate Rural Environment Scheme (ACRES), which is included in Ireland's CAP Strategic Plan for the period 2023-2027. However, beyond ACRES, it is proposed that some €3m of the 2023 Carbon Tax funds will support other initiatives, including a demonstration anaerobic digestion project specifically in 2023.

The utilisation of carbon tax funding for the period 2028-2030 and the most appropriate mechanism for doing so will be considered at the appropriate time.

Since the carbon tax increase announced in Budget 2020, the following carbon tax receipts have been allocated to the agricultural sector:

- In 2020, €3 million allocated to Green Agricultural Pilots
- In 2021, €3 million was allocated to the continuation of the of the 2020 Green Agricultural Pilots, as well as a further €20 million allocated to piloting new results based programmes in agriculture - the REAP Scheme under the RDP
- In 2022, €3 million was allocated to the continuation of the Green Agricultural Pilots