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An Agency within the Department of
**Agriculture, Environment
and Rural Affairs**

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**INVESTORS
IN PEOPLE**

**Northern Ireland Environment Agency
Annual Report and Accounts
For the year ended 31 March 2020**

*Laid before the Northern Ireland Assembly
under section 11(3) (c) of the Government Resources
and Accounts Act (Northern Ireland) 2001
by the Department of Agriculture, Environment and Rural Affairs*

on

13 October 2020



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ANNUAL REPORT



Chief Executive's Perspective on Performance

I am pleased to present the Northern Ireland Environment Agency's (NIEA, the Agency) 2019-20 Annual Report and Accounts. This year we achieved many of our key operational targets while preparing for the UK's departure from the EU and dealing with the challenges presented by COVID-19.

During the reporting period, preparing to leave the EU continued to be a top priority for the Agency. Work continued on many fronts including on aspects of policy frameworks, relevant legislation amendments and transitional and day one planning specifically in relation to Waste and Water compliance and regulation but also the implications of administering the Protocol on Ireland/Northern Ireland.

Alongside the preparations for the departure from the EU NIEA has continued to focus on core business and the delivery against our targets which underpin the Agency's primary purpose "to protect and enhance Northern Ireland's environment and in doing so, deliver health and well-being benefits and support economic growth". In terms of achievement the Agency met 12 of the total 18 targets including four of the seven 'key performance targets' (KPTs).

In regard to our natural heritage, the Agency achieved 5,000 hectares of terrestrial protected areas under favourable management. In addition, new integrated environmental advice was delivered for planning to support effective and informed planning decisions. Five out of our seven country parks received 3-star awards, with two sites receiving a 4-star award for visitor service excellence, through the Tourism NI visitor attraction quality grading scheme. Our sites attracted an estimated 2.33 million visits over the course of 2019.

The Agency's Enforcement Branch continues to tackle offending within Northern Ireland's waste industry. During the financial year, the team's Assessment Unit processed 817 incidents of suspected waste criminality and carried out 60 criminal investigations leading to 12 successful convictions. In dealing with the aftermath of environmental crime, during the reporting period the Agency progressed the programme associated with the illegal waste at Mobuoy Road, namely approval of the Outline Business Case (OBC) 1, development of a procurement Strategy and development of a Site Vision.

A key focus has and will continue to be the enhancement of Northern Ireland's water bodies. In December the Agency published the Significant Water Management Issues Report for public consultation. The report highlights how Northern Ireland's water environment remains under pressure from human activity, with the main pressures coming from agriculture and waste water related impacts. The report stated that 37% of our 450 water bodies (rivers, lakes, marine and groundwater) are at 'good' status or better. However as compliance with the Water Framework Directive target requires 70% of water bodies at 'good' status by 2021 we need to look at new ways of turning the curve on this target and are therefore seeking the views of the public as part of the first step in a process to develop the next cycle of River Basin Management Plans.

In November the Agency brought together representatives from business, the third sector, trade bodies and regulators at its annual forum. The event focused on the challenges of climate change, and the potential for Prosperity Agreements to play a key role in meeting environmental challenges.

We continue to value our strong partnerships with our customers and stakeholders. During the reporting period over £3.6m was committed by the Agency under the Environment Fund to deliver 24 projects under the first year of the Strategic Strand of the Fund and 17 projects were funded in year under the Environments Fund's Capital Challenge Fund.

Looking to the future it is essential that we target the Agency's limited resources on our key business priorities, specifically our statutory obligations and Programme for Government commitments. Although Brexit and specifically the Northern Protocol will continue to be a challenge in the coming year, dealing with the implications of the COVID-19 pandemic will also prove to be a significant challenge. However I believe that as we emerge from this crisis opportunities will appear which could help to improve the state of our natural environment and therefore the lives of our citizens. We will need to ensure that in the planned recovery the environment is front and centre to ensure a "green growth" recovery.

I am grateful to the many environmental and other organisations, from the voluntary, business, law enforcement and community sectors, which continued to help the Agency during 2019-20.

Finally I am also grateful to the staff in the Agency for their professionalism and commitment in delivering the Agency's aims and objectives, particularly during what has been a challenging year in regard to the ongoing preparedness for Brexit.



Tracey Teague
Acting Chief Executive
25 September 2020

Non-Executive Board Member Report

The year to 31 March 2020 has been one of significant change for the Northern Ireland Environment Agency (NIEA). A complex and diverse operational organisation the Agency continues to meet competing demands in this environment of change, as it exercises its regulatory, enforcement and operational duties to ensure compliance with environmental legislation and standards.

As a Non-Executive Member of the Agency Board I have input into these and other areas of NIEA's activities through discussions with key executives at the Board meetings and regular scrutiny of progress and risks at each Audit Risk and Assurance Committee meeting, which I chair.

NIEA Board

The Management Board met 11 times in 2019-20; in addition to papers on operational issues its agenda included issues linked to the EU Exit, monthly finance and corporate governance updates, HR and H&S updates.

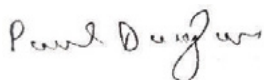
Board Effectiveness

The Agency had planned to undertake a Review of Board Effectiveness in the final quarter of 2019-20, however this did not take place due mainly to the COVID-19 lock down. The Agency plans to undertake a review in the first half 2020-21. Members will complete a self-assessment questionnaire of mandatory statements which rates their views on the relative strengths, and perceived weaknesses of the Board's effectiveness.

Audit and Risk Assurance Committee

The Audit Risk and Assurance Committee, under my chairmanship met on four occasions in 2019-20 and continued to support the Accounting Officer and Management Board in their responsibilities for issues of risk, control and governance. At each meeting the committee reviewed progress on audit recommendations, considered fraud and whistleblowing cases, the NIEA Risk Register and other governance related issues such as Post Project Evaluations (PPEs) and any Direct Award Contracts awarded.

During the reporting period the committee welcomed the unqualified audit opinion on the 2019-20 accounts and the satisfactory audit opinion presented by Internal Audit in their 2019-20 Annual Opinion and Report. The committee made a number of considered recommendations in relation to risk management in the Agency and gave consideration to key issues such as the impact of the reduction in the number of audits undertaken by Internal Audit but acknowledged the associated difficulties surrounding the recruitment of qualified internal auditors. The committee sought and received assurances that the reduced level of audits would continue to provide reasonable assurance to the Accounting Officer.



Paul Douglas
25 September 2020

1. PERFORMANCE REPORT

1.1 Overview

Introduction

This commentary sets out the Agency's main objectives, comments upon the organisational context within which the Agency operated, and provides a detailed report on performance during 2019-20.

History and Statutory Background

The Northern Ireland Environment Agency (NIEA, the Agency) hereby presents its Annual Report and Accounts for the year ended 31 March 2020.

The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FReM) and under an Accounts Direction given by the Department of Finance (DoF) in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

The NIEA is an Executive Agency within the Department of Agriculture, Environment and Rural Affairs (DAERA, the Department) in Northern Ireland. The NIEA became an Executive Agency within DAERA following the 2016 Assembly Election on 5th May 2016, in accordance with the Stormont House Agreement's commitment to reduce the number of Northern Ireland Civil Service (NICS) Departments from 12 to 9. The NIEA, the successor of the Environment & Heritage Service (EHS) which was established on 1 April 1996, was launched on 1 July 2008, pursuant to a Ministerial decision that the EHS would be reorganised.

The Chief Executive of the Agency is also the Agency Accounting Officer with the responsibilities and delegations outlined in Chapter 3 of the Department of Finance (DoF) Guide - Managing Public Money Northern Ireland (MPMNI).

STRUCTURE

NIEA is an Executive Agency within the DAERA. The Agency is headed by a Chief Executive and two Directors of two Divisions – Natural Environment and Resource Efficiency. A Non-Executive Director was appointed on 1 September 2018 for a three year period. A Business Support Team assists the Chief Executive and Directors in the delivery of key corporate functions such as strategic planning, governance, and financial and budget management.

Business Priorities for 2019-20

For 2019-20, NIEA's primary purpose was 'to protect and enhance Northern Ireland's environment, and in doing so, to deliver health and well-being benefits and support economic growth'. This purpose underpinned and contributed to DAERA's 2019-20 vision of 'a living, working, active landscape valued by everyone'.

Of the eighteen targets in the NIEA 2019-20 Business Plan, four are included in the DAERA 2019-20 Business Plan. The main activities relating to these targets are the protection of the environment through regulation and enforcement; statutory designations; research and monitoring; raising public awareness of the environment and their role in protecting it.

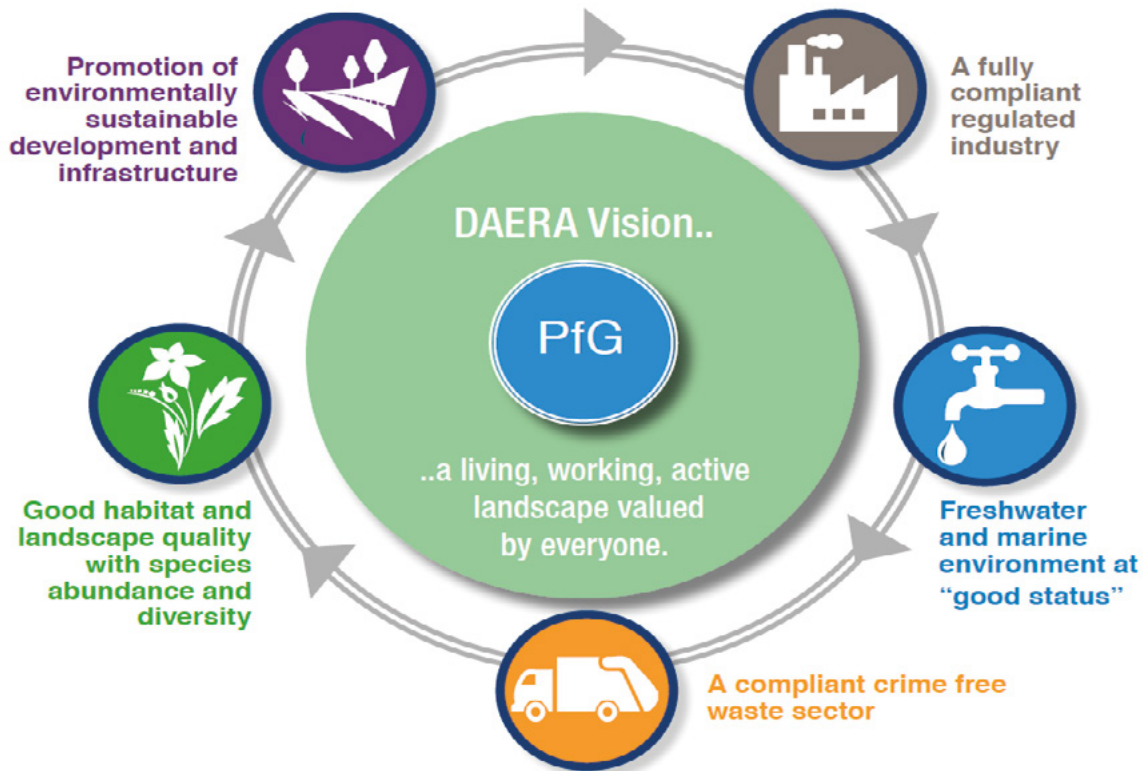
In addition, a programme of work was progressed to ensure the Agency was adequately prepared for the UK's departure from the EU in terms of agreed policy frameworks, relevant legislative amendments, transitional and day one delivery planning.

Principal Activities

The eighteen targets included in the NIEA Business Plan 2019-20 set out the Agency's priorities for the year. These targets set the direction of the Agency so our staff know what they have to deliver, our customers and stakeholders know what to expect from us and the public knows what we intend to deliver.

One of DAERA's four strategic outcomes for 2019-20 is a "clean, healthy environment, benefitting people, nature and the economy", which underpins the draft Programme for Government (PfG) Outcome 2, "We live and work sustainably – protecting the environment".

In line with NIEA's overall purpose, the Agency has a pivotal role in delivering these outcomes through its own five key priorities:



What We Do & How We Performed During 2019-20

The key activities and functions which helped to deliver against our five key priorities are:

A Fully Compliant Regulated Industry

To help achieve this key priority NIEA:

Promotes a sustainable approach in managing both waste and land resources in Northern Ireland to protect our environment. This encourages resource efficiency and economic growth. The Agency monitors, audits and regulates licensed and exempt waste facilities and activities in order to protect and minimise impacts to the environment and human health.

Monitors and regulates discharges to the aquatic environment from both industry and sewerage providers and this work is supported by an extensive compliance sampling programme. To effect significant environmental improvements, the Agency provides advice and guidance to Northern Ireland Water to enhance its asset performance.

Undertakes a wide ranging programme of visits to industrial, agricultural, construction, demolition, and other industrial sites providing pollution prevention advice and carries out risk assessments with the aim of minimising the impact of these activities on the environment.

Undertakes cross-compliance farm inspections throughout Northern Ireland under

three environmental Statutory Management Requirements, and three Good Agricultural and Environmental Conditions. These requirements cover a range of environmental conditions relating to protected Habitats, Birds, Groundwater, Buffer Strips, Irrigation Authorisations and the Nitrates Directive.

Freshwater and marine environment at 'good status'

DAERA is the lead Department responsible for improving water quality under Outcome 2 of the draft Programme for Government (PfG).

NIEA's Drinking Water Inspectorate (DWI) continued in its role to protect public health by safeguarding drinking water quality through effective regulation in line with the drinking water safety plan approach detailed by the World Health Organisation. The regulatory duty to undertake water quality monitoring and completion of risk assessments at registered private water supply sites is undertaken in conjunction with local councils.

On average NIEA undertakes in excess of 13,000 tests annually on private water supplies to monitor compliance with regulatory requirements. Northern Ireland Water's regulatory duty to provide safe, clean water is assessed by DWI from water quality data, risk assessments, water quality investigations and event investigations submitted to them with appropriate action being taken as necessary. On average approximately 50 water quality events are investigated annually.

The Agency continues to work closely with CAFRE's Knowledge Advisory Service (KAS) providing guidance to ensure good advice is given to the agri-food sector in respect of mitigating the impact of agricultural practices on water quality.

A compliant crime free waste sector

Environmental offenders can inflict large-scale and long term damage on our environment and deprive the local economy of considerable revenue and impact upon legitimate businesses ability to compete. Waste crime can occur in a very broad range of settings and circumstances, both within and external to the legitimate waste sector. This can range from fly-tipping to very large scale organised criminality such as illegal landfills, unlicensed end of life vehicle yards or waste transfer stations. Such activity is frequently lucrative and offending, blights our environment and can have a profound effect on surrounding land, air and water.

The Agency seeks to protect and improve the environment through fit for purpose regulation, control and enforcement which supports the legitimate economy while removing illegal activity from the waste sector.

NIEA's Regulation Unit monitors and regulates the waste industry through a programme of site visits, inspections and audits which are determined by risk based compliance assessment models. Regulatory staff monitor waste operators, waste carriers and brokers, waste processors, waste exporters and businesses who fall within the Producer Responsibility Regulations. Where operators are non-compliant the Regulation Unit ensure they quickly come back into compliance and if/when necessary proportionate enforcement action is taken to alter behaviour in order to protect land, water and drinking water.

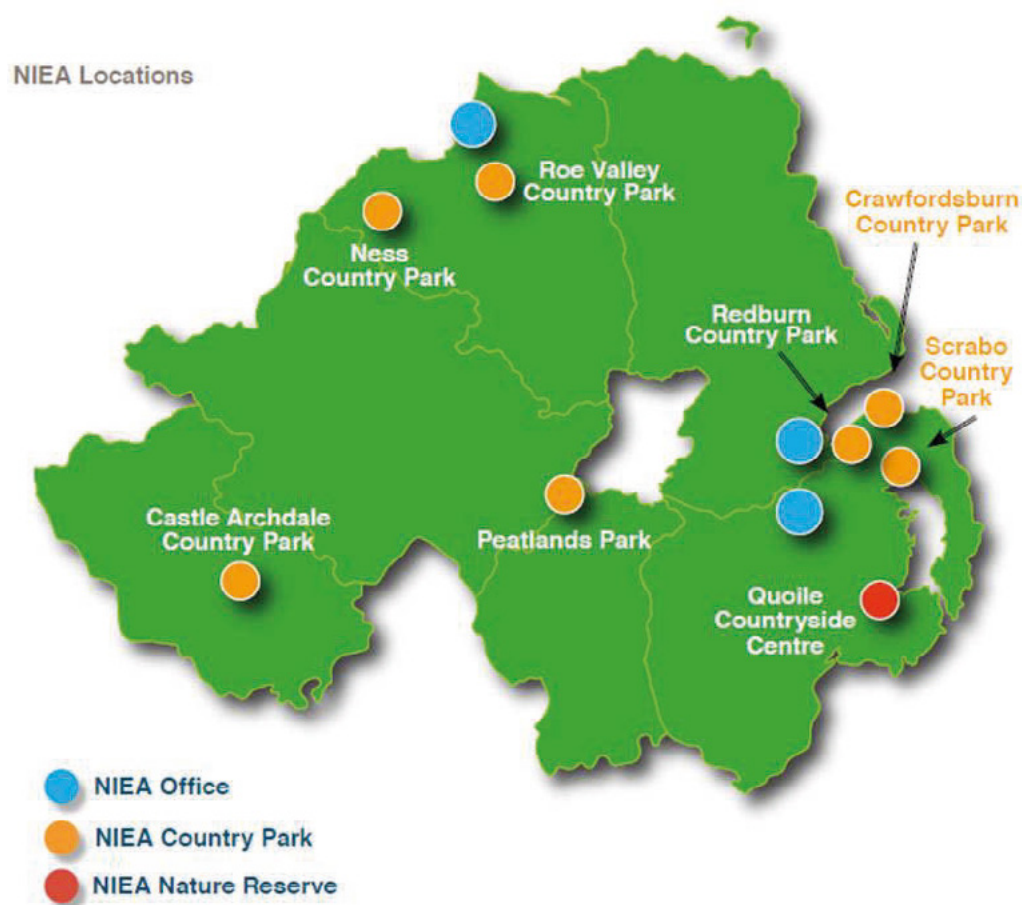
NIEA's enforcement activities tackling criminality ranges from education and prevention to deterrence, disruption and detection. With regard to the significant financial gains that criminals can obtain from waste crime, the Agency utilises powers under the Proceeds of Crime Act 2002 to deprive waste offenders of the proceeds of their criminal conduct. This approach serves to ensure that offenders are deprived of the means to further offend and sends a clear message to others that waste crime will not pay.

Good habitat and landscape quality with species abundance and diversity

(a) Country Parks and Nature Reserves

NIEA manages 7 Country Parks and 65 Nature Reserves across Northern Ireland. These sites provide a unique value in terms of environmental heritage, wellbeing, conservation and natural culture.

Sites are open for public access throughout the year.



(b) Protection and Management of Habitats and Species

The key objective of nature conservation policy is to achieve favourable conservation status for our priority habitats and species, a situation where a habitat type or species is prospering (in both quality and extent/population) and with good prospects to continue to do so in the future.

NIEA carries out surveys to identify the best of our terrestrial and freshwater assets. This data and information is used to inform the designation programme for protected areas, especially species-rich grasslands which are habitats that have declined significantly over the past 50-60 years. This data is shared outside the Agency.

NIEA provides evidence, advice and grant aid to key stake holders to support them in managing some of the region's special habitats. The Agency continues to develop habitat mapping

capabilities from satellite data through the Earth Observation project. This will permit quantification of habitat extent and timely monitoring of change across Northern Ireland.

The Agency continues to work closely with DAERA colleagues in the delivery of a cross departmental approach to reduce and minimise the impacts of air pollution (nitrogen deposition) which is having a detrimental impact on our protected areas and wider biodiversity across Northern Ireland.

Promotion of environmentally sustainable development and infrastructure

The Agency protects the environment through effective regulation of a range of sectors. For example, NIEA monitors and regulates discharges to the aquatic environment from both industry and sewerage providers.

The NIEA Water Chemistry Group's laboratories provide a quality assured analytical service to various partners across the agency and wider Department. The group facilitates analysis for a variety of regulatory activities, statutory and investigatory sampling programmes. Importantly NIEA's laboratories maintain their sampling and analysis UKAS Quality Accreditation ensuring independent quality assurance of activities underpinning regulatory and enforcement processes.

The work undertaken by the Agency is broad, for example NIEA works closely with NI Water to ensure that drinking water quality is maintained to protect public health. During the summer of 2019 the Agency commenced a baseline antibiotic sampling and analysis programme in the aquatic environment with a further study planned during 2020.

NIEA staff work closely with the CAFRE Knowledge Advisory Service (KAS) to identify and agree key environmental issues, priorities and programmes, and provide specialist advice to ensure environmental outcomes are achieved. NIEA are represented on the KAS Oversight Board and have identified and agreed issues that they wish KAS advisors to build into their work programme for 2020-21.

DAERA has a statutory responsibility under The Planning (General Development Procedure) Order (Northern Ireland) 2015 (as amended) to respond to planning consultations from councils and the Department for Infrastructure in accordance with the provisions of the Planning Act (Northern Ireland) 2011. The Agency is also consulted on other non-statutory planning applications which may have an impact on the environment. The Planning Response Team provides a single point of contact for environmental advice on planning matters to councils, developers and the public; and provides a single, integrated response for each consultation.

Further Information

Further information about our activities is available on our website at <https://www.daera-ni.gov.uk/northern-ireland-environment-agency> including information on a wide range of publications explaining or reporting on our work in greater detail.

Future Developments

The Transition period for EU Exit (to end December 2020) and dealing with the implications of the COVID-19 pandemic will be the top priorities for the Agency over the 2020-21 financial year and this will be reflected in the Agency's 2020-21 Business Plan.

In preparing for the end of the EU Exit transition period and beyond the Agency shall continue to prepare on all aspects of policy frameworks, relevant legislative amendments and transitional and

day one planning, specifically in regard to Waste, Water and Biodiversity compliance and regulation.

Going forward the Agency's focus shall be on ensuring that our objectives and targets, and associated activities, underpin and help to deliver the Agency's current primary purpose "to protect and enhance Northern Ireland's environment and in doing so, deliver health and well-being benefits and support economic growth".

The Agency faces other long term environmental challenges, for example in relation to water quality, we are currently implementing a second Northern Ireland-wide six year cycle of programmes and measures which aims to have 70% of all water bodies within Northern Ireland classified as achieving 'good status' or better by 2021.

In addition to the NIEA's draft Programme for Government key commitments, the agency also aims to deliver on targets such as:

- Carrying out appropriate environmental regulatory checks and monitoring and surveillance that will ensure the protection and enhancement of the environment and inform future evidence led policy, strategies and decisions to deliver improved environmental outcomes;
- Responding effectively and efficiently to the issues arising from the impact of COVID-19 on the environment and develop and feed into the COVID-19 recovery work;
- Taking appropriate enforcement action (where the offender can be identified) within 7 months on 90% of breaches in legislation which lead to significant environmental consequences;
- Implementing Year 2 of the 2019 Outcome Action Plan for 20 high priority river bodies identified as having significant water quality issues;
- Completing cross compliance inspections on at least 0.5% of all farms which includes 5% under derogation by 31 December 2020, and
- Achieving 6,000 hectares of terrestrial protected areas under favourable management.

Risk

A Risk Register has been prepared on the basis of an assessment of the key risks impacting on the achievement of the Agency's Key Performance Targets and includes the following:

- Failure to properly manage and deploy appropriate staff resources leading to targets not being met;
- Failure to fully utilise funding, leading to an underspend or overspend, or funding not being allocated in line with corporate priorities;
- Failure to comply with Health and Safety statutory duties and NIEA Health and Safety policy increases the likelihood of a major incident resulting in the loss of life or serious injury and increased liability;
- Failure to deliver on key targets as the Agency's focus and resources are directed towards Brexit issues; and,

- Failure to protect the environment and / or human health through ineffective regulation of authorised waste sites, waste movements and / or poor working relationships with stakeholders.

Performance against Targets

The Agency met four of the seven Key Performance Targets set out in the draft 2019-20 NIEA Business Plan as shown in the table below. The achievements reported have been validated by the Department of Finance's Internal Auditors

Number	AGENCY KEY PRIORITY (1-5)	TARGET	RESULT
1	4	Achieve 5,000 hectares of terrestrial protected areas under favourable management, which in turn will contribute directly to the delivery of PfG Outcome 2 indicator associated with protecting biodiversity.	Achieved
2	4	To approve 10 Special Areas of Conservation (SACs) habitat maps and complete 30 SAC Pressures and Threats Reviews.	Not Achieved
3	1, 2, 4 & 5	Deliver new integrated environmental advice for planning to support effective and informed planning decisions	Achieved
4	2	Secure a 5% decrease in Soluble Reactive Phosphorus (SRP) against the 2017 average in order to support the PfG Outcome 2 indicator (improve water quality) and the 2021 EU Water Framework Directive water quality status target.	Not Achieved
5	2	Prepare and implement Outcome Action Plans (Year 1) for 20 river bodies and monitor progress through phosphorus monitoring.	Not Achieved
6	1 & 3	Help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry, aiming for 90% compliance with all authorisations and regulatory requirements using agreed compliance assessment methodology.	Achieved
7	1 & 3	Implement the 2019/20 actions for delivery of the Mobyoy Remediation Programme within agreed timeframes (approval of Outline Business Case 1, development of a Procurement Strategy and development of a Site Vision).	Achieved

Explanation for Key Targets Not Achieved

Key Target 2

Ten Special Area of Conservation habitat maps were approved and 27 Pressure and Threats reviews were completed. The development of 30 Pressures and Threats Reviews was not completed due to staffing and COVID-19 pressures experienced by an external contractor delivering work on behalf of NIEA.

Key Target 4

The latest (2018) figures show a further increase in Soluble Reactive Phosphorus (SRP) indicating this target was not met. SRP in our water bodies has been increasing since around 2012, principally reflecting changes in farming practices over the period since then.

Despite the ongoing programme of measures to improve water quality further interventions will be necessary to reverse this position.

Additional measures will be identified as part of the development of the 3rd cycle River Basin Management Plans. In the meantime ongoing monitoring of rivers and lakes, catchment work, pollution investigations and engagement and partnership working with key stakeholders will continue COVID-19 restrictions permitting.

Key Target 5

We reviewed the completed Outcome Action Plans as recorded on HPRM and confirmed 20 to have been prepared as reported, however they have not been formally approved.

1.2 Performance Analysis

As stated above the Agency uses the Strategic Outcome approach to help develop key targets and to enable the Board and managers at all levels to monitor performance against these targets on an ongoing basis. The Corporate Governance Sub-Committee of the Agency Board formally reviews progress against the targets.

As stated in the Overview Section, the Agency met four of its seven Key Performance Targets. However the Agency had a number of other targets as set out in the 2019-20 draft NIEA Business Plan, and these, along with the Key Performance Targets (KPTs) are shown in the Business Plan Targets table below.

Number	Division	Agency Key Priority (1-5)	Target (description)	Achieved / Not Achieved
1	Natural Environment Division (NED)	4	Achieve 5,000 hectares of terrestrial protected areas under favourable management, which in turn will contribute directly to the delivery of PfG Outcome 2 indicator associated with protecting biodiversity. DAERA and KPT target	Achieved
2	NED	4	To approve 10 Special Areas of Conservation (SACs) habitat maps and complete 30 SAC Pressures and Threats Reviews. KPT	Not Achieved
3	NED	1, 2, 4 & 5	Deliver new integrated environmental advice for planning to support effective and informed planning decisions KPT	Achieved
4	NED	4	Complete a comprehensive analysis of key sources of atmospheric Nitrogen inputs (including ammonia) to one Special Area of Conservation (to inform mitigation options and future management of the wider designated site network).	Not Achieved
5	NED	4 & 5	Develop revised guidance on assessing the cumulative impacts of ammonia and	Not Achieved

Number	Division	Agency Key Priority (1-5)	Target (description)	Achieved / Not Achieved
			nitrogen on natural habitats/designated sites.	
6	NED	4	Achievement of at least a three star rating for six Country Parks across the region under the Tourism NI Quality Grading Scheme.	Achieved
7	NED	2 & 4	Issue letters of Offer for Environment Fund 2020-21.	Achieved
8	Resource Efficiency Division (RED)	2	Secure a 5% decrease in Soluble Reactive Phosphorus (SRP) against the 2017 average in order to support the PfG Outcome 2 indicator (improve water quality) and the 2021 EU Water Framework Directive water quality status target. DAERA, KPT and PfG target	Not Achieved
9	RED	2	Prepare and implement Outcome Action Plans (Year 1) for 20 river bodies and monitor progress through phosphorus monitoring. KPT	Not Achieved
10	RED	1 & 3	Help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry, aiming for 90% compliance with all authorisations and regulatory requirements using agreed compliance assessment methodology. DAERA and KPT target	Achieved
11	RED	1 & 3	Implement the 2019/20 actions for delivery of the Mobuoy Remediation Programme within agreed timeframes (approval of Outline Business Case 1, development of a	Achieved

Number	Division	Agency Key Priority (1-5)	Target (description)	Achieved / Not Achieved
			Procurement Strategy and development of a Site Vision). DAERA and KPT target	
12	RED	1	Deliver the Prosperity Agreement Programme, signing at least two further agreements, and monitor and maintain the existing portfolio.	Achieved
13	RED	2	Prepare and consult on the Significant Water management Issues (SWMI) report in line with Directive and statutory requirements.	Achieved
14	RED	2	Complete Cross Compliance inspections on at least 1% of all farms and 5% under derogation.	Achieved
15	RED	1	Implement the project plan for delivery of the Regulatory Transformation Programme within agreed timeframes.	Achieved
16	Agency	All	Within 6 months of EU Exit, assess the impact of EU Exit on the Agency's operational activities by producing a business change analysis based on the Day 1 Delivery Plans.	N/A
17	Agency	All	Provisional Resource and Capital outturn to be within 1% of Final Budget for 2019/20.	Not Achieved
18	Agency	All	Achieve a 5% increase in the NIEA Employee Engagement Index score (from 48% to 53%)	Achieved

Fully Compliant Regulated Industry

During the reporting period NIEA made good progress on the project plan for the delivery of the Agency's regulatory transformation programme. This ambitious project, which began last year will take 2/3 years to deliver, running parallel with the development of the legislation and working in partnership with key business stakeholders.

The operational elements of the regulatory transformation programme, will deliver a simpler, more effective environmental regulation system, in which all regulated businesses will find it easier to apply for environmental permissions and understand their compliance obligations. During the reporting period the focus of the programme was on the development of IT systems and good progress was made in this regard.

The programme aims to deliver regulatory transformation of:

- Pollution Prevention and Control (PPC) (including waste PPC);
- Waste Management Licensing and Exemptions;
- Water Order discharge consents;
- Radioactive substances regulation; and
- Abstraction and impoundment licensing.

In 2018, NIEA signed a Memorandum of Understanding with the Ulster Farmers Union (UFU) that aims to build a stronger and more effective working relationship between NIEA and the farming community, to support sustainable farming and deliver improved legislative compliance. Following a review of the initial implementation plan a more streamlined set of commitments has been developed. These commitments focus on three key areas namely improving awareness of agricultural and environmental issues; improved guidance and communication and supporting new initiatives to achieve better environmental outcomes. A number of implementing actions involving NIEA, CAFRE (through the Knowledge Advisory Service) and the UFU have been developed to be taken forward in 2020-21.

Freshwater and Marine Environment Classified As Being in a 'Good Status'

NIEA aims to have 70% of all water bodies within Northern Ireland classified as achieving 'Good Status' or better by 2021. This is a six year programme. The key actions to deliver this target are contained within the Agency's River Basin Management Plans and Catchment Management Plans. These documents include details of the activities taken to address failing elements in priority water bodies, including pollution detection and prevention; river and groundwater surveys; focused sampling and monitoring; agricultural inspections, as well as visits as appropriate to high-risk business premises.

However, NIEA alone cannot deliver the necessary improvements to water quality to meet the 2021 target. It requires input and action from a wide range of organisations to develop and implement the River Basin Management Plans and Catchment Plans. During the reporting period NIEA held a catchment stakeholder conference which brought together a range of partners across the water sector to discuss progress and emerging issues in this area. The Department are also involved in a number of collaborative catchments projects through the INTERREG Va funding

stream. A number of these projects are aimed at improving water quality and achieving good ecological status.

During 2019-20 NIEA staff continued to engage and collaborate with colleagues in RoI and attend both Border Regional Operational Committee meetings and the RoI Water Framework Directive Implementation and Coordination meetings.

In December 2020, NIEA published the Significant Water Management Issues report (SWMI) for public consultation. The consultation shall close in June 2020 and documents can be accessed on the DAERA webpage. The SWMI report shows a stagnation in the improvement of water body status, meaning that it is highly unlikely that the target of 70 % of good status or better will be achieved.

During the reporting period NIEA completed Cross Compliance Inspections in 284 farms. This represents more than 1% of all farms and 5% of those under derogation. Fifty Five farms were found to have breaches, which represented 19% of all farms inspected for the relevant Cross Compliance and GAEC areas. The most common breach identified was exceeding Nitrogen loading levels. The Agency successfully delivered its programme of cross-compliance inspections as well as preparing and implementing Outcome Action Plans (Year 1) for 20 river bodies.

Creating a Compliant Crime Free Waste Sector

Enforcement Branch continues to work closely and actively with a range of partner agencies across government, optimising resources with a view to tackling offenders within Northern Ireland's waste industry.

During this financial year, the Enforcement Branch's Assessment Unit processed 817 incidents of suspected waste criminality, 273 intelligence documents and carried out 1,385 research and development requests relating to criminal investigations and regulatory compliance. In addition, the Agency continued twice-yearly strategic assessments which continued to help drive strategy and priorities in terms of counteracting waste offending.

The Agency's enforcement activities saw Enforcement Branch's investigators carry out 60 criminal investigations and overseeing 12 successful convictions.

NIEA have also continued to focus upon smaller scale waste dumping incidents, and those involving unauthorised deposits of hazardous waste such as asbestos. Agency staff undertook a round of visits to tyre retailers, and continue to work alongside District Council colleagues to minimise the environmental impact of bonfires. Work is ongoing to formalise a Flytipping Protocol with the Councils, which will provide both NIEA and Councils with complementary powers to tackle smaller scale unauthorised waste disposal.

The Financial Investigation Section continued to pursue investigations under the Proceeds of Crime Act 2002 (POCA). During the 2019-20 financial year, it secured three confiscation orders and administered four restraint orders against nine entities, with an approximate value of £12 million, reinforcing the use of POCA powers as an effective tool in depriving those involved in waste criminality of any financial gain and providing a strong deterrent and crime prevention tool.

The section also consolidated its investigatory capability with further recruitment, which continues to be built on through ongoing specialised training.

Creating Good Habitat and Landscape Quality with Species Abundance

(a) Country Parks and Nature Reserves

NIEA managed Country Parks and Nature Reserves, their biodiversity and free access helped to connect people to nature and their natural environment during the reporting period. These sites, which provided citizens with a unique value in terms of environmental heritage, wellbeing, attracted an estimated 2.33 million visits over the course of 2019.

During the reporting period five of our country parks received 3-star awards (very good), with two sites receiving a 4-star award (excellent) for visitor service excellence, through the Tourism NI visitor attraction five-star quality grading scheme. The Agency implemented significant habitat management works to maintain and improve the condition of our Nature Reserves. In addition, the Agency undertook substantive projects to enhance both visitor facilities and public access across a number of sites.

(b) Protection and Management of Habitats and Species

During the reporting period the Agency continued to lead on providing evidence and advice to key stakeholders. In support of the PfG Outcome 2 target the DAERA Environmental Farming Scheme, the EU funded INTERREG Va programme and the Management of Sensitive Sites Programme contributed to improving the area of land under favourable management.

Grant aid committed by the Agency under the Environment Fund connected people to the environment and helped with the management of priority habitats and species.

Promoting Environmentally Sustainable Development and Infrastructure

The Agency continues to explore the most effective and efficient ways to deliver environmental advice and guidance to customers to comply with legislative requirements, to deliver environmental outcomes and enable businesses to be profitable and sustainable.

During the reporting period, NIEA continued to work closely with the CAFRE Knowledge Advisory Service (KAS), which is the primary point of environmental advice and guidance to the agri-food sector since it was set up in April 2018. NIEA sits on the KAS Oversight Board, which directs and reviews the annual work programmes of the service. A pilot staff exchange programme between the NIEA Water Management Unit and KAS Sustainable Development Management Branch was undertaken in 2019 to help develop key messages around protecting water quality that KAS Advisors can use in their dealings with the agricultural sector. In addition, a number of networking events were held between NIEA and other parts of DAERA to improve knowledge transfer and collaboration.

During the year, Agency teams provided customer support, technical advice and assessment for over 5,000 planning consultations which were notified to the Planning Response Team through the Planning Portal.

NIEA also published a range of new or updated guidance and standing advice to assist applicants, agents and planning authorities when preparing and/or assessing planning applications which require environmental input/advice. These new and/or revised communications provide all users of our service with a better understanding of the information required when submitting a planning consultation to DAERA, thus reducing the likelihood of delays at a later stage in the process. To

further promote awareness of the guidance and consolidate its use DAERA hosted an environmental seminar for Planning Authority staff in the autumn of 2019.

Other Measures of NIEA's Performance

Managing Our Human Resources Effectively

Throughout the reporting period NIEA continued to invest much effort and resource into improving Leadership and Staff Engagement; this included organisational development days and various communications with staff. The Agency set itself the target of achieving a 5% increase in the NIEA Employee Engagement Index score, from 48% to 53%. The Agency met the target by achieving a score of 55%.

Managing Our Financial Resources Effectively Within a Strong Corporate Governance Framework

The NIEA 2019-20 Provisional Resource DEL overspend of £328k represents 1.3% of the closing net Resource budget (£25.02m), following the final in year monitoring round. However, this was mainly a planned overspend, to offset underspends in the wider parent Group, as the Agency's budget is included in an overall Group budget (for 2019-20, NIEA was part of the Environment, Marine and Fisheries Group of DAERA).

The Capital DEL overspend (£267k), which represents 8.2% of the closing Capital budget (£3.24m) was also a direct result of budgeting at Group level.

Funding

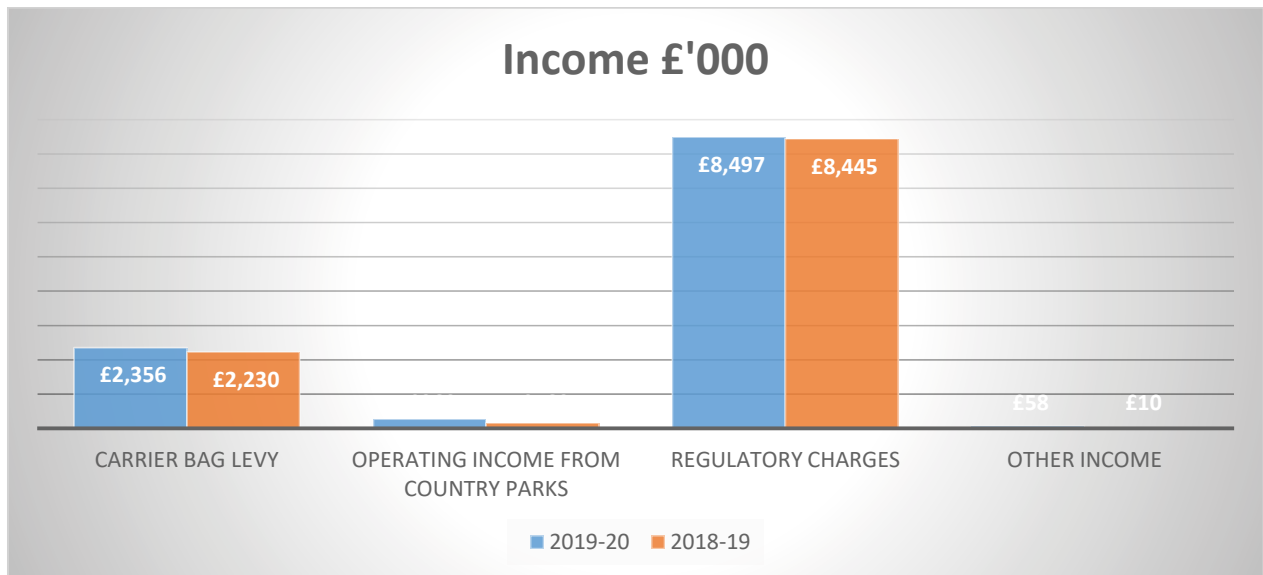
Our primary source of funding in terms of Resource and Capital Expenditure comes from Central Government however around a quarter of expenditure is funded from external income (regulatory charges and the carrier bag levy). The total net assets held by the Agency at 31 March 2020 was £19,642K (2018-19: £18,572K).

Results for the Year

The Statement of Comprehensive Net Expenditure is set out on page 60 and shows the net cost of operations as £31,758,074K (2018-19: £28,074K) representing an increase in net costs amounting to £3,684K (13.12%). This movement was primarily due to an increase in the number of staff employed during the year; Environmental Challenge Fund capital grant scheme, and inflationary price increases. This increase in expenditure was offset by a reduction in spend on ground maintenance in the Agency's country parks.

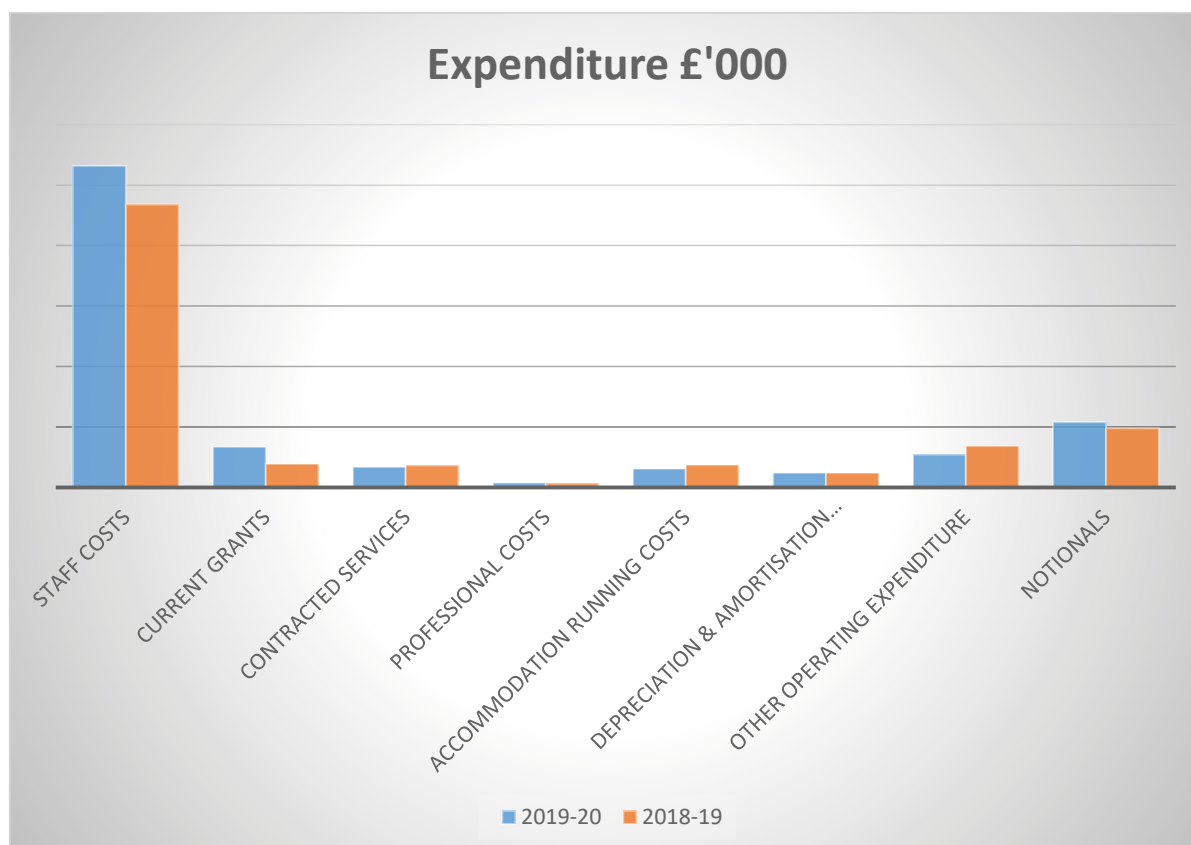
Income

Income increased slightly during the year from £10,845K in 2018-19 to £11,180K in 2019-20. Income from Country Parks increased by 68% from £160k in 2018-19 to £269k in 2019-20. Income from the Carrier Bag Levy increased by 5.7% from £2,230K in 2018-19 to £2,356K in 2019-20. There was also a very small increase of 0.6% in income from Regulatory Charges. The chart below provides a breakdown of the income figure.



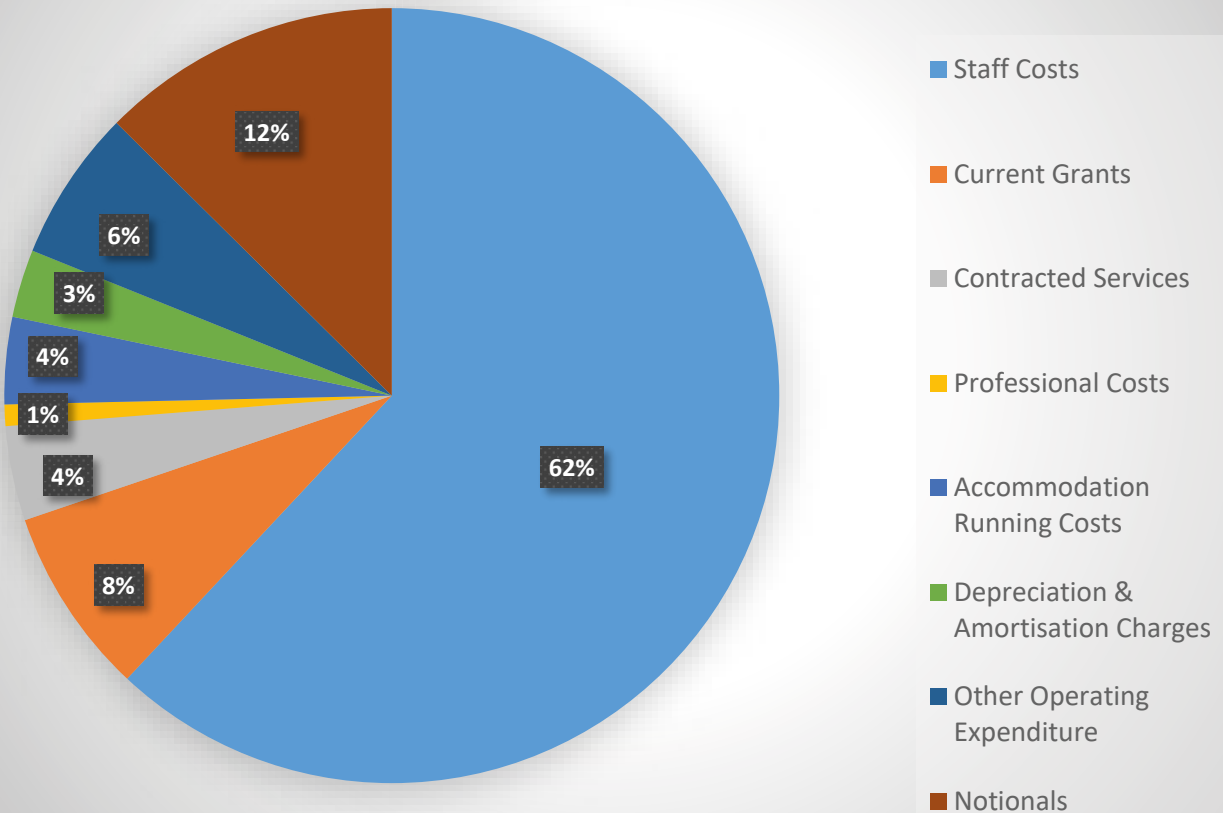
Expenditure

Total expenditure during the year was £42,938K (2018-19: £38,919K) representing a 10.3% increase in total expenditure compared with the previous year. Staff costs amounting to £26,607K (2018-19: £23,401K) make up 62% (2018-19: 60%) of the total expenditure. Grant costs amounting to £3,361K (2018-19: £1,958K) being 8% (2018-19: 5%) of total expenditure. A breakdown showing grants paid by each directorate is included in Note 4 of these accounts.



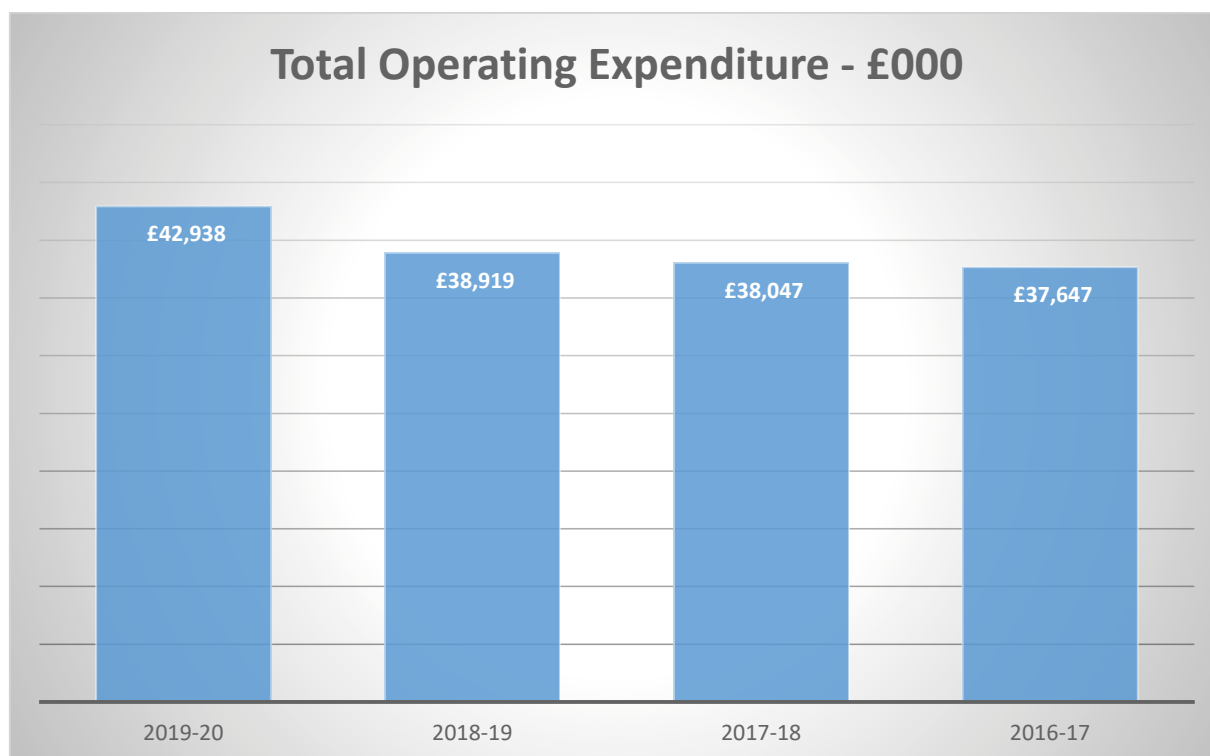
The table below shows how the Agency spent the funding it received in 2019-20. For the 2019-20 financial year, the Agency was allocated a net opening budget of £22.3 million for resource expenditure and £1.0 million for capital expenditure. During the financial year bids and/or easements were submitted to the department at each of the in-year monitoring rounds. In addition, the Agency also funds additional expenditure on programmes through income from services and the carrier bag levy. Income received in 2019-20 was £11.2 million.

How NIEA Spends Its Monies 2019-20



Long Term Expenditure Trends

The following graph shows the expenditure trends arising over the past four years.



The increase in spend was mainly due to the success of the Agency in bidding for additional funds during 2019-20.

Property, Plant and Equipment and Intangible Assets

The Agency does not believe that there is any material difference between the market and book value of its property, plant and equipment and intangible assets. Movements on property, plant and equipment and intangible assets are set out in Note 8 to the accounts.

Supplier Payment Policy

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate. In 2019-20, 98.3% of invoices for goods or services were paid within 30 days (98.8% in 2018-19) and 94.4% were paid within 10 days (90.8% in 2018-19).

Political and Charitable Donations

The Agency made no political or charitable donations within the financial year (2018/19: £nil).

COVID-19

In late March 2020 the Prime Minister advised of the importance of reducing non-essential social contact and where possible to work from home in order to reduce the spread of the COVID-19 virus. Following this, the decision was taken to close the main NIEA HQ in Belfast and to substantially reduce the number of staff working in our Lisburn office. At that stage 57% of NIEA staff had access to a laptop, these staff began working from home. In order to reduce the impact on citizens and the environment as a result of the closure of the NIEA buildings the Department set itself a goal of providing a laptop to every staff member where possible. By mid-April 2020 almost every member of NIEA staff had access to a laptop. This has allowed the Agency to continue operating effectively and reduced significantly the impact of the closure of our building on our stakeholders.

The Agency was forced to stop and/or delay the majority its field work activity during the period when the advice from the Executive was to stay at home. At the start of the lock down the Agency purchased a limited amount of PPE for staff in order that staff could resume field work safely as the restrictions on the movement of people eased.

In 2019-20 limited funds were offered to eNGOs to facilitate staff to work from home and continue to deliver key outputs for the Agency. In relation to the Agency's regulatory charging schemes mechanisms were also put in place for 2020-21 to allow for the extension of customer credit in genuine hardship cases.

UK's Departure from the EU

Preparing to leave the EU (on 31 January 2020) was a top priority for the Agency in 2019-20. As a result of the agreed transition period, from 01 February until 31 December 2020, work will continue on a number of fronts, including on aspects of policy frameworks, relevant legislation amendments and transitional and day one planning specifically in relation to Waste and Water compliance and regulation but also the implications of administering the Protocol on Ireland/Northern Ireland.

Sustainability Report

Sustainability is at the core of all NIEA's business activities. In addition to the positive environmental outcomes that sustainable working delivers NIEA as an organisation recognises the direct cost savings that can be delivered, both internally and externally, by introducing more sustainable development priorities and working practices. Locally, NIEA continued to engage in a variety of ways with many organisations, bodies and individuals across all sectors of Northern Ireland society in order to promote and support sustainable development in Northern Ireland. Looking further afield, NIEA engaged with those in other administrations and internationally in order to develop and implement policy and legislation which supported the delivery of sustainable development priorities.

During the reporting period a new team; MyNI, was established. MyNI is a digital marketing approach that uses a suite of social media channels, supported by a website. The purpose of MyNI is to pro-actively make people aware of Government and other trusted information and services that will influence a positive behavioural change and make people better off. Business areas in EMFG and NIEA have engaged with the MyNI team to promote sustainability to specific audiences, using the following cross-cutting campaigns: Household Recycling/ Food Waste Recycling/ Composting; Get into Nature (health benefits of enjoying nature and the outdoors); Air Quality/ Active Travel/ Health and Environment Strategy. The team has provided evidence of strong audience engagement and positive outcomes in its campaign evaluation reports.



During 2019-20 the Agency sought to reduce its carbon footprint by replacing a number of the Agency's diesel vehicles with electrically powered vehicles at the Agency's Country Parks.

The Premises Team in the Klondyke Building, the NIEA HQ Office, further reduced the amount of waste the building sent to landfill by introducing and promoting further recycling initiatives in the building. It is estimated that there will be a 33% reduction in waste going to landfill from the building as a result of these changes which were implemented during the reporting period. Given the success of the Klondyke initiatives, similar recycling schemes have been rolled out to the Department's other two HQ buildings, in Dundonald House and Ballykelly House, which also accommodate NIEA staff.

Human Rights

The Agency is committed to respecting human rights. We believe that the services we provide and the activities that we undertake have a positive impact on society. The Agency complies with Section 75 statutory equality obligations and all aspects of the Department's Equality Agenda in the delivery of policy and delivery of services.

Anti-Corruption and Bribery

It is crucial that the Agency maintains high ethical standards. The Agency does not tolerate fraud, bribery, any form of corruption or any illegal or unethical activity. DAERA Financial Policy Branch has responsibility for leading on Counter Fraud related matters within the Department. The Department's Principal Accounting Officer established the Departmental Counter Fraud Forum (CFF) as a sub-committee of the Audit and Risk Assurance Committee (ARAC). The role of the Counter Fraud Forum, which includes representation from the Agency, is to oversee, promote and provide guidance in relation to all Departmental activities associated with the prevention and detection of fraud.



Tracey Teague
Acting Chief Executive
25 September 2020

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

Management Board

NIEA's Management Board during the year ended 31 March 2020 comprised:

CHIEF EXECUTIVE

Tracey Teague (Appointed 24 February 2020)

DIRECTOR OF NATURAL ENVIRONMENT DIVISION

Helen Anderson

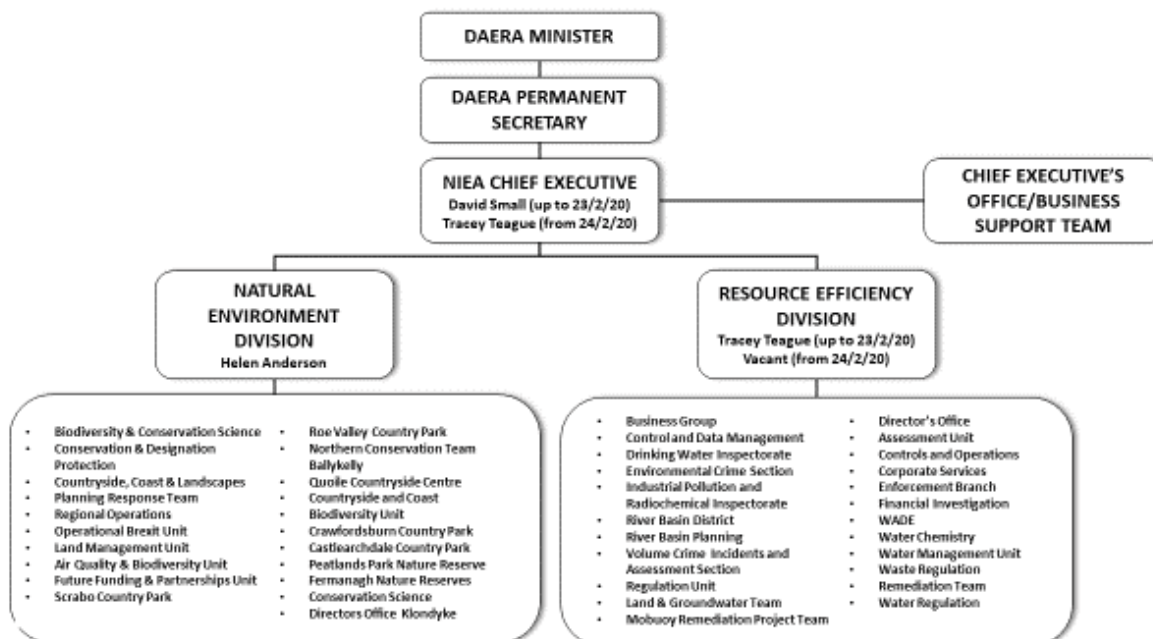
DIRECTOR OF RESOURCE EFFICIENCY DIVISION

Vacant as at 31 March 2020 due to Tracey Teague's temporary promotion, Tim Irwin took up the post for a temporary period from 27 April 2020.

Non-Executive Director

Paul Douglas (Joined 1 September 2018)

Organisation Chart from 1 April 2019 - 31 March 2020



Independent Board Members

Paul Douglas joined the board as a Non-Executive Board member in September 2018.

Company Directorships

There are no company directorships or other significant interests held by Management Board members which conflict with their management responsibilities. All Members of the Agency's Board have made a Declaration of Interests. Any interests declared have been recorded and will be managed if there is believed to be a conflict of interest.

Auditor

Our financial statements are audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Agency and the Department. He reports his findings to the Northern Ireland Assembly.

The audit of the financial statements for 2019-20 resulted in a notional audit fee of £18K which is included in the administration costs in the Statement of Comprehensive Net Expenditure. As far as I am aware, there is no relevant audit information of which the entity's auditor is unaware. I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Agency's auditor is also aware of that information.

The Accounting Officer is content that there is no relevant audit information which the Department's auditor should be aware of. The Accounting Officer has taken all reasonable steps to ensure that both she and the Department's auditor is aware of all relevant audit information.

Pension Liabilities

The Agency is covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC).

Further information on Pensions is provided in the Remuneration Report (page 44) and Note 2 of the Accounts (page 72).

Equality of Opportunity

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualification and aptitude for the work.

Freedom of Information

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 162 (2018/19: 156) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

Health & Safety

The Agency is committed to ensuring the health, safety and welfare of staff, and others who may be affected by its undertakings. Health & Safety performance is formally reviewed on an annual basis and an associated Annual Programme of Work produced to ensure that the high standards achieved are continually improved through policy development, staff consultation, risk assessment, monitoring and review procedures.

Employee Involvement

The maintenance of a highly skilled and effective workforce is key to the future of our business. The Agency supported them in updating their skills through the Agency's training and development opportunities. We also encourage staff to remain well-informed on new developments and to network with, for example, Great Britain departments and agencies and European bodies. Development opportunities focus not only on professional and technical knowledge, but also on ensuring staff have the skills and attributes to provide a high level of customer service when working with the public and other outside bodies.

Our commitment to, and recognition of staff, is integral to our business performance. DOE first achieved the Investors in People (IIP) standard in the spring of 2009, the Agency was involved in (IIP) reassessment in 2012-13 as part of the wider departmental review. Following the restructure of NICS Departments in May 2016 DAERA's IIP status was reassessed and the department's formal recognition as an 'Investor in People' was retained in February 2017.

The Agency's Whitley Council provides for regular consultation with employees' representatives.

Information Management

Effective information security is a key priority for the Agency through recognising that stringent principles of information security must be applied to all information it holds. Another key priority is the protection of personal data in line with the legal requirements of the Data Protection Act 2018 and the principles outlined in the Department's Data Protection Policy Statement. The Department's Information Management Branch ensures that there is a strong emphasis on Information Assurance and that the correct approach to the management and security of information is taken. In relation to data security, the Agency follows departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. There were no data security breaches reported during the year.



Tracey Teague
Acting Chief Executive
25 September 2020

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance has directed the Northern Ireland Environment Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Environment Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the relevant Accounts Direction issued by the Department of Finance including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Principal Accounting Officer for the Department of Agriculture, Environment and Rural Affairs has appointed the Chief Executive as Accounting Officer of the Northern Ireland Environment Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Northern Ireland Environment Agency's assets, are set out in "Managing Public Money Northern Ireland" issued by the Department of Finance.

So far as I am aware, as Accounting Officer, there is no relevant audit information of which the Department's auditors are unaware; and, as Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and establish that the Department's auditors are aware of that information.

I can confirm that I take personal responsibility for this annual report and accounts and that it is fair, balanced and understandable.



Tracey Teague
Acting Chief Executive
25 September 2020

GOVERNANCE STATEMENT

Introduction

This is the Annual Governance Statement for the Northern Ireland Environment Agency (NIEA, the Agency) as required by DAO (DFP)10/12 Requirement to Complete a Governance Statement. This statement sets out the governance, risk management and internal control arrangements that have operated in the Agency from 1 April 2019 to 31 March 2020.

NIEA operates in compliance with the guidance set out in the “Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013”.

During the year, in line with best practice, both my predecessor (David Small) and I reviewed NIEA’s governance and accountability arrangements to remedy any shortcomings highlighted through reports from the Northern Ireland Audit Office (NIAO), DoF’s Internal Audit Branch and the Agency Audit and Risk Assurance Committee.

The Agency mainly delivered outputs relating to the Department’s strategic outcome, “A clean, healthy environment, benefiting people, nature and the economy” which underpins the draft Programme for Government outcome, “We live and work sustainably – protecting the environment”.

Governance Structures

General

The Minister approves the policy framework within which the Agency operates and its business plan including annual performance targets. However, for the 2019-20 financial year, this was not possible in the absence of a local minister until 11 January 2020 when Minister Poots was appointed to the role. Up to that point the NIEA Business Plan remained in draft.

I was appointed as acting Chief Executive of the Agency on 24 February 2020 succeeding my predecessor David Small.

As Acting Chief Executive of the Agency, I report directly to the Permanent Secretary of the Department. I am also a member of the Departmental Board. During the reporting period (from February), I also attended the Departmental Top Management Team (TMT) weekly meetings chaired by the Permanent Secretary to review key current issues.

As Acting Chief Executive, I am also the Designated Accounting Officer, in which capacity I am responsible to the Permanent Secretary (as the Principal Accounting Officer) and the Minister for maintaining a sound system of internal control that supports the achievement of Agency policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland (MPMNI)* .

The key organisational structures which helped me support the delivery of Corporate Governance within the Agency are the:

- ◆ Agency Management Board;
- ◆ Agency Audit and Risk Assurance Committee (ARAC);

- ◆ Agency Business Support Team (BST);
- ◆ NICS HR (Business Partners); and
- ◆ DoF Internal Audit Service.

Management Board

The work of NIEA is co-ordinated and monitored by a Management Board which I Chair and which provides corporate leadership to the organisation as a whole, takes responsibility for the Agency's performance, and provides advice to the Department's Permanent Secretary and the Minister. The Board exists to lead the Agency's strategic planning and assist me as the Acting Chief Executive and Agency Accounting Officer in meeting my corporate governance responsibilities for the Agency. The Agency Management Board comprised the Agency's two Executive Directors and myself as Chair (see page 32 of the Annual Report for further details). A Non-Executive Board Member (NEBM), Paul Douglas, who joined the Board on 1 September 2018, also attends the Board meetings.

The Board, which meets on a monthly basis, operates under my leadership, to manage the running of the Agency. While strategic policy is ultimately determined by a Minister, the Agency Board will discuss such policy in the context of analysing options, strategic planning and operational management and will act in an advisory and consultative capacity, offering guidance when required. Although significant, contentious or cross-cutting policy decisions are normally brought to the Board for discussion and endorsement; day-to-day operational matters are the responsibility of the Agency's relevant Executive Director. The Board will seek to take collective decisions on matters referred to it in keeping with the Nolan principles of public life. If a consensus cannot be reached, I, in my role as Acting Chief Executive, will make a final decision.

The Board receives standard monthly information in regard to financial management, corporate governance, workforce planning and other HR issues (performance and absence management data), as well as an update on health and safety issues. On a quarterly basis, in addition to these standard monthly papers, updates are provided on progress in achieving the Agency Key Performance and business planning targets, the risks in the Agency corporate risk register are reviewed and any significant internal control issues that have been raised in my Chief Executive's quarterly Stewardship Reports (2nd and 3rd quarters and for full year) are also discussed.

The Board seeks to operate within its Standing Orders and the guidelines set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013. It is responsible for ensuring that good practice in corporate governance is adhered to, including the maintenance of a transparent risk management system and prudent and effective controls. The Board's Standing Orders, which include details of the function, composition and operation of the Board meetings, are provided in its Agency Framework Document.

Conflict of Interest

At every Agency Board meeting a standard agenda item on declarations of interest is included and brought to the attention of Board Members by the chair. Board Members with a conflict of interest on a specific agenda discussion will leave the Board meeting for that item. One potential conflict of interest which was highlighted and managed appropriately related to one of the Agency Director's (Helen Anderson) daughter who was a volunteer for RSPB.

Audit and Risk Assurance Committee

The Agency Audit and Risk Assurance Committee (ARAC) supports me in my responsibilities for stewardship of the Agency resources, corporate governance and risk management, by reviewing the levels of assurances provided to me and the timeliness, reliability and integrity of those assurances.

The ARAC ensures that high level information on risk and control is brought to my attention, in order to assist in identifying priorities for action. It also subjects my executive decisions to constructive challenge in the sense of encouraging me to ensure that I can demonstrate that I have made the best possible decisions in the light of all the available evidence.

The ARAC has no authority, in its own right, over the operations of the Agency or those units that conduct audit and assurance work, including Internal Audit. It therefore only advises on the adequacy and the appropriateness, in light of both known and emerging risks, of the work plans of those units.

The ARAC reviews action plans, updates to the Agency corporate risk register and provides support and guidance on key governance issues. During 2019-20, the Committee was comprised of four independent members and three meetings were held, in June 2019, October 2019 and February 2020. Paul Douglas, the NEBM, continued to chair the Committee in 2019-20.

During the year the committee discussed a wide range of issues including:

- Internal and External Audit strategies and reports;
- Risk management;
- The Committee's structure and effectiveness;
- NIEA Annual Report and Accounts 2018-19;
- Governance Statement (2018-19); and
- The UK's departure from the EU.

At each meeting of the ARAC the committee is provided with a report which summarises any changes to the NIEA Risk Register, and provides details of all new fraud and whistleblowing cases and updates on any associated investigation, an audit Implementation Plan update, a progress report from Internal Audit, and reports which set out progress made completing Post Project Evaluations and any other report or update that the Committee wishes to see.

During the reporting period the Committee specifically noted:

- The number of Internal Audit Reports receiving a satisfactory Internal Audit opinion which continued to give the committee reasonable assurance regarding NIEA operations;
- The increase in the audit cycle from 3 years to 4 years and the need to keep this under review to ensure no detrimental impact on the assurance provided to the Agency.
- The progress that the Agency made in implementing audit recommendations during the reporting period. The Comptroller and Auditor General (C&AG) certified the 2018-19 financial statements with an unqualified audit opinion without modification. No report on the account was required and no priority one recommendations were made in relation to regularity and the internal control environment.

ARAC Annual Report

The Chairman has also provided me with his ARAC Annual Report which summarises the work for the year, provides me with assurance that good governance exists within the Agency and where any improvements were necessary action has been taken, or is being taken, to address any issues.

Board and Audit Committee attendance

The attendance record of all Board and Audit Committee members during the reporting period is shown in the tables below:

Board Members	Meetings attended per Board and Audit Committee members out of the meetings eligible to attend	
	Board	Audit Committee
David Small (Chief Executive – until 23 February 2020)	10/10	1/3
Tracey Teague (Acting Chief Executive – from 24 February 2020)	1/1	-
Helen Anderson (Director of Natural Environment Division)	8/11	1/3
Tracey Teague (Director of Resource Efficiency Division)	9/10	1/3
Paul Douglas (Non-Executive Director)	10/11	3/3

Audit and Risk Assurance Committee Members	Meetings attended per Audit Committee member out of the meetings eligible to attend
Paul Douglas (Chair)	3/3
Anthony Carleton	3/3
Leah Scott	3/3
Linda Drysdale	3/3

Linda Drysdale was due to finish her term of appointment to the committee at the end of June 2020, but because of the exceptional circumstances and challenges provided by the Coronavirus (COVID-19) pandemic, she agreed to an extension of her appointment for a further year until June 2021.

Review of Board Effectiveness

The Board Operating Framework commits the Board to an annual review of its performance. This commitment is in line with DoF's "Corporate governance in central government Departments: Code of good practice NI (2013)" which states:

'The Board should ensure that arrangements are in place to enable it to discharge its responsibilities effectively, including... a formal and rigorous annual evaluation of the Board's performance' (para 4.1).

The Agency had planned to undertake a NIEA Board Effectiveness Review in the last quarter of 2019-20 however this was postponed as a result of the COVID-19 pandemic. The review will therefore be undertaken in 2020-21.

Agency Divisional Governance

In my overall assessment of the adequacy of control systems, I am supported by the Agency's Directors. Each Division provides quarterly updates to the Business Support Team (BST). The BST in turn provides the ARAC with quarterly updates on the implementation of both internal and external audit recommendations, and revisions to the Agency Risk Register. The main purpose of this reporting process is to drive the implementation of audit recommendations towards improving audit opinions and corporate governance in all areas of the Agency and to assist me in reviewing the quarterly Stewardship Reports from each of the directors which underpin the overall annual Governance Statement.

I will seek the timely implementation of all audit related recommendations in these reports and any recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency's accounts.

Internal Audit

During 2019-20, the NIEA was audited by internal auditors from the Department of Finance who operated to Public Sector Internal Audit standards (PSIAS). Internal Audit submit regular reports to me which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement.

In October 2018, Internal Audit had outlined to the NIEA ARAC the resourcing issues that they face. The Agency's audit strategies have now been translated from a 3 year to a 4 year cycle. It should be noted that this does not take account of pressures arising as a result of Internal Audit staff undertaking roles within the Brexit contingency planning arrangements and the Audit Plan will be reviewed in light of any significant resource implications arising from Brexit. I will monitor this situation carefully during the coming period to ensure that I obtain the assurances that I require. I am pleased to note the overall Satisfactory opinion provided by Internal Audit on the overall adequacy and effectiveness of the Agency's governance, risk management and control arrangements during the 2019-20 financial year.

During 2019-20, the following internal audit assignments were completed in respect of the NIEA:

Title of Audit	Date	Opinion	No of recommendations
NIEA Governance Structures & Risk Management	April 2019	Satisfactory	0
Validation of Targets 2018-19 (Special Exercise)	May 2019	N/A	N/A
Water Management Unit 2018-19	May 2019	Satisfactory	5
WMU Compliance & Enforcement arising from Closed Period Spreading (follow up)	June 2019	N/A	N/A

Regulation Unit Consultancy Review: Waste Legacy Sites	Aug 2019	N/A	N/A
EMFG Procurement: Agency wide Procurement & Contract Management	Jan 2020	Satisfactory	5
Regional Operations	March 2020	Satisfactory	9

I will ensure, through reporting to the NIEA ARAC, the timely implementation of the recommendations in all these audit reports.

Corporate Services

During 2019-20, IT services were provided by the Department's Digital Services Division. Financial management, governance, business planning, risk management and coordination processes and exercises were delivered by the Agency's Business Support Team. Other corporate services were provided by DoF's Enterprise Shared Services as outlined below.

In relation to data security the Agency follows the departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. I am pleased that there were no significant data security breaches reported during the year that required reporting to the Information Commissioner's Office.

Whistleblowing

During 2019-20, the Agency continued to operate the Whistleblowing recording system. This requires all Divisions to maintain a Whistleblowing Register to record all disclosures received in each Division. The maintenance of Registers is a mandatory requirement across the Department.

Updates are commissioned in advance of each ARAC meeting to ensure that senior management and ARAC have the most up-to-date information on Whistleblowing disclosures.

During 2019-20, no whistleblowing notifications were received by the Agency as reported to ARAC. This compared to 4 notifications in 2018-19. All whistleblowing notifications are investigated and addressed by the relevant business area and in cases of suspected fraud an investigation by the Department of Finance (DoF) Fraud Investigation Service is requested.

Enterprise Shared Services

I draw assurance from the audit opinion and on the mid and year-end inter-Departmental assurance reports received from the Permanent Secretary in the Department of Finance (DoF) on the various components of Inter-Departmental services provided by DoF to all Departments. Included within the Enterprise Shared Services are; Account NI which is responsible for all the Department's transaction processing; NICSHR which is responsible for the Department's Human Resource management arrangements; Digital Shared Services and Central Procurement Directorate. DoF's assurance also covers HR Connect, an external organisation commissioned

to provide operational HR services to the NICS, mainly in relation to payroll, recruitment and leave arrangements.

I note also that the Permanent Secretary in the Department of Finance has provided a satisfactory audit opinion on Inter-departmental internal audit services.

Business Continuity Management

NIEA functional business areas and major premises have separate business continuity plans to ensure that there are procedures in place to facilitate the recovery and continuation of business activities in the event of building closure or the loss of human and/or ICT services or power. A number of live tests of the business continuity plans were carried out during the reporting period.

Risk management and control framework

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Agency Board has established appropriate procedures to ensure that risks are adequately managed within the Agency. Risk Registers at the Agency Corporate and Divisional levels are maintained and monitored on a quarterly basis. The Business Support Team has responsibility for co-ordinating the Agency's various risk management/internal control functions, developing the risk management framework and providing advice and guidance to staff on risk management issues. The risk management cycle is a "top-down" and "bottom-up" exercise that ensures that any Agency risks that are included in the Departmental Corporate Risk Register are also included in the Agency register and risks identified and managed at Divisional levels are escalated to the Agency register, as appropriate.

While not a significant internal control issue, I believe it prudent to mention the potentially significant future financial cost of implementing the preferred option for the waste remediation strategy for the Mobuoy site. For example, the one Agency related operational risk in the Department's Risk Register relates to the potential failure to remediate the Mobuoy illegal waste site in a timely and cost-effective manner. However, in terms of progressing this issue, I am reassured that the Departmental Board approved the resources relating to the creation of a small Unit to help review and progress, where appropriate, the actions arising from the Consultant's report and associated options paper. Furthermore, the remediation of the Mobuoy site is being project managed with reporting through a Project Steering Group to a Project Board which I chair.

Criminal and civil court cases are ongoing and Planning Enforcement Notices have been issued. DAERA has undertaken preparatory work for a scenario where, at the conclusion of the court cases and expiration of Planning Enforcement Notices, the Agency may step in to remediate the site. Before any decision to remediate the site was taken, the Agency would need to review the environmental risks at that time and the resources available to it. If a decision was taken to remediate the site the 'polluter pays principle' would stand and the Agency would seek to recover any expenditure incurred from the owners of the site. To plan for such a scenario, an Outline Business Case (OBC1), which was approved by DoF in July, highlights the potential total costs of remediation over a range of options to provide context for DoF for the upfront costs (£2.2m).

With regards to the criminal trial, it is due to commence on 8th September 2020 but this date is under constant review given the potential for delays as a result of the COVID-19 pandemic.

The Agency's Corporate Risk Register is reviewed quarterly by the NIEA Board. In order to place further focus on Risk Management I have established a NIEA Risk Management Group, which shall meet at least three times per annum. The first meeting of the group took place in June 2020.

Tri-annual Stewardship Reports (6, 9 and 12 months) are completed for the two Agency divisions as well as an overarching statement for the Agency. However, it is the 12 month Agency Report which underpins my Governance Statement by highlighting, where appropriate, any control issues of concern across a range of key governance functions, primarily business planning, financial management, information and risk management, fraud, regulation and compliance, customer service standards, staffing, procurement and audit reports. I am reassured that the completion of these reports provides assurance to me that information used for operational purposes and reporting purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

In summary, as Acting Accounting Officer, I have overall responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter for the annual accounts and other Value for Money (VFM) reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Agency Board and the Agency ARAC, and I am confident in plans to address any weaknesses and ensure continuous improvement of the control system.

Significant Issues

Although I am pleased that there were no significant control issues to report for the 2019/20 financial year, I believe it is appropriate to mention the COVID-19 pandemic which started to have an impact on the Agency's operations at the end of March 2020. Indeed, it has resulted in a slight delay to the normal timetable for the drafting and audit of the 2019/20 NIEA Annual Report and Accounts. However, the real implications will be reflected in the Agency's 2020/21 Annual Report & Accounts.



Tracey Teague
Acting Chief Executive
25 September 2020

Agency Remuneration and Staff Report

Remuneration and Pension Entitlements

Remuneration policy

The pay policy for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary set the 2019-20 NI public sector pay policy (October 2019) in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS staff, for 2019-20 has been finalised but not yet paid.

The pay of SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the agency.

Remuneration (including salary) and pension entitlements (Audited)

Officials	2019-20					2018-19				
	Salary	Bonus Payments	Benefits in kind (to nearest £100)	Pension Benefits	Total	Salary	Bonus Payments	Benefits in kind (to nearest £100)	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mrs T Teague										
Acting Chief Executive (from 24/2/20)	5-10 (90-95 full year equivalent)	Nil	Nil	4	10-15	-	-	-	-	-
Director of Resource Efficiency Division (from 1/4/19 to 23/2/20)	65-70 (75-80 full year equivalent)	Nil	Nil	47	110-115	70-75	Nil	Nil	32	95-100
Mr D Small										
Chief Executive (from 1/4/19 to 23/2/20)	90-95 (95-100 full year equivalent)	Nil	Nil	36	125-130	95-100	Nil	Nil	26	115-120
Mrs H Anderson										
Director of Natural Environment Division	75-80	Nil	Nil	40	115-120	70-75	Nil	Nil	(6)	60-65

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2019-20 relate to performance in 2019-20 and the comparative bonuses reported for 2018-19 relate to the performance in 2018-19.

Pay Multiples (Audited)

	2019-20	2018-19
Band of Highest Paid Director's Total Remuneration	£95k - £100k	£95k - £100k
Median Total Remuneration	£30,526	£31,176
Ratio	3.2	3.0

In 2019-20, Nil (2018-19, Nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,513 to £99,911 (2018-19: £17,794 to £96,197).

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20	CETV at 31/3/19	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mrs T Teague Acting Chief Executive (from 24/2/20) Director of Resource Efficiency Division (from 1/4/19 to 23/2/20)	30-35 plus lump sum of 70-75	2½ - 5 plus lump sum of 2½ - 5	566	506	33	Nil
Mr D Small Chief Executive (from 1/4/19 to 23/2/20)	40-50 plus lump sum of 140-150	0-2½ plus lump sum of 5-7½	1,135	1,049	37	Nil
Mrs H Anderson Director of Natural Environment Division	30-35 plus lump sum of 85-90	0-2½ plus lump sum of 0-2½	686	627	28	Nil

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2019 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2020.

Employee contribution rates for all members for the period covering 1 April 2020 – 31 March 2021 are as follows:

Scheme Year 1 April 2020 to 31 March 2021

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2019 to 31 March 2020
£0	£23,999.99	4.6%
£24,000	£55,499.99	5.45%
£55,500	£152,499.99	7.35%
£152,500.00 and above		8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civilservice/civil-service-pensions-ni>.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office (Audited)

No compensation payments were made or are due to any of the senior management in the Northern Ireland Environment Agency under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)) in the year ending 31 March 2020 or 31 March 2019.

Staff numbers and related costs (Audited)

Staff costs comprise:

			2019-20 £000	2018-19 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	17,093	2,815	19,908	18,442
Social security costs	1,695	-	1,695	1,538
Other pension costs	5,004	-	5,004	3,421
Total*	23,792	2,815	26,607	23,401
Of which	Charged to Administration	Charged to Programme	Total	
	-	26,607	26,607	

* Of the total, £Nil has been charged to capital.

Pension Arrangements

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Northern Ireland Environment Agency is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2021.

For 2019-20, employers' contributions of £5,003,492 were payable to the NICS pension arrangements (2018-2019 £3,421,312) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% per annum above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £13,088 (2018-2019: £8,684) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-2019: 8% to 14.75%) of pensionable pay. The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings

Employer contributions of £411, 0.5% (2018-2019: £249, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

One person (2018-2019: one person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £1,485 (2018-2019: £10,000).

Average Number of Persons Employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows:

Number			2019-20	2018-19
	Permanent staff	Others	Total	Total
Natural Environment	171	23	194	141
Resource Environment	308	68	376	383
Business Support	41	-	41	45
Total	520	91	611	569

Staff Composition (Male & Female – Directors, SCS, Employees)

The NIEA Management Board comprises the Acting Chief Executive (female), one Executive Director of Natural Environment Division (female) and one Non-Executive Director (Male). The Acting Chief Executive was appointed on 24 February 2020, and her Executive Director post (Resource Environment Division) remained vacant at 31 March 2020.

Of the 630 (2018-19: 591) current members of staff 353 (2018-19: 332) are male and 277 (2018-19: 259) are female.

Reporting of Civil Service and other compensation schemes - exit packages (Audited)

No redundancy and other departure costs have been paid in 2019-20.

Off-Payroll Engagements

There were no Off-Payroll Engagement payments made in 2019-20.

Expenditure on Consultancy

No consultancy expenditure was incurred in 2019-20.

Other Employee Matters

The 2018-21 NICS People Strategy sets out the shared view of the people priorities across the NICS under the following themes:

- A well-led NICS
- High performing NICS
- Outcomes-focused NICS
- An inclusive NICS in which diversity is truly valued – a great place to work

Equality, Diversity and Inclusion

The [NICS People Strategy 2018-21](#) places diversity and inclusion at its centre and includes a range of actions that will help accelerate the NICS' ambition to be a service that reflects the society we serve. In addition to these specific actions the NICS will ensure diversity and inclusion is central to everything it does, including how it communicates, recruits, promotes, develops and manages its workforce.

The NICS continues to carry out its statutory obligations under fair employment legislation, including the annual return to the Equality Commission for NI. The NICS publishes a wide range of [NICS human resource statistics](#).

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. The centralised human resource function, NICSHR, consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Human Capital Management

(i) Career Development

The NICS is committed to career development, acknowledging that skilled and engaged staff are an essential resource in meeting current and future business needs.

This NICS Career Development Policy emphasises that career development is a collaborative process between individual staff members, line managers, and Departments, and takes account of the NICS Competency Framework and Performance Management System. As well as the individual's role in managing their career development, the NICS provides opportunities to enhance the skills, capabilities and performance of staff so that they, in turn, can contribute to achieving corporate objectives.

There is a wide range of career development options available within the NICS and within the Career Development Policy that support various career development interventions including

secondment and interchange opportunities, elective transfers, temporary promotion, job rotation, job shadowing, as well as mentoring.

In line with the NICS People Strategy 2018 - 2021 further development in the area is planned, including Talent Management Proposals to support a more corporate approach to talent management across the NICS.

(ii) Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

NICSHR Learning and Development is responsible for development and delivery of all generic staff training. It offers a variety of learning delivery channels to enable flexible access to learning, blending different learning solutions into coherent learning pathways that are aligned to both corporate need and the NICS Competency Framework.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Talent management is a key theme of the NICS People Strategy and work is underway to develop a more corporate approach to managing talent across the NICS.

(iii) Pay policy

Under the Civil Service (NI) Order 1999, the Department of Finance is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- a. be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- b. encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- c. ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- d. secure the confidence of staff that their pay will be determined fairly;
- e. secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- f. enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Current pay scales are available online. NI public sector pay guidance for 2018 is now in place and formal negotiations with trades unions on the 2019 pay award are ongoing.

Employment, training and advancement of disabled persons

The Northern Ireland Civil Service applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of NICS recruitment panels. Unconscious bias training is available to all staff.

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support alterations to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and has appointed one of its Deputy Secretaries as the NICS Diversity Lead for Disability. The NICS has a committed Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled colleagues, including a Work Experience Scheme for People with Disabilities.

It is the Agency's policy to give equality of opportunity when considering applications from disabled persons. The Agency complies with all existing legislation in regard to its disabled employees.

Sick Absence

The overall provisional NIEA absence rate for 2019-20 is 10.4 (4.3%) (2018-19: 10.2, 4.2%) working days lost.

Number of SCS Staff by Band

The Agency's Acting Chief Executive, Tracey Teague; Grade 3, and the Director of Natural Environment Division, Helen Anderson; Grade 5, are the organisations only Senior Civil Servants. Tracey Teague's Executive Director's post (Resource Environment Division); Grade 5, remained vacant at 31 March 2020.



Tracey Teague
Acting Chief Executive
25 September 2020

Assembly Accountability and Audit Report

Regularity of Expenditure (Audited)

As NIEA's Accounting Officer I am content that the expenditure and income of my Agency have been applied to the purposes intended by the NI Assembly. Furthermore I am content that the Agency's transactions are within the scope of the authorities that govern them, and that there are no material weaknesses in the design and implementation of the Agency's internal controls to prevent and detect fraud.

Remote Contingent Liabilities (Audited)

The Agency has no remote contingent liabilities as at 31 March 2020.

Losses and Special Payments

Losses Statement

	Number of Cases	2019-20 £'000	Number of Cases	2018-19 £'000
Administrative Write Offs	1	1	-	-
Other Losses	-	-	-	-
Total	1	1	-	-

The cases include accidental damage to property, losses of Agency property, bad debts written off and other losses.

Special Payments

NIEA made no special payment in 2019-20.

Fees and Charges (Audited)

The Agency is required to review the services that it provides and supply a detailed Memorandum Trading Account (MTA) detailing forecast income and expenditure in support of the charging proposals for schemes/services. The figures below represent services where the full cost of the service is in excess of £1 million. The objective of this business activity is full cost recovery.

Business Activities Attracting Fees and Charges

	2019-20 £'000	2018-19 £'000
Fees and Charges	8,496	8,445
Operating Costs		
Staff Costs	6,496	6,256
Administration and Accommodation	940	1,047
Notional Charges	996	1,201
Total Charges	8,432	8,504
Operating Surplus/(Deficit)	64	(59)

The figures above represent services where the full cost of the service is in excess of £1 million. The objective for this business activity is full cost recovery.



Tracey Teague
Acting Chief Executive
25 September 2020

Northern Ireland Environment Agency

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Environment Agency for the year ended 31 March 2020 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Environment Agency's affairs as at 31 March 2020 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Northern Ireland Environment Agency in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Northern Ireland Environment Agency's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Northern Ireland Environment Agency have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Environment Agency's ability to continue to adopt the going concern basis.

Other Information

The Chief Executive and the Accounting Officer is responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Chief Executive as the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Chief Executive as the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes

intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

12 October 2020

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the period ended 31 March 2020

		2019-20 £000	2018-19 £000
	Note		
Income from Resource Efficiency Charges	7	(8,497)	(8,445)
Other Operating Income	7	(2,683)	(2,400)
Total Operating Income		(11,180)	(10,845)
Staff Costs	2	26,607	23,401
Current Grants	3	2,370	1,958
Capital Grants	3	991	-
Accommodation Running Costs	3	1,558	1,882
Depreciation and Amortisation Charges	3	1,217	1,196
Provision Expense	3	21	73
Other operating expenditure	3	10,174	10,409
Total Operating Expenditure		42,938	38,919
Net Operating Expenditure		31,758	28,074
Finance Income / Expense		-	-
Net Expenditure for the year		31,758	28,074
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment		(25)	(40)
Net (gain)/loss on revaluation of Intangibles		(2)	(4)
Comprehensive Net Expenditure for the year		31,731	28,030

The notes on pages 65 to 92 form part of these accounts.

Statement of Financial Position as at 31 March 2020

		2019-20 £000	2018-19 £000
	Note		
Non-current assets			
Property, plant and equipment	8(i)	22,983	21,554
Heritage assets	8(iii)	1,568	1,568
Intangible assets	8(v)	90	136
Total non-current assets		24,641	23,258
Current assets			
Inventories	11	78	78
Trade and other receivables	12	1,294	1,097
Cash and cash equivalents	13	3	3
Total current assets		1,375	1,178
Total assets		26,016	24,436
Current liabilities			
Trade and other payables	14	(6,242)	(5,700)
Provisions	15	(132)	(164)
Total current liabilities		(6,374)	(5,864)
Total assets less current liabilities		19,642	18,572
Non-current liabilities			
Provisions	15	-	-
Total non-current liabilities		-	-
Total assets less total liabilities		19,642	18,572
Taxpayers' equity & other reserves:			
General fund		13,586	12,314
Revaluation reserve		6,056	6,258
Total taxpayers' equity		19,642	18,572



Acting Chief Executive
25 September 2020

The notes on pages 65 to 92 form part of these accounts

Statement of Cash Flows for the period ended 31 March 2020

		2019-20 £000	2018-19 £000
	Note		
Cash flows from operating activities			
Net operating cost		(31,758)	(28,075)
Adjustments for non-cash transactions:			
Depreciation	8	1,217	1,196
Disposal of Fixed Assets	3	(19)	642
Notional Charges	6	5,399	4,894
Take-up and Revaluation of Provisions	15	21	73
Bad Debts Provision	3	53	-
Impairments		-	-
Revaluations	3	-	-
Decrease/(Increase) in trade and other receivables	12	(197)	(225)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		(53)	(6)
Decrease/(Increase) in inventories	11	-	-
(Decrease)/Increase in trade payables	14	542	193
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(769)	(620)
Use of provisions	15	(53)	-
Net cash outflow from operating activities		(25,617)	(21,928)
Cash flows from investing activities			
Purchase of property, plant & equipment and heritage assets		(1,805)	(1,576)
Purchase of intangible assets		-	-
Proceeds of disposal of property, plant & equipment		20	28
Net cash outflow from investing activities		(1,785)	(1,548)
Cash flows from financing activities			
Funding from Parent Department DAERA		27,402	23,476
Net financing		27,402	23,476

Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund	-	-
Payments to Consolidated Fund	-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the Consolidated Fund	-	-
Cash and cash equivalents at the beginning of the period	3	3
Cash and cash equivalents at the end of the period	3	3

The notes on pages 65 to 92 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2020

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2018	Note	11,658	6,574	18,232
Net Assembly Funding		23,476	-	23,476
CFERs payable to Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the year		(28,074)	44	(28,030)
Non-cash charges – notional costs	6	4,876	-	4,876
Auditors' Remuneration	6	18	-	18
Transfers between reserves		360	(360)	-
Balance at 31 March 2019		12,314	6,258	18,572
Net Assembly Funding		27,402	-	27,402
CFERs payable to Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the year		(31,758)	27	(31,731)
Non-cash charges – notional costs	6	5,379	-	5,379
Auditors' Remuneration	6	20	-	20
Transfers between reserves		229	(229)	-
Balance at 31 March 2020		13,586	6,056	19,642

The General Fund serves as the main operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

The notes on pages 65 to 92 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Environment Agency (NIEA, the Agency) for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIEA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, heritage assets and intangible assets.

1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment of over £5,000 is capitalized. On initial recognition property, plant and equipment is measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment is carried at fair value.

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years, with the last full valuation of land and buildings undertaken by Land and Property Services (LPS) as at 1 April 2016 with the next full valuation due to take place as at 1 April 2021. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

With the exception of items under construction, fair value is estimated by restating the value annually, between professional valuations, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of property, plant and equipment are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of property, plant and equipment are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

Notes to the Accounts

1.3 Intangible Assets

Expenditure on intangible assets over £5,000 is capitalised. On initial recognition intangible assets are measured at cost including any expenditure such as installation, directly attributed to bringing them to working condition. Intangible assets are carried at fair value. Fair value is estimated by restating the value annually, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of intangible assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of intangible assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other operating expenditure.

1.4 Depreciation and Amortisation

Property, plant and equipment and intangible assets are depreciated and amortised at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Depreciation and amortisation is charged in the month of acquisition. No depreciation is provided on freehold lands as they have unlimited or very long established useful lives. Items under construction are not depreciated or amortised until they are commissioned.

The depreciation and amortisation periods for the principal categories of assets are:

Land	Not depreciated
Buildings	On an individual basis not exceeding 100 years
Transport Equipment (including Railway Stock & Boats)	5 - 30 years
Plant and Machinery (including Laboratory Equipment)	5 - 30 years
Computer Hardware / Software	3 - 5 years
Furniture and Fittings (including Exhibitions)	5 - 30 years

Asset lives are reviewed regularly and where necessary revised. The estimated useful life of each asset of significant individual value is separately assessed and, if appropriate, revised.

1.5 Heritage Assets

The Northern Ireland Environment Agency holds certain heritage assets that have been purchased. The assets relate to various land located throughout Northern Ireland and are regarded as non-operational heritage assets. These are either declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific Interest. On initial recognition the assets are recognised at cost. They are revalued annually, using indices provided by the Office for National Statistics. No depreciation is provided on any heritage assets. Heritage Lands are subject to professional valuations and annual revaluations in accordance with the Appraisal and

Notes to the Accounts

Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2016 with the next full valuation due to take place as at 1 April 2021.

Non-operational heritage assets which have not been purchased have no valuation placed on them as it is neither practical nor appropriate to do so, due to the special characteristics of these assets. The Agency receive adequate information on the condition and maintenance of the properties to enable us to fulfil our stewardship role. It is not the intention of the NIEA to dispose of these assets in the foreseeable future, given their importance to the natural heritage of Northern Ireland. In accordance with DoF guidelines we consider that obtaining a valuation of these assets is not warranted in terms of benefits which the valuation would deliver. This policy will be kept under review for future years.

Additional information relating to the management of heritage assets can be found in the Performance Report section of this report under headings 'Country Parks and Nature Reserves' on pages 12 and 23. This section also contains details of visitor numbers and future developments. Detailed records are maintained for each heritage asset and site management plans are maintained and regularly updated. Many heritage assets, nature reserves, are open to the public and access is encouraged, where practical. Heritage assets are purchased for their long term protection by the state.

Upward revaluations of heritage assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of heritage assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

1.6 Operating Income

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for licences and services provided on a full cost basis to external customers. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income. All operating income is classified as programme and is stated net of VAT.

1.7 Classification of Expenditure

The classification of expenditure as programme follows the definition of programme costs set out in the *FReM*, issued by the Department of Finance. Costs incurred by the Agency reflect non-administration costs, including payments of grants and other disbursements by the Agency and therefore are classified as programme costs.

1.8 Employee Benefits including Pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated using employees daily rate costs applied to any untaken leave balance at 31 March 2020.

Notes to the Accounts

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) which are described in Note 2. The defined benefit schemes are unfunded and non-contributory except in respect of dependents' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI).

In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.9 Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

1.10 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. VAT is recoverable on a Departmental basis.

1.11 Inventories

Finished goods and goods for resale are valued at cost. Inventories are valued at net realisable value only when they either cannot or will not be used.

1.12 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Agency discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *Managing Public Money Northern Ireland*.

These comprise:

- a. items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by Departmental minute prior to the Agency entering into the arrangement; and
- b. all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of the Agency accounts) which are required by the *FReM* to be noted in the Agency accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Notes to the Accounts

1.13 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Agency, the asset is recorded as a non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest implicit to the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

1.14 Critical Accounting Estimates and Key Judgements

As a result of the uncertainties inherent in all business activities, many items in financial statements, such as provisions and depreciation, cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information.

Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.15 Government Grant Receivable

Government grants received for revenue purposes are recognised as income in the Statement of Comprehensive Net Expenditure so as to match them with expenditure towards which they are intended to contribute.

Grants received as a contribution towards non-current assets are recognised as income in the Statement of Comprehensive Net Expenditure, unless the funder imposes a condition requiring that future economic benefits embodied in the grant are consumed as specified by the grantor or must be returned to them. Assets funded by government grant are revalued, depreciated and subject to impairment review in the same way as any other non-current asset.

1.16 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished. The Agency has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement* trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment. The Agency assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past due beyond 361 days are generally not recoverable.

Notes to the Accounts

The Agency measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition. Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.17 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the best estimate of the expenditure required to settle the obligation where this can be determined. This relates to providing for public liability claims, equal pay settlement and judicial reviews. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

1.18 Impending application of newly issued accounting standards not yet effective

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. These standards include:

IFRS 16 Leases

IFRS 16 Leases supersedes IAS 17 Leases and, for public sector entities applying the FReM, is effective from 1 April 2021. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise assets and liabilities for leases with a term greater than 12 months, largely eliminating the current 'off-balance sheet' treatment of operating leases under IAS 17.

Notes to the Accounts

1.19 Management Agreements

The Agency enters into management agreements with landowners in order to “preserve” lands/buildings identified as being Areas of Special Scientific Interest (ASSIs) or of architectural/historical interest. These agreements can include a one off payment, an annual payment for a set amount of time or an annual payment in perpetuity, and cover designated ASSIs and Nature Reserve lands. Management agreements covering Nature Reserves and ASSIs involve compensation payments to the landowners. The management agreements do not confer title of ownership to the Agency.

Notes to the Accounts

2. Staff Costs

Staff costs comprise:

	2019-20 £000	2018-19 £000
Wages and Salaries	19,908	18,442
Social Security Costs	1,695	1,538
Other Pension Costs	5,004	3,421
Early Departure Costs	-	-
Total	26,607	23,401

A breakdown of the above costs into permanently employed staff and others can be found in the Staff Report within the Accountability Report.

Notes to the Accounts

3. Other Operating Expenditure

		2019-20 £000	2018-19 £000
	Note		
Current Grants	4	2,370	1,958
Capital Grants	4	991	-
Other Current Expenditure	5	2,080	2,153
Accommodation Running Costs		1,558	1,882
Advertising & Publicity Costs		29	39
Communication Costs		112	139
Operating Leases		89	62
Other Office Services		501	466
Other Staff Costs		141	72
Travel & Subsistence Costs		262	254
Training Costs		122	114
Vehicle & Boat Costs		253	348
Other Operating Costs		1,152	1,226
Non-cash items			
Provisions – provided/(reduced) in year	15	21	73
Bad Debt Provision		53	-
<i>Notional charges:</i>			
Department of Finance	6	2,838	2,615
Intra-Departmental Notionals	6	2,541	2,261
NIAO Auditor's Remuneration	6	20	18
<i>Non current assets:</i>			
Depreciation	8(i)	1,169	1,135
Amortisation	8(v)	48	61
Impairment		-	-
Net Revaluation Charge to the Statement of Comprehensive Net Expenditure		-	-
Loss/(Profit) on disposal of property, plant and equipment		(19)	642
Total		16,331	15,518

Notes to the Accounts

4. Grants

	2019-20 £000	2018-19 £000
Natural Environment	3,361	1,958
Total	3,361	1,958

Natural Environment Grants comprise :

Environment Fund Grant - current	2,370	1,958
Environmental Challenge Fund Grant - capital	991	-
Total	3,361	1,958

5. Other Current Expenditure

	2019-20 £000	2018-19 £000
Divisional costs comprise:		
Natural Environment	776	619
Resource Efficiency	1,304	1,534
Total	2,080	2,153

Natural Environment costs comprise:

Contracted Services	604	468
Professional Costs	172	151
Total	776	619

Resource Efficiency Operating costs comprise:

Contracted Services	1,092	1,345
Professional Costs	212	189
Total	1,304	1,534

Natural Environment Contracted Services comprises contract research and analysis commissioned by the division as well as contact cleaning and security associated with the Agency's remote sites. Resource Efficiency Contracted Services comprises various contracts associated with environmental monitoring, local clean up support, small business research initiative and maintenance of laboratory facilities at the Agency's Lisburn site.

Notes to the Accounts

6. Notional Charges

	2019-20	2018-19
	£000	£000
Intra - Departmental:		
Department of Agriculture, Environment and Rural Affairs	2,541	2,261
Total	2,541	2,261
Services provided by other Departments		
Department of Finance:		
Accommodation	708	709
IT Assist	792	923
Personnel	558	505
Account NI	280	272
Departmental Solicitor's Office	373	91
Information Strategy and Innovation	127	115
	2,838	2,615
NIAO Audit Fees	20	18
Total Notional Charges	5,399	4,894

Notes to the Accounts

7. Income

	2019-20	2018-19
	£000	£000
Carrier Bag Levy	2,356	2,230
Operating Income from Country Parks	269	160
Resource Efficiency Charges:		
Regulatory Charges	8,497	8,445
Other Income	58	10
Total	11,180	10,845

Notes to the Accounts

8(i) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2019	4,632	17,361	2,686	4,163	150	1,182	1,528	31,702
Additions	-	-	236	389	2	236	1,711	2,574
Disposals	-	-	(140)	(348)	-	-	-	(488)
Revaluations	-	6	10	12	1	10	-	39
Reclassifications	-	158	-	-	-	-	(158)	-
At 31 March 2020	4,632	17,525	2,792	4,216	153	1,428	3,081	33,827
Depreciation								
At 1 April 2019	-	4,074	1,979	3,307	110	678	-	10,148
Charged in year	-	648	204	172	12	133	-	1,169
Disposals	-	-	(140)	(348)	-	-	-	(488)
Revaluations	-	1	5	5	-	4	-	15
Reclassifications	-	-	-	-	-	-	-	-
At 31 March 2020	-	4,723	2,048	3,136	122	815	-	10,844
Carrying amount at 31 March 2020	4,632	12,802	744	1,080	31	613	3,081	22,983
Carrying amount at 31 March 2019	4,632	13,287	707	856	40	504	1,528	21,554
Asset financing:								
Owned 2020	4,632	12,802	744	1,080	31	613	3,081	22,983

Notes to the Accounts

8(ii) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2018	5,369	17,271	2,476	3,952	123	931	306	30,428
Additions	23	1	316	281	29	240	1,307	2,197
Disposals	(760)	-	(147)	(95)	(7)	-	-	(1,009)
Revaluations	-	4	40	25	-	11	-	80
Reclassifications	-	85	1	-	5	-	(85)	6
Impairments	-	-	-	-	-	-	-	-
At 31 March 2019	4,632	17,361	2,686	4,163	150	1,182	1,528	31,702
Depreciation								
At 1 April 2018	90	3,426	1,899	3,222	110	564	-	9,311
Charged in year	-	648	201	171	6	109	-	1,135
Disposals	(90)	-	(147)	(95)	(6)	-	-	(338)
Revaluations	-	-	26	9	-	5	-	40
Reclassifications	-	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-	-
At 31 March 2019	-	4,074	1,979	3,307	110	678	-	10,148
Carrying amount at 31 March 2020	4,632	13,287	707	856	40	504	1,528	21,554
Carrying amount at 31 March 2019	5,279	13,845	577	730	13	367	306	21,117
Asset financing:								
Owned 2020	4,632	13,287	707	856	40	504	1,528	21,554

Notes to the Accounts

8(iii) Heritage Assets

	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
Cost or valuation		
At 1 April 2019	1,568	1,568
Disposals	-	-
Revaluations	-	-
Reclassifications	-	-
Transfers	-	-
At 31 March 2020	1,568	1,568
Carrying amount at 31 March 2020	1,568	1,568
Carrying amount at 31 March 2019	1,568	1,568

Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2016 and the next full valuation due to take place at 1 April 2021.

8(iv) Heritage Assets

	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
Cost or valuation		
At 1 April 2018	1,568	1,568
Disposals	-	-
Revaluations	-	-
Reclassifications	-	-
Transfers	-	-
At 31 March 2019	1,568	1,568
Carrying amount at 31 March 2019	1,568	1,568
Carrying amount at 31 March 2018	1,568	1,568

Notes to the Accounts

8(iv) Heritage Assets (continued)

Purchased Heritage Assets

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. The following table contains a summary of transactions relating to Purchased Heritage Assets in the current period and the previous 4 accounting periods to 31 March 2020.

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Cost of acquisitions	-	-	-	-	-

There were no disposals of heritage assets during the five year period to 31 March 2020 and no heritage assets acquired by donation during the periods.

Notes to the Accounts

8(v) Intangible Assets

	Information Technology £000	Software Licenses £000	Total £000
Cost or valuation			
At 1 April 2019	949	270	1,219
Additions	-	-	-
Disposals	-	-	-
Revaluations	1	4	5
Reclassifications	-	-	-
At 31 March 2020	950	274	1,224
Amortisation			
At 1 April 2019	917	166	1,083
Charged in year	12	36	48
Disposals	-	-	-
Revaluations	-	3	3
Reclassifications	-	-	-
At 31 March 2020	929	205	1,134
Carrying amount at 31 March 2020	21	69	90
Carrying amount at 31 March 2019	32	104	136
Asset financing:			
Owned 2020	21	69	90

Notes to the Accounts

8(vi) Intangible Assets

	Information Technology £000	Software Licenses £000	Total £000
Cost or valuation			
At 1 April 2018	947	265	1,212
Additions	-	-	-
Disposals	-	-	-
Revaluations	2	5	7
Reclassifications	-	-	-
At 31 March 2019	949	270	1,219
Amortisation			
At 1 April 2018	896	122	1,018
Charged in year	19	42	61
Disposals	-	-	-
Revaluations	2	2	4
Reclassifications	-	-	-
Impairments	-	-	-
At 31 March 2019	917	166	1,083
Carrying amount at 31 March 2019	32	104	136
Carrying amount at 31 March 2018	51	143	194
Asset financing:			
Owned 2019	32	104	136

Notes to the Accounts

9. Statement of Operating Costs by Operating Segment

	Resource Efficiency £000	Natural Environment £000	Central Costs £000	Total £000
Staff costs	17,499	8,955	153	26,607
Other Operating Expenditure	3,308	2,919	72	6,299
Grants	-	3,361	-	3,361
Non Cash Expenditure	3,665	2,551	455	6,671
Income	(8,759)	(2,419)	(2)	(11,180)
Net Operating Cost 2019-20	15,713	15,367	678	31,758

	Resource Efficiency £000	Natural Environment £000	Central Costs £000	Total £000
Staff costs	16,047	7,182	172	23,401
Other Operating Expenditure	3,594	3,088	74	6,756
Grants	-	1,958	-	1,958
Non Cash Expenditure	3,494	2,879	432	6,805
Income	(9,837)	(814)	(194)	(10,845)
Net Operating Cost 2018-19	13,298	14,293	484	28,075

Note: An analysis of assets and liabilities by segment is not regularly provided to the chief operating decision maker and therefore the Agency is not reporting this information in accordance with IFRS 8.

During 2019-20 the Agency comprised 2 Divisions; Resource Efficiency Division, and Natural Environment Division, each Directorate fulfilling a role in achieving the overall Agency objective to protect, conserve and promote the natural environment of Northern Ireland for the benefit of present and future generations. The management board review financial information at Divisional level for decision making purposes and this information is analysed into Administration and Programme costs. Reportable segments have been identified on this basis. There have been no changes to the methods used to identify reportable segments since the prior year.

All Divisions issue grants to Non-Government Organisations (NGOs) and to private individuals. Full details of the roles performed by each Division are disclosed in the Annual Report.

Notes to the Accounts

10. Financial Instruments

As the cash requirements of the Agency are met by the Department, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

11. Inventories

	2019-20 £000	2018-19 £000
Operational	78	78
Total	78	78

12. Trade Receivables and Other Current Assets

	2019-20 £000	2018-19 £000
Amounts falling due within one year:		
Trade Receivables	456	116
Other Receivables	387	397
Prepayments & Accrued Income	451	584
Total	1,294	1,097

Notes to the Accounts

12. Trade receivables and Other Current Assets (continued)

Included within trade receivables is £nil (2018-19 £nil) that will be due to the Consolidated Fund once the debts are collected.

The following table shows the impairment of trade receivables at the balance sheet date:

	2019-20 £000	2018-19 £000
Balance at start of year	(99)	(99)
Impairment losses recognised/ derecognised on receivables	(53)	-
Balance at end of year	(152)	(99)

In determining the recoverability of a trade receivable, the Agency considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Interest is not automatically charged on the trade receivables. The Agency has provided fully for all receivables over 361 days, because historical experience is such that receivables that are past due beyond 361 days are generally not recoverable, unless there is evidence to suggest the debt is still recoverable.

The following table shows the aging of debts past due but not impaired; no provision has been made where there has not been a significant change in credit quality and the Agency believes that the amounts are still fully recoverable:

	2019-20 £000	2018-19 £000
Neither past due nor impaired trade receivables	148	63
1 – 30 days	232	13
31 – 60 days	24	1
61 – 90 days	1	-
91 – 180 days	13	4
181 – 361 days	38	35
361 days plus	-	-
Gross carrying value	456	116

Notes to the Accounts

12.1 Intra-Government Balances

Receivables: Amounts falling due within one year

	2019-20 £000	2018-19 £000
Balances with other central government bodies	517	499
Balances with local authorities	5	1
Balances with public corporations and trading funds	590	462
Balances with NHS trusts	2	-
Subtotal: Intra-government balances	1,114	962
Balances with bodies external to government	180	135
Total receivables at 31 March	1,294	1,097

13. Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March	3	3

The following balances at 31 March were held:

Cash in hand	3	3
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Notes to the Accounts

14. Trade Payables and Other Current Liabilities

	2019-20 £000	2018-19 £000
Amounts falling due within one year:		
Trade Payables	80	61
Accruals & Deferred Income	6,162	5,639
Total	6,242	5,700

14.1 Intra-Government Balances

Payables: Amounts falling due within one year	2019-20 £000	2018-19 £000
Balances with other central government bodies	414	488
Balances with local authorities	414	299
Balances with public corporations and trading funds	53	-
Subtotal: Intra-government balances	881	787
Balances with bodies external to government	5,361	4,913
Total payables at 31 March	6,242	5,700

Notes to the Accounts

15. Provisions for liabilities and charges

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Balance at 1 April 2019	124	10	30	164
Provisions not required written back	-	-	-	-
Provided in the year	-	-	21	21
Provisions utilised in the year	(2)	-	(51)	(53)
Balance at 31 March 2020	122	10	-	132

Analysed as follows:

Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Not later than 1 year	122	10	-	132
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Balance at 31 March 2020	122	10	-	132

Notes to the Accounts

15. Provisions for liabilities and charges (continued)

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Balance at 1 April 2018	83	10	-	93
Provisions not required written back	-	-	-	-
Provided in the year	43	-	30	73
Provisions utilised in the year	(2)	-	-	(2)
Balance at 31 March 2019	124	10	30	164

Analysed as follows:

Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Not later than 1 year	124	10	30	164
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Balance at 31 March 2019	124	10	30	164

Provisions for liabilities and charges relate to public and employer's liability claims, and judicial reviews. The Equal Pay Settlement relates to obligations on the part of the Agency to comply with equal pay legislation and the requirement to address anomalies which may have existed.

The Agency is required to meet the cost of paying the pensions of employees who retire early, from the date of retirement until normal retirement age is reached. The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced by the Department.

Notes to the Accounts

16. Contingent liabilities disclosed under IAS 37

The Agency has no contingent liabilities at the end 2019-20.

	2019-20 Total number of cases	2018-19 Total number of cases
PSNI Holiday Pay Judgement	-	1
Total	-	1

17. Commitments

The Agency has commitments to pay various grants in respect of environmental protection and nature conservation. The payments to which the Agency is committed during 2019-20, analysed by the period during which the commitment expires, are as follows:

	2019-20 £000	2018-19 £000
Not later than one year	2,230	2,210
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March	2,230	2,210

Notes to the Accounts

18. Commitments under leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2019-20	2018-19
	£000	£000
Obligations under operating leases for the following periods comprise:		
Land and Buildings		
Not later than one year	9	-
Later than one year and not later than five years	24	-
Later than five years	-	-
	33	-
	33	-

19. Financial Targets

The Department of Agriculture, Environment and Rural Affairs does not consider it appropriate to set financial targets for the Agency.

20. Related Party Transactions

The Department for Agriculture, Environment and Rural Affairs is regarded as a related party as it is the Agency's parent Department. The Agency had various material transactions with both Department, and with other entities to which these Departments are regarded the parent Department such as, DVA and Forest Service NI.

In addition, NIEA has had various material transactions with other Government Departments and other central government bodies. Most of these transactions have been with:

- Department for Infrastructure
- Department of Finance
- Department of Justice

During the year, neither the Chief Executive, members of the Management Board, nor other related parties have undertaken any material transactions with NIEA.

The Agency is charged with managing nature lands to maintain their scientific interest in favorable condition. This conservation management often requires grazing at low stocking levels and grazing at times of year unattractive to the farming community. The Agency levies an annual charge for grazing rights on these lands which is set by Land and Property Services. A number of employees have entered into agreements with the Agency.

Notes to the Accounts

21. Events after the reporting period

There have been no material events occurring after the accounting period that affect these accounts.

At the time of signing these accounts the Agency continued with business as usual with the majority of staff working at home following the outbreak of COVID-19.

22. Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 12 October 2020.



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