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An Agency within the Department of  
Agriculture, Environment  
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INVESTORS  
IN PEOPLE

**Northern Ireland Environment Agency  
Annual Report and Accounts  
For the year ended 31 March 2021**

*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*

*6 July 2021*



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<b>CONTENTS</b>	<b>Page</b>
<b>CHIEF EXECUTIVE'S PERSPECTIVE ON PERFORMANCE</b>	1
<b>NON-EXECUTIVE BOARD MEMBER REPORT</b>	4
<b>PERFORMANCE REPORT</b>	
Overview	5
Performance Analysis	14
<b>ACCOUNTABILITY REPORT</b>	
Corporate Governance Report	
- Directors' Report	29
- Statement of the Accounting Officer's Responsibilities	33
- Governance Statement	34
Agency Remuneration and Staff Report	42
Assembly Accountability and Audit Report	55
<b>The Certificate and Report of the Comptroller And Auditor General to the Northern Ireland Assembly</b>	57
Statement of Comprehensive Net Expenditure	62
Statement of Financial Position	63
Statement of Cash Flows	64
Statement of Changes in Taxpayers' Equity	66
Notes to the Accounts	67



# **ANNUAL REPORT**



## Chief Executive's Perspective on Performance

I have assumed the role of Acting Chief Executive and Accounting Officer of the Agency with effect from 28 June 2021. The following perspective is that of my predecessor, Tracey Teague. I hope to consolidate and build on the work Tracey has done and her perspective gives me a sound basis to do that. All at NIEA wish to acknowledge her leadership of the Agency over recent difficult times and wish her well in her role as Head of our sister Group in DAERA, the Environment, Marine and Fisheries Group.

I am pleased to present the Northern Ireland Environment Agency's (NIEA, the Agency) 2020-21 Annual Report and Accounts. This has been a challenging year during which the Department invoked its most recent Major Emergency Response Plan (MERP) from 22 October 2020 in response to the concurrent challenges of COVID-19 and EU transition. NIEA played its full part.

We continue to face many challenges and I am acutely aware of the ongoing and significant pressures on us. I now hope that we will all be able to move our focus to learning from our experiences, supporting our recovery and planning safely for future delivery.

It is in this context that I am pleased to report that we achieved many of our key operational targets as set out in our Business Plan for 2020-21.

During the reporting period, managing the consequences of leaving the EU continued to be a top priority for the Agency. Work continues on many fronts including aspects of policy frameworks, relevant legislation amendments and transitional and post day one implementation specifically in relation to Waste and Water compliance and regulation but also the implications of navigating a post EU exit landscape. In addition, the Agency supported DAERA's role in progressing the Executive's Green Growth and Climate Action Strategy through establishment and oversight of Green Growth and Climate Action Division, development of its role, streamlining of climate functions across the Department and acquiring professional services to provide additional capacity and expertise. This will drive the Northern Ireland Executive commitment to tackle climate change head on within a strategy incorporating environmental protection and green jobs.

During a year of significant change NIEA 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". The Agency met 9 of the total 13 targets including two of the five 'key performance targets' (KPTs).

The Agency achieved 5,000 hectares of terrestrial protected areas under favourable management. In addition, integrated environmental advice continued to be delivered for planning to support effective and informed planning decisions. Our Country Parks and Nature Reserves have, when circumstances allowed, continued to provide important opportunities for nature inspired outdoor recreation, as well as both appreciation and engagement with nature and our natural environment. This has been more important than ever during the pandemic. NIEA sites saw an estimated 2.78 million visits over the course of 2020, seeing a marked increase of 20% on 2019 figures.

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 1,225 incidents of suspected waste criminality and carried out 41 criminal investigations.



A key focus continues to be the enhancement of Northern Ireland's water bodies. The draft 3rd cycle River Basin Management Plan was issued for a six months consultation period on 9 April 2021. The draft plan 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 most current classification of water bodies indicates that there has been very little improvement since 2015 where 37 % of all water bodies were at 'good or better' status compared to 38 % in the latest assessment. Whilst there have been improvements in status of some water bodies, a number of water bodies have also deteriorated. In fact, our rivers and lakes are clearly showing deteriorations, whilst our coastal & transitional water bodies remain generally unchanged. Although the groundwater classification results show an improvement in status this is mostly due to changes in monitoring data collection or changes in monitoring stations within the groundwater bodies. We are proposing to carry forward our target that 70% of water bodies achieve 'good' status by 2027. In order to achieve this we need to look at new ways of turning the curve on this target and are therefore seeking the views of the public on the draft 3rd cycle River Basin Management Plan including the proposed Programme of Measures.

We continue to value our strong partnerships with our customers and stakeholders. NIEA staff adapted to the challenges of 2020-21 and continued to engage with customers and stakeholders utilising the virtual platforms. During the reporting period over £4.5m was committed by the Agency under the Environment Fund to deliver projects supporting habitats and species, improved water quality, engagement with nature and access to the countryside.

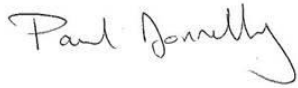
This included significant part funding of £972,000 to enable the Woodland Trust to purchase Mourne Park with the aim of protecting and enhancing existing rare and important ancient woodland and other wildlife habitats, as well as the creation of valuable new woodland through native tree planting and connecting people with nature via public access. A wide variety of other projects have also received support including those which have delivered increased access to the outdoors, which has proved to be a key public provision during the COVID-19 pandemic in support of people's health and well-being. For example, Lisburn and Castlereagh City Council received £50,000 to create 1.2km of path at Glenmore which included additional features of native trees, wildflowers, litter stations, invasive species treatment, seating and interpretation panels.

The restrictions implemented as part of the response to the COVID-19 pandemic, had a significant impact on how many of us live our lives. Restrictions affected our behaviour in terms of working from home or attending school, our ability to travel, social interactions, recreational activities and the amount of time spent in our homes. It was recognised that these restrictions presented an unprecedented opportunity to assess how changes in human behaviour, brought about by the COVID-19 pandemic, have affected the environment around us. DAERA and NIEA staff from a range of disciplines, collaborated to share data and identify and assess the extent to which the COVID-19 restrictions affected the environment. A number of key environmental indicators were considered and the findings were incorporated into a dashboard which will be used to support a green recovery across DAERA and when considering future policy.

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 Ireland 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 2020-21.

Finally, I would like to place on record my thanks to the staff in the Agency for their professionalism and commitment in delivering the Agency's aims and objectives, particularly during what has been an extremely challenging year.

A handwritten signature in black ink that reads "Paul Donnelly". The signature is written in a cursive style with a long, sweeping tail on the final letter.

**Paul Donnelly**  
Acting Chief Executive  
29 June 2021

## Non-Executive Board Member Report

The year to 31 March 2021 has been challenging for the Northern Ireland Environment Agency (NIEA) given the global pandemic. 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. I wish to record thanks to all the Agency staff for their effort and assistance over what has been a very difficult year.

### NIEA Board

The Management Board met 11 times in 2020-21. Due to the ongoing pandemic all meetings were conducted via video conference and some planned external visits had to be postponed in accordance with ongoing restrictions. 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

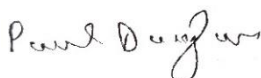
The Agency had planned to undertake a Review of Board Effectiveness in the final quarter of 2019-20, however this did not take place due mainly to the COVID-19 lock down and EU Transition work. The Agency plans to undertake a review in 2021-22. Members will complete a self-assessment questionnaire of 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 three occasions in 2020-21 and continued to support the Accounting Officer and Management Board in their responsibilities for issues of risk, control and governance. All meetings this year were held remotely via video conference, however this did not impact on the work of the committee.

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.

The committee welcomed the unqualified audit opinion on the 2020-21 accounts and the satisfactory audit opinion presented by Internal Audit in their 2020-21 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 recommended that Internal Audit should continue with a three year audit strategy, with suitable flexibilities built in, and were content that this would be the best process to provide reasonable assurance to the Accounting Officer.



Paul Douglas  
29 June 2021

# 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 2020-21.

### 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 2021.

The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FRoM) and under an Accounts Direction given by the Department of Finance (DoF) in accordance with Section 11(1) and (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 5<sup>th</sup> 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

The Agency is headed by a Chief Executive and three Directors of three Divisions – two operational Divisions, Natural Environment and Resource Efficiency, and Strategic Planning and Change Division. A Non-Executive Director was appointed on 1 September 2018 for a three year period which has been extended for a further three year period with annual review. The 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 2020-21**

For 2020-21, 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 2020-21 vision of 'Sustainability at the heart of a living, working, active landscape valued by everyone'.

Of the thirteen targets in the NIEA 2020-21 Business Plan, one is included in the DAERA 2020-21 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.

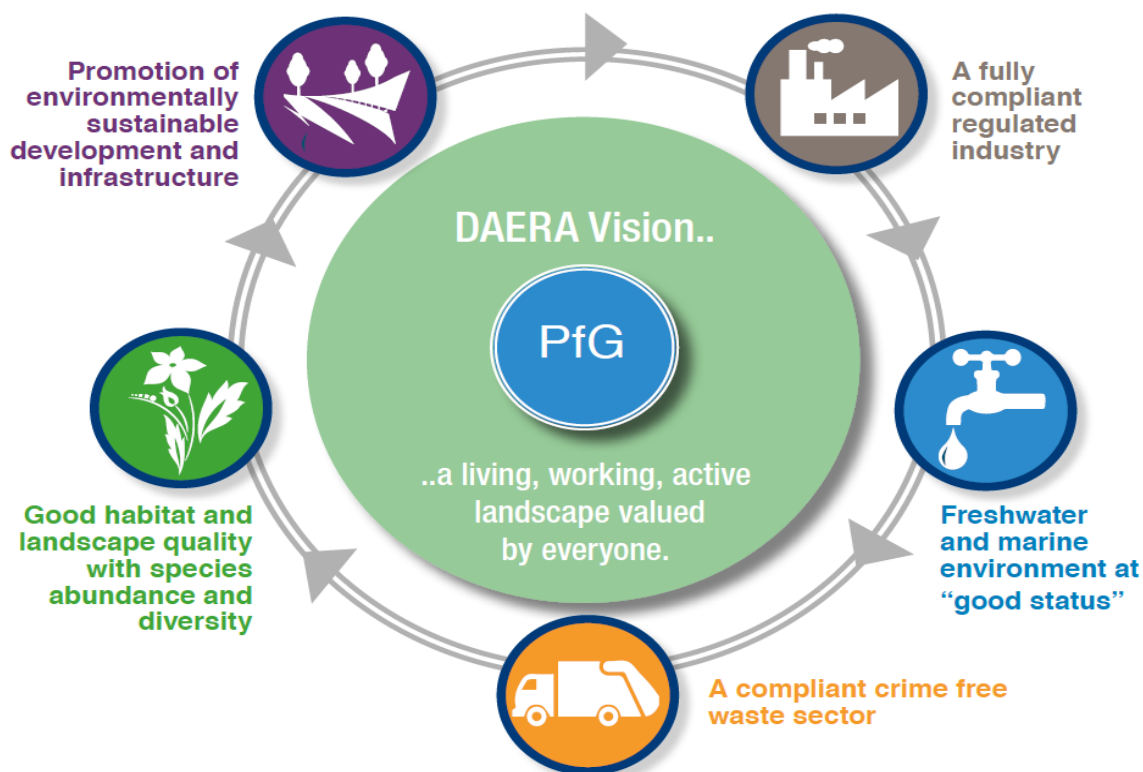
In addition, a programme of work has continued to ensure the Agency is adequately implementing the key changes relating to the UK's departure from the EU in terms of agreed policy frameworks, relevant legislative amendments, transitional and day one delivery planning.

## **Principal Activities**

The thirteen targets included in the NIEA Business Plan 2020-21 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 2020-21 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 2020-21

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 prevention advice and carries out risk assessments with the aim of minimising the impact of these activities on the environment. Due to COVID-19 restrictions, the Agency delivered a reduced, but targeted programme of sampling and site inspections, at waste water treatment works and sites of regulated discharges to monitor compliance and 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).

All statutory river and lake water quality monitoring ceased on 23 March 2020. All biological monitoring was suspended, and spring monitoring season was effectively missed. Together this will prevent any conclusions being drawn in terms of robust evidence on the impact of COVID-19 on water quality. On the positive side, the prolonged spell of dry weather over the same period reduced run off, storm overflows, and provided good land conditions for manure spreading, all of which will lead to better water quality. While routine water sampling had stopped, the water quality staff continued to inspect sensitive areas (e.g. drinking water abstractions, Special Areas of Conservation rivers and shellfish waters) to ensure any potential issues were swiftly identified and addressed. From June onwards a phased return to monitoring of waterways commenced, taking into account the needs of social distancing and health protection guidelines. This has remained ongoing during further lockdowns.

NIEA plays a key role in protecting water quality and quantity. The aim is to achieve 'good status' in all waters; from groundwater to rivers and lakes, through to estuaries and coastal waters. This is delivered through a number of statutory instruments that transposed the requirements of the European Commission's Water Framework Directive (WFD) into Northern Ireland legislation. The objectives of the local regulations are: to get polluted waters clean again, to ensure that clean waters are kept clean and to ensure that sufficient water is available to support the environment as well as for all of its users. NIEA, in partnership with Marine and Fisheries Division of DAERA and DfI Water Policy, is responsible for the development and implementation of the River Basin Management Plan, supported by catchment management work to encourage a sustainable and integrated approach to all the different needs within a water catchment area. The work which we do is based on robust scientific evidence derived from comprehensive, long-term monitoring programmes for all of our water bodies and a programme of research with AFBI and others to understand the pressures and impacts affecting our water environment.

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.

### **Protection of Public Health through Effective Drinking Water Regulation**

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.

In response to COVID-19, DWI worked closely with NI Water to ensure its Contingency Plans were effectively managed to ensure continued provision of a safe public drinking water supply. DWI engaged directly with councils and with businesses using private water supplies throughout COVID-19 restrictions to ensure risks to their drinking water supplies were effectively managed. Monitoring was recommenced in June 2020 and the revised schedule fully delivered to ensure continued protection of public health.

### **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 Reserve sites 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. Due to COVID-19 restrictions the level of monitoring work on Areas of Special Scientific Interest (ASSIs) was less than planned.

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.

COVID-19 had an initial impact on laboratory capability with the laboratory service reduced to emergency pollution response and continued screening of sensitive drinking water catchments for the presence of toxic organic substances. In the second half of the year the laboratories entered a recovery phase to ensure key monitoring and regulatory programmes were brought back on line.

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 KAS advisors built 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

Continuing to deal with EU Transition and the ongoing implications of the COVID-19 pandemic will be top priorities for the Agency over the 2021-22 financial year and this will be reflected in the Agency's 2021-22 Business Plan.

The Agency shall continue to prepare on all aspects of EU Transition relating to 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 resources. We are currently consulting on the draft 3rd cycle River Basin Management Plan including the Programme of Measures to improve and protect or water resources. The 3rd cycle

plan will cover a six-year period starting on 1 January 2022 and ending on 31 December 2027. The draft plan carries forward the aim from the 2nd cycle plan to have 70% of all water bodies within Northern Ireland classified as achieving 'good status' or better by 2027, as it is highly unlikely that this aim will be achieved by the end of the current 2nd cycle (31 December 2021). In the meantime the Agency continues to implement the measures for the 2nd cycle.

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 3 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 2021; 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 respond to the issues arising from the impact of COVID-19 and lack of data regarding impact of COVID-19 on the environment, which could result in Business Targets not being achieved;
- 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 deliver on key targets as the Agency's focus and resources are directed towards the UK's departure from the EU and the operation of the Northern Ireland Protocol; and,
- Failure to protect the environment through not undertaking our responsibilities to a sufficiently high standard leading to failing to meet DAERA's vision, statutory requirements and business targets.

## Performance against Targets

The Agency met two of the five Key Performance Targets set out in the draft 2020-21 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	1, 2 & 3	Carry out appropriate environmental regulatory checks and monitoring and enforcement that will contribute to the protection and enhancement of the environment and inform future evidence led policy, strategies and decisions to deliver improved environmental outcomes.	Not Achieved
2	1, 2 & 5	Complete procurement preparation and complete tender process for Integrated Consultancy Team (ICT) for the Mobuoy Remediation Project.	Not Achieved
3	2	Implement Year 2 of the 2019 Outcome Action Plan for 20 high priority river bodies identified as having significant water quality issues.	Achieved
4	4	Complete 25 draft Special Area of Conservation (SAC) Management Plans.	Achieved
5	4 & 5	Consult on revised advice (operational protocol) on assessment of nitrogenous air pollution impact.	Not achieved

### Explanation for Key Targets Not Achieved

#### Key Target 1

The first part of this target (Target of 90% for Waste Permitting, Waste Licences, Industrial Consents and Water Utility) was achieved with 94.3%. The second part of the target (Target of 7 Areas of Special Scientific Interest (ASSIs) comprising 669 quadrats (survey points) to be completed) was not achieved due to COVID-19 restrictions.

#### Key Target 2

Due to COVID-19 there were delays in the procurement process. Contract was awarded on 8 June 2021.

#### Key Target 5

Consultation document has been drafted but awaiting approval to publish.

## 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 two of its five Key Performance Targets. However the Agency had a number of other targets as set out in the 2020-21 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	Agency	1, 2, 3 & 4	Deliver, as appropriate, the operational changes that will result from the transition from the EU, supporting customers and stakeholders throughout the process and informing Brexit related legislative and policy issues to protect and enhance the environment. <b>DAERA Target</b>	Achieved
2	Agency	1, 2, 3, 4 & 5	To respond effectively and efficiently to the issues arising from the impact of COVID-19 on the environment and develop and feed into COVID-19 recovery work to protect and enhance the environment and public appreciation of it.	Achieved
3	Agency	1,2 & 3	Carry out appropriate environmental regulatory checks and monitoring and enforcement that will contribute to the protection and enhancement of the environment and inform future evidence led policy, strategies and decisions to deliver improved environmental outcomes. <b>DAERA Target and KPT</b>	Not Achieved
4	Resource Efficiency Division (RED)	1, 2 & 5	Complete procurement preparation and complete tender process for Integrated Consultancy Team (ICT) for	Not Achieved

Number	Division	Agency Key Priority (1-5)	Target (description)	Achieved / Not Achieved
			the Mobuoy Remediation Project. <b>KPT</b>	
5	RED	2	Implement Year 2 of the 2019 Outcome Action Plan for 20 high priority river bodies identified as having significant water quality issues. <b>KPT</b>	Achieved
6	RED	2	Publish draft 3rd cycle River Basin Management Plan for consultation in line with statutory requirements.	Not Achieved
7	RED	1 & 2	Protect public health and the environment by providing effective and efficient regulation and enforcement of Drinking Water supplies - 95% compliance with microbiological parameters at private drinking water supplies and 90% of events notified by NI Water categorised within 5 days.	Achieved
8	RED	1 & 5	Implement the project plan for delivery of the Regulatory Transformation Programme to include: (i) Deliver NIEA Digital Transformation of services to include: Registration of Carriers, IPRI Pollution Inventory, Domestic Consents and Waste Authorisations; (ii) Review of NIEA Environmental Permitting Fees and Charges; and (iii) Development of guidance and training for new digital systems.	Achieved
9	Natural Environment Division (NED)	4	Achieve 6,000 hectares of terrestrial protected areas under favourable management.	Achieved
10	NED	2 & 4	Deliver strategic environmental outcomes through partnership working by issuing full payment on 90% of all delivery bodies'	Achieved.

Number	Division	Agency Key Priority (1-5)	Target (description)	Achieved / Not Achieved
			claims submitted by 15 March 2021 and issue of 2021-22 Environment Fund Letters of Offer.	
11	NED	1, 2, 4 & 5	Develop an action plan to seek to improve the quality of planning consultations being submitted to DAERA with customers being provided with the necessary support including online and published planning information to enable them to perform at that level.	Achieved
12	NED	4	Complete 25 draft Special Area of Conservation (SAC) Management Plans. <b>KPT</b>	Achieved
13	NED	4 & 5	Consult on revised advice (operational protocol) on assessment of nitrogenous air pollution impact. <b>KPT</b>	Not 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 in conjunction with DAERA Digital Services Division (DSD) 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 November 2020 the digital transformation of applications services for domestic discharge consents was launched and has delivered significant benefits for both customers and NIEA staff. NIEA processes close to 300 domestic consent applications each month with the majority of these now being received by NIEA digitally online replacing the previous manual and paper-based process.

During 2020-21 NIEA has also launched the digital transformation of services for waste management exemptions, waste management licensing, waste carriers and waste licensing quarterly returns replacing the previous manual and paper-based processes.

During the reporting period NIEA have also utilised a mobile-based application for waste management licensing regulatory inspections. This allows officers to digitally capture inspection information offline in the field replacing the current manual and paper-based process.

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 were taken forward in 2020-21.

Throughout 2020-21, NIEA continued to regulate new septic tanks, water abstractions and impoundments, discharges from waste water treatment works, and industrial effluent discharges through the assessment, determination and issue of over 2,500 consents and licences.



## **Freshwater and Marine Environment Classified As Being in a ‘Good Status’**

In 2015 as part of the 2nd cycle River Basin Management Plan (RBMP), the objective to have 70% of all water bodies within Northern Ireland classified as achieving ‘Good Status’ or better by 2021 was set. However, it is highly unlikely that this will be achieved. The Agency published its draft 3rd cycle RBMP for public consultation just after the end of the reporting period on 9 April 2021. The consultation closes on 10 October 2021 and the documents are available on the DAERA webpage. The RBMP covers a six year period from 1 January 2022 to 31 December 2027. Catchment Management Plans supporting the draft plan 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 2027 target. It requires input and action from a wide range of organisations and behavioural changes from every person living in Northern Ireland to implement the River Basin Management Plan and Catchment Plans. During the reporting period NIEA held a catchment stakeholder webinar 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 2020-21 NIEA staff continued to engage and collaborate with colleagues in RoI and attended both Border Regional Operational Committee meetings and the RoI Water Framework Directive Implementation and Coordination meetings virtually.

During the reporting period NIEA conducted a reduced Cross Compliance programme as a result of the COVID-19 pandemic. A total of 130 planned cross compliance inspections were conducted during 2020 representing a 0.5% inspection rate. There were 55 breaches across 31 farm businesses. This represents an overall level of non-compliance at approximately 24% which is similar to levels found in 2019 and 2018 at 21% and 26% respectively. The most common breach identified was pollution to waterway followed closely by spreading during the closed period. The Agency successfully delivered its programme of cross-compliance inspections as well as implementing Year 2 of the outcome action plans with 80% of the recommendations completed.

## **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 1,225 incidents of suspected waste criminality, 302 intelligence documents and carried out 1,978 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 41 criminal investigations.

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 continue to

work alongside District Council colleagues to minimise the environmental impact of bonfires. A fly-tipping protocol has been agreed with the majority of district councils, which provides clarity on the roles and responsibilities of the NIEA and councils in tackling fly-tipping.

The Financial Investigation Section continued to pursue investigations under the Proceeds of Crime Act 2002 (POCA). During the 2020-21 financial year, it secured one confiscation order to the value of £235,460.39 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.

## **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 has been an essential resource enabling people to connect to nature and their natural environment particularly during this the reporting period. NIEA provided an important opportunity for naturally inspired outdoor recreation, which has been of particular prominence since the onset of the COVID-19 pandemic.

The number of visits to NIEA sites saw a marked increase over 2020 with an estimated 2.78 million visits over the year, up by 20% on 2019 figures.

During the reporting period the Agency undertook substantive projects to enhance both visitor facilities and public access across a number of sites and implemented significant habitat management works to maintain and improve the condition of our Nature Reserves.

### **(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.

Over £4.5m in 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 4,400 planning consultations which were notified to the Planning Response Team through the Planning Portal.

NIEA achieved its target of developing an action plan to seek to improve the quality of planning consultations being submitted to DAERA with customers being provided with the necessary support including online and published planning information to enable them to perform at that level. The action plan is now being implemented to drive forward continuous improvements in our service and covers a range of areas including: Advice and Guidance, Case Management, Stakeholder Engagement, Monitoring and IT.

## **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 virtual development sessions and various communications with staff. The NIEA Employee Engagement Index score increased 8% (2019-20: 5%) on last year, up from 53% in 2019-20 to 61% in 2020-21.

### **Managing Our Financial Resources Effectively Within a Strong Corporate Governance Framework**

The NIEA 2020-21 Provisional Resource DEL underspend of £37k represents 0.12% of the closing net Resource budget (£30.01m), following the final in year monitoring round.

The Capital DEL underspend of £60k represents 1.9% of the closing Capital budget (£3.24m)

### **Funding**

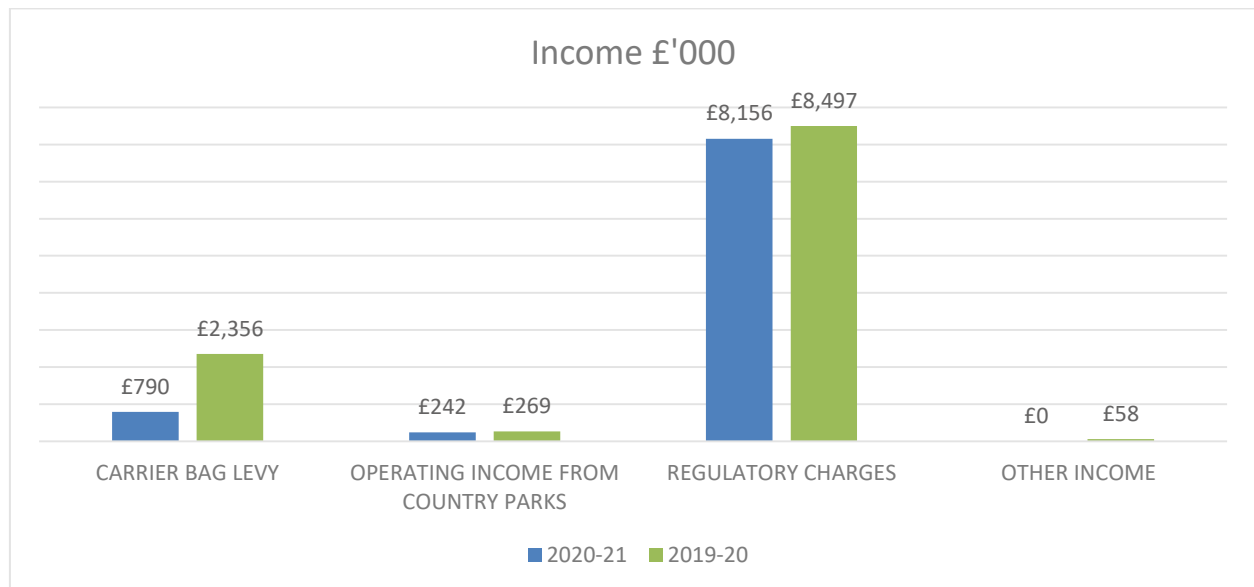
Our primary source of funding in terms of Resource and Capital Expenditure comes from Central Government however around a fifth of expenditure is funded from external income (regulatory charges and the carrier bag levy). The total net assets held by the Agency at 31 March 2021 was £18,346K (2019-20: £19,642K).

## Results for the Year

The Statement of Comprehensive Net Expenditure is set out on page 62 and shows the net cost of operations as £36,421K (2019-20: £31,758K) representing an increase in net costs amounting to £4,663K (14.68%). The overall increase was primarily due to a reduction in income from Carrier Bag Levy; an increase in the number of staff employed during the year; the Environmental Challenge Fund capital grant scheme, and inflationary price increases. This increase in expenditure was offset by a reduction in Inter-Departmental notional charges.

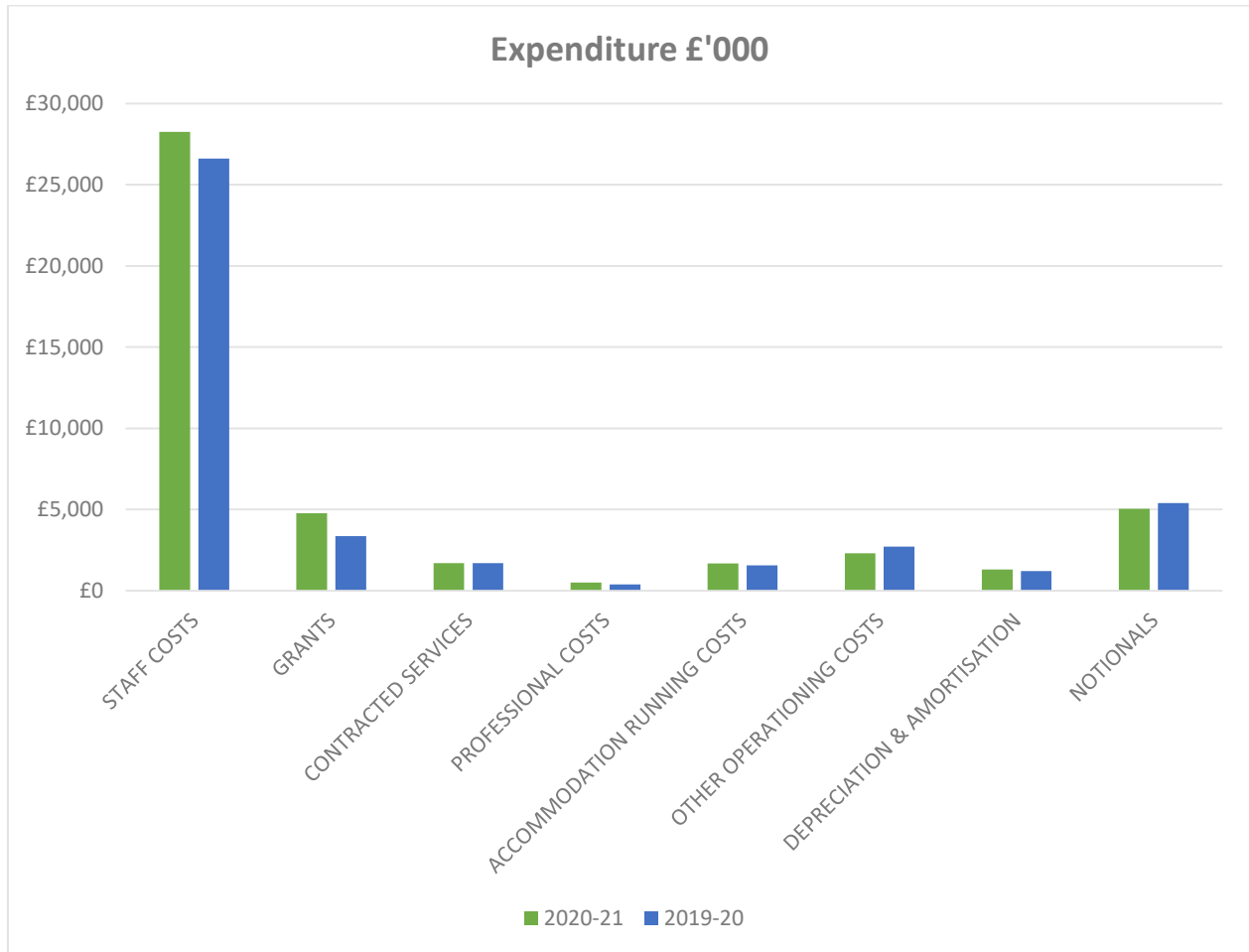
## Income

Income decreased during the year from £11,180K in 2019-20 to £9,188K in 2020-21. Income from Carrier Bag Levy fell significantly from £2,356k in 2019-20 to £790K in 2020-21, a decrease of 66%. Income from Country Parks decreased by 10% from £269k in 2019-20 to £242k in 2020-21. There was also a slight decrease of 4% in Income from Regulatory Charges from £8,497k in 2019-20 to £8,156k in 2020-21. The chart below provides a breakdown of the income figure.

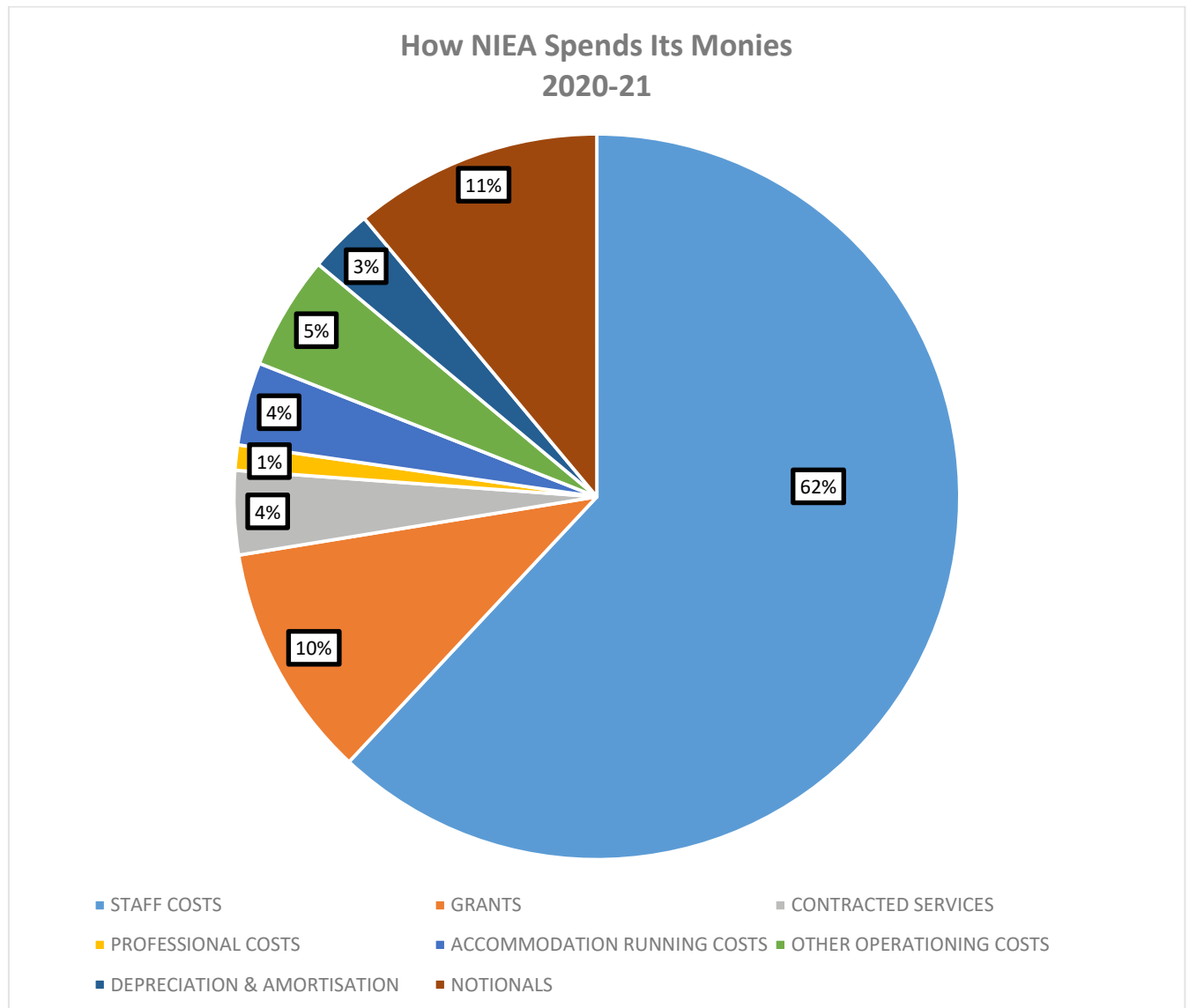


## Expenditure

Total expenditure during the year was £45,609K (2019-20: £42,938K) representing a 6% increase in total expenditure compared with the previous year. Staff costs amounting to £28,260K (2019-20: £26,607K) make up 62% (2019-20: 62%) of the total expenditure. Grant costs amounting to £4,773K (2019-20: £3,361K) being 10% (2019-20: 8%) of total expenditure. A breakdown showing grants paid by each directorate is included in Note 4 of these accounts. The chart below provides a breakdown of total expenditure.

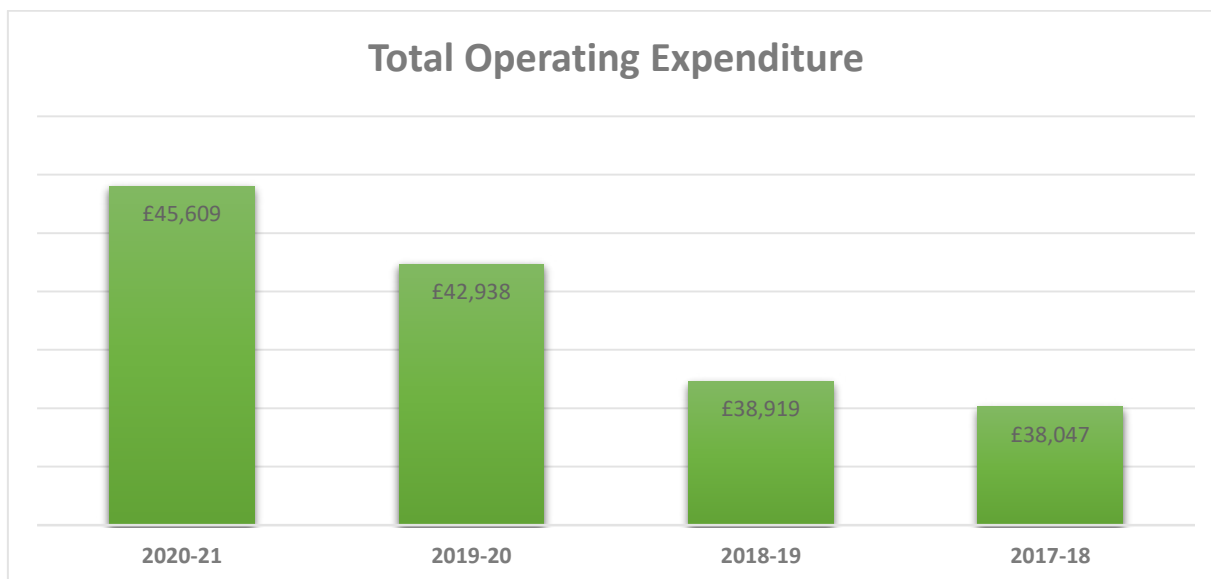


The graph below shows how the Agency spent the funding it received in 2020-21. For the 2020-21 financial year, the Agency was allocated a net opening budget of £29.6 million for resource expenditure and £1.0 million for capital expenditure. During the financial year bids and/or easements were submitted 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 2020-21 was £9.2 million.



## Long Term Expenditure Trends

The following chart 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 2020-21.

## 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 2020-21, 98.3% of invoices for goods or services were paid within 30 days (2019-20: 98.3%) and 95.5% were paid within 10 days (2019-20: 94.4%).

## Political and Charitable Donations

The Agency made no political or charitable donations within the financial year (2019-20: £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 of 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.

The table below provides a breakdown of COVID-19 related expenditure in 2020-21:

	2020-21 £'000
Grants:	
Environmental Fund: Strands 1 and 2	98
Environmental Fund: Strand 3 Challenge Fund - Capital	53
PPE and Premises Costs	75
Other Operating Costs	35
<b>Total</b>	<b>261</b>

There was no specific ring-fenced NI Executive allocation made to NIEA during the reporting period to fund COVID-19 related expenditure. All expenditure was self-funded by the Agency as a result of reduced requirements from alternative working practices including working from home and alternative regulatory practices.

The COVID-19 pandemic also provided an opportunity to consider how lockdown, and the required changes to people's daily lives impacted the environment. Following UK-wide media coverage about the impacts of the COVID-19 lockdown on the environment, in June 2020, an EMFG/NIEA Task and Finish Group was established to look into the environmental impacts of the lockdown across a range of environmental indicators (metrics). DAERA has extensive monitoring and surveillance programmes, but as some have been affected by the impact of the pandemic, metrics were chosen on the basis of data availability, both during lockdown and in the preceding years to enable comparison.



NIEA staff, working across a range of disciplines, collaborated with policy colleagues in a Task and Finish Group led by RNRPD, to identify and assess the environmental impact of lockdown restrictions and incorporated the findings into a dashboard. The interactive dashboard includes the following metrics:

1. Recycling – percentage of waste recycled;
2. Water – water pollution incidents;
3. Air Quality – nitrogen dioxide and particulate matter;
4. Waste – fly-tipping;
5. Marine environment – marine noise; and
6. Ornithology - population trends of various bird species

The dashboard is updated periodically, and in line with monitoring timetables and data availability, further environmental indicators are being considered. It is expected that this dashboard will be used to consider the possible environmental impact of widespread behavioural change, and to inform a Green Recovery.

### UK's Departure from the EU

The UK's departure from the EU on 31 January 2020 was a top priority for the Agency in 2020-21. Operational staff worked closely with policy colleagues to deliver the Minimal Viable Product's for work streams or projects identified in the Northern Ireland Protocol and where legislation changed as a result of EU exit. To ensure there were no impacts over the EU Transition period a number of Regulatory Position Statements put in place as a result of COVID-19 were amended to include possible impacts as a result of EU Transition, ensuring protection of human health and the environment as far as possible whilst assisting essential industries, such as waste and wastewater industries. As part of DAERA's Major Emergency Response Plan, NIEA initiated Bronze Command meetings to provide the operational response necessary to EU Transition.

The Agency initiated and continues with stakeholder engagement with key sectors including waste, emissions and chemicals, environmental groups and the Environmental Stakeholder Group to support sectors prepare for EU Exit.

The Agency continues to liaise with policy teams to resolve ongoing issues relating to work streams and projects that were deferred to post Transition or where EU Exit has generated new areas of work.

The table below provides a breakdown of EU Exit related expenditure in 2020-21:

	<b>2020-21</b> <b>£'000</b>
Salaries	3,539
Contracted Services	64
Other Operating Costs	34
<b>Total</b>	<b>3,637</b>

## Sustainability Report

Sustainability is at the core of all NIEA's business activities. NIEA as an organisation recognises the positive environmental outcomes in addition to the direct cost savings that can be delivered, both internally and externally, by introducing more sustainable development priorities and working practices. Locally, NIEA contributed in a variety of ways with a range of stakeholders across all sectors of Northern Ireland society 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.

An internal 'Leading by Example' Departmental Working Group on Environmental Protection was set up to discuss and take forward intra departmental initiatives relating to recycling, waste reduction, single use plastics, energy efficiency, and the promotion of volunteering opportunities.

In relation to single use plastics a plan was agreed in October 2020 by the Northern Ireland Executive to reduce the use of single use plastics across the government estate with the aim of having a ban on usage in the government estate by October 2021.

To assist with achieving this objective the Premises Team in the Klondyke Building, the main NIEA HQ building, are committed to finding ways to reduce staff usage of unnecessary plastics within the workplace. Staff are encouraged to use reusable water bottles, and plastic cups and plastic cutlery are not available within the building.

The Klondyke Premises Team have been pivotal in driving a number of environmental changes within the building including the removal of all waste bins from desks and ensuring that the majority of waste items are recycled. This has resulted in a reduction of over 60% in the building's landfill waste. Recycling bins have been provided throughout the building in kitchens, tea points and open plan areas for food waste, cardboard, plastics, cans/metal, glass, shredding paper, used batteries and toner cartridges, crisp packets and oral hygiene products. Donation stations are also provided for clothes and footwear in order to support charities.

The Premises Team also arrange the recycling of Christmas cards throughout DAERA Headquarter Buildings for distribution as resource material for local schools and resource centres.

Working with DoF Properties Division, the Premises Team have ensured that all obsolete electrical equipment has been replaced with energy efficient alternatives.

In terms of the wider NIEA estate, recovery recycling is employed at the Agency's country parks in order to again reduce the amount of waste going to landfill.

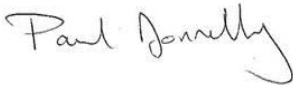
On a wider note the COVID-19 Pandemic resulted in changing working practices with the majority of NIEA staff working from home. This markedly reduced the level of commuting travel by staff as well as the amount of business travel. In addition there has also been a major reduction in the use of office consumables (i.e. photocopying paper, stationery etc.) as well as the significant reduction in office waste during 2020-21.

## 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.

A handwritten signature in black ink that reads "Paul Donnelly". The signature is written in a cursive style with a long, sweeping tail on the final letter.

**Paul Donnelly**  
Acting Chief Executive  
29 June 2021

# ACCOUNTABILITY REPORT

## Corporate Governance Report

### Directors' Report

#### Management Board

NIEA's Management Board during the year ended 31 March 2021 comprised:

#### CHIEF EXECUTIVE

Tracey Teague (Acting)

#### DIRECTOR OF NATURAL ENVIRONMENT DIVISION

Helen Anderson

#### DIRECTOR OF RESOURCE EFFICIENCY DIVISION

Tim Irwin (Acting) (Appointed 27 April 2020. Retired 31 March 21)

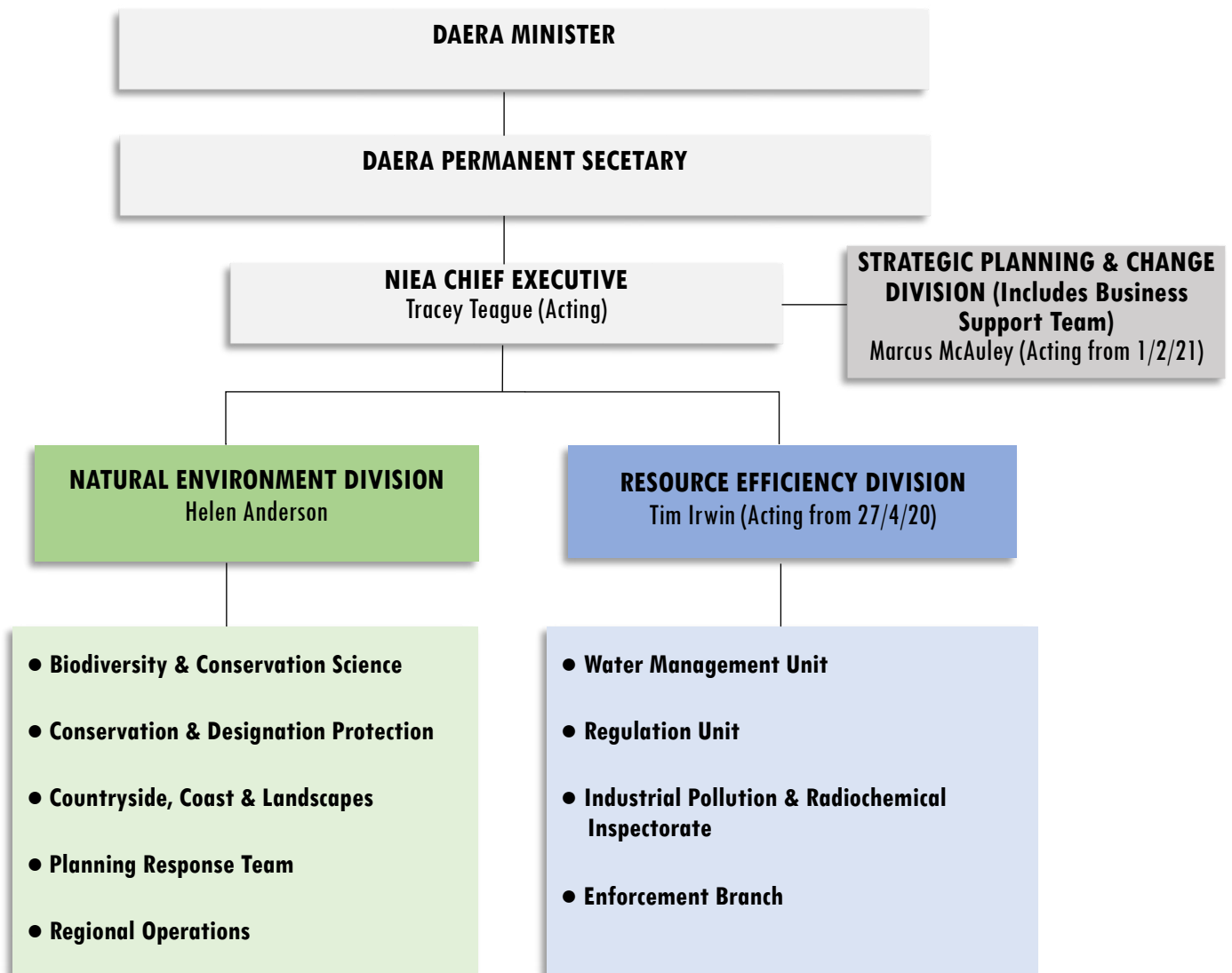
#### DIRECTOR OF STRATEGIC PLANNING AND CHANGE DIVISION

Marcus McAuley (Acting) (Appointed 1 February 2021)

#### Non-Executive Director

Paul Douglas (Appointed 1 September 2018)

### NIEA Organisation Chart 1 April 20 - 31 March 21



#### 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 2020-21 resulted in a notional audit fee of £20K which is included in operating 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 42) and Note 2 of the Accounts (page 74).

### **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 134 (2019-20: 162) '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 supports 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

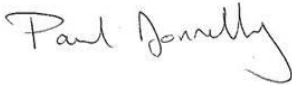
ensuring staff have the skills and attributes to provide a high level of customer service when working with the public and other outside bodies.

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. The Agency identified 1 data security breach during the year that required reporting to the Information Commissioner's Office.



**Paul Donnelly**  
Acting Chief Executive  
29 June 2021

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(1) and (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.



**Paul Donnelly**  
Acting Chief Executive  
29 June 2021



# 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 2020 to 31 March 2021.

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, 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 underpinned the 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.

As Acting Chief Executive of the Agency, I reported directly to the Permanent Secretary of the Department. I am also a member of the Departmental Board. During the reporting period, 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 was also the Designated Accounting Officer, in which capacity I was 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 was 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 29 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. A temporary Director looking at strategic planning and change joined the Board from 1 February 2021.

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 on 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 Plan targets, and on significant risk and audit issues brought to the Board by the ARAC. Any significant internal control issues that have been raised in my Chief Executive's quarterly Stewardship Reports (2<sup>nd</sup> and 3<sup>rd</sup> quarters and for full year) are also discussed.

The Board seeks to operate within its Terms of Reference and the guidelines set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013. It is responsible, with the support of its ARAC, 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 Terms of Reference, which include details of the function, composition and operation of the Board meetings, are provided in the 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. No conflicts of interest were declared in 2020-21.

## **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 to ensure that I can demonstrate that I have made the best possible evidence based decisions.

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 and the Agency corporate risk register and provides support and guidance on key governance issues. During 2020-21, the Committee was comprised of four independent members and three meetings were held, in June 2020, November 2020 and March 2021. Paul Douglas, the NEBM, continued to chair the Committee in 2020-21.

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

- Internal and External Audit strategies and reports;
- Risk management;
- NIEA Annual Report and Accounts 2019-20;
- Governance Statement (2019-20); and
- The UK's departure from the EU and the NI Protocol.

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;
- That the Comptroller and Auditor General (C&AG) certified the 2019-20 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
Tracey Teague (Acting Chief Executive)	11/11	3/3
Helen Anderson (Director of Natural Environment Division)	6/11	2/3
Tim Irwin (Acting Director of Resource Efficiency Division)	11/11	3/3
Paul Douglas (Non-Executive Director)	11/11	3/3
Marcus McAuley (Temporary Director – special exercise)	1/2	1/1

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's term of appointment to the committee was due to conclude at the end of June 2020. It was agreed to extend this engagement for a further year.

## 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 and EU Transition work. The Agency now plans to undertake a review in 2021-22.

## 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 outcomes 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 seek the timely implementation of all audit 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 2020-21, 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. This situation will be carefully monitored during the coming period to ensure that I obtain the assurances that are required. 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 2020-21 financial year.

During 2020-21, the following internal audit assignments were completed in respect of the NIEA:

Title of Audit	Date	Opinion	No of recommendations
Enforcement Division (ECU) (2019-20 Audit Plan)	May 2020	Satisfactory	2
Agency Targets: Validation of Targets	Jul 2020	Special Exercise	N/A
Regulation Unit: Craigmore Landfill (Investigation of Complaints Received) (2019-20 Audit Plan)	Jul 2020	Special Exercise	4
Regulation Unit: Water Regulation Unit (2019-20 Audit Plan)	Jul 2020	Satisfactory	10
Conservation Designation and Protection (2019-20 Audit Plan)	Aug 2020	Satisfactory	8
Cross Compliance	Apr 2021	Satisfactory	3
Regulation Unit: Financial Provisions to Support Waste Management Licences	May 2021	Limited	6

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

### **Corporate Services**

During 2020-21, 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 (BST). 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. The Agency identified 1 data security breach during the year that required reporting to the Information Commissioner's Office. At time of writing, no further action has been recommended by the Commissioner.

### **Whistleblowing**

During 2020-21, 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. 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.

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 2020-21, no whistleblowing notifications were received by the Agency.

### **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 financial 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 including 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. Business Continuity Plans were successfully activated during the reporting period in response to the COVID-19 pandemic. I am pleased to note the support of Digital Services Division and the premises teams that ensured that staff could quickly and effectively work from home during most of 2020-21 as required by NI Executive guidance.

### **Risk management and control framework**

The system of internal control is designed to manage risk to an acceptable level and cannot eliminate all risk of failure to achieve policies, aims and objectives where issues are outside the control of the Agency and Department. 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.

Last year I mentioned the potentially significant future financial cost of implementing the preferred option for the waste remediation strategy for the Mobuoy site. By way of an update the Remediation Team established within the Agency has worked towards the appointment of an Integrated Consultancy Team (ICT) and are expected to make an appointment prior to the commencement of the associated criminal trial. The Remediation Team will work with the appointed ICT to develop the Optimum Remediation Strategy for the site which will be presented to the Minister for the required decision. The Optimum Remediation Strategy will form the basis for stage 2 of the outline business case.

The Remediation Team has also bolstered the Environmental Monitoring capability at the site through the provision of additional site monitoring boreholes that provide the Team with further data, allowing it to build up the Team's knowledge of the groundwater contamination at the site, and manage the risk to the River Faughan, an area of special scientific interest and the associated supply of drinking water.

Presently the trial is listed for autumn 2021.

I would also like to comment on the ongoing issues around the Mullaghglass Landfill Site. NIEA and the local Councils have been receiving a high volume of odour complaints from residents in the Lisburn and West Belfast areas largely associated with NIEA permitted industries in the area. Mullaghglass Landfill is one source of odours in the area but it is not the only one. The landfill site was marked non complaint with the gas management condition on its permit after a site inspection in September 2020. The operator has implemented further measures and after three site inspections by NIEA during the month of February, the gas management at Mullaghglass Landfill was brought back into compliance. NIEA is continuing to monitor odours in the area; currently on a daily basis although this frequency will be kept under review. I have initiated a review of our complaints handling processes to ensure transparency with residents and a solid basis upon which to learn lessons.

The Agency's Corporate Risk Register is reviewed quarterly by the ARAC and 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 operational 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 by these reports 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 2020-21 financial year, I believe it is appropriate to mention the COVID-19 pandemic which had a significant impact on the Agency's operations. With the requirement to move to home working alternative working methodologies had to be developed in relation to the agency's regulatory activities as well its administrative functions. This adjustment to existing practices proved very successful with the majority of staff continuing to work effectively from home by the end of the reporting period, while others followed arrangements to work in offices or in the field when this was essential. I am grateful to staff for adapting to this situation.



**Paul Donnelly**  
Acting Chief Executive  
29 June 2021



# Agency Remuneration and Staff Report

## *Remuneration and Pension Entitlements*

### **Remuneration policy**

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is approved by the Minister of Finance. The Minister has set 2020-21 NI public sector pay policy (September 2020) in line with the overarching HMT parameters. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS, for 2020-21 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](http://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	2020-21					2019-20				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits ** £'000	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits ** £'000	Total £'000
Mrs T Teague										
Acting Chief Executive (from 24/2/20)	90-95	Nil	Nil	162	255-260	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
Mrs H Anderson										
Director of Natural Environment Division	75-80	Nil	Nil	55	130-135	75-80	Nil	Nil	40	115-120
Mr T Irwin										
Acting Director of Resource Efficiency Division (from 27/4/20)	65 – 70  (70-75 full year equivalent)	Nil	Nil	63	125-130	-	-	-	-	-
Mr Marcus McAuley										
Acting Director of Strategic Planning & Change Division (from 1/2/21)	10 – 15  (70-75 full year equivalent)	Nil	Nil	33	40-45	-	-	-	-	-

**\*\*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 and 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 2020-21 relate to performance in 2020-21 and the comparative bonuses reported for 2019-20 relate to the performance in 2019-20.

## Pay Multiples (Audited)

	2020-21	2019-20
Band of Highest Paid Director's Total Remuneration*	£90 - £95k	£95k - £100k
Median Total Remuneration	£31,137	£30,525
Ratio	3.0	3.2

*\*Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.*

The banded remuneration of the highest-paid director in NIEA in the financial year 2020-21 was £90,000 - £95,000 (2019-20: £95,000 - £100,000). This was 3.0 times (2019-20: 3.2) the median remuneration of the workforce, which was £31,137 (2019-20: £30,525).

In 2020-21, no (2019-20: none) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £19,940 to £94,279 (2019-20: £18,513 to £99,911).

### Pension Entitlements (Audited)

<b>Officials</b>	<b>Accrued pension at pension age as at 31/3/21 and related lump sum</b>  <b>£'000</b>	<b>Real increase in pension and related lump sum at pension age</b>  <b>£'000</b>	<b>CETV at 31/3/21</b>  <b>£'000</b>	<b>CETV at 31/3/20</b>  <b>£'000</b>	<b>Real increase in CETV</b>  <b>£'000</b>	<b>Employer contribution to partnership pension account</b>  <b>Nearest £100</b>
Mrs T Teague  Acting Chief Executive	40-45 plus lump sum of 85-90	7½-10 plus lump sum of 15-17½	716	566	126	Nil
Mrs H Anderson  Director of Natural Environment Division	35-40 plus lump sum of 90-95	2½-5 plus lump sum of 2½-5	754	686	43	Nil
Mr T Irwin  Acting Director of Resource Efficiency Division <i>(from 27/4/20)</i>	30-35 plus lump sum of 90-95	2½-5 plus lump sum of 7½-10	738	664	65	Nil
Mr Marcus McAuley  Acting Director of Strategic Planning & Change Division <i>(from 1/2/21)</i>	25-30 plus lump sum of 80-85	0-2½ plus lump sum of 2½-5	641	605	33	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%.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relates to the different schemes e.g. classic, alpha etc. and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the Civil Service Pensions schemes including the scheme valuation outcomes. Further information on this will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

Currently 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.

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).

Active members of the pension scheme will receive an Annual Benefit Statement. 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 [www.finance-ni.gov.uk/civilservicepensions-ni](http://www.finance-ni.gov.uk/civilservicepensions-ni).

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 2020 was 0.5% and HM Treasury has announced that public service pensions will be increased accordingly from April 2021.

Employee contribution rates for all members for the period covering 1 April 2021 – 31 March 2022 are as follows:

#### Scheme Year 1 April 2021 to 31 March 2022

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2021 to 31 March 2022
£0	£24,199.99	4.6%
£24,200	£55,799.99	5.45%
£55,800	£153,299.99	7.35%
£153,300.00 and above		8.05%

#### 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 2021 or 31 March 2020.

### Staff numbers and related costs (Audited)

Staff costs comprise:

	2020-21 £000		2019-20 £000	
	Permanently employed staff	Others	Total	Total
Wages and salaries	18,382	2,670	21,052	19,908
Social security costs	1,817	-	1,817	1,695
Other pension costs	5,391	-	5,391	5,004
<b>Total*</b>	<b>25,590</b>	<b>2,670</b>	<b>28,260</b>	<b>26,607</b>
Of which	Charged to Administration	Charged to Programme	Total	
	-	<b>28,260</b>	<b>28,260</b>	

\* 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 Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

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 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance have also commissioned a consultation in relation to the Cost Cap Valuation which will close on 25 June 2021. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. On completion of the consultation the 2016 Valuation will be completed and the final cost cap results will be determined.

For 2020-21, employers' contributions of £5,391,336 were payable to the NICS pension arrangements (2019-2020 £5,003,492) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £13,109 (2019-2020: £13,088) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2019-20, 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 £399, 0.5% (2019-2020: £411, 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.

There were no (2019-2020: one person) early retirements as a result of ill-health, and the total additional accrued pension liabilities in the year amounted to £Nil (2019-2020: £1,485).

### Average Number of Persons Employed (Audited)

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

Number			2020-21	2019-20
	Permanent staff	Others	Total	Total
Natural Environment	195	20	215	194
Resource Environment	314	55	369	376
Business Support	25	-	25	41
<b>Total</b>	<b>534</b>	<b>75</b>	<b>609</b>	<b>611</b>



## Staff Turnover:

Staff turnover rates for 2020-21 are shown below. The Agency continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in the Agency and take appropriate action to improve effectiveness, including where turnover becomes problematic.

2020-21

Departmental Turnover Rate	4.4%
General Turnover Rate	-

Civil Service HR guidance defines Departmental Turnover as staff leaving the Civil Service or a particular department, and General Turnover as staff leaving the Civil Service as a whole. Turnover includes permanent and temporary staff, and those who left the NICS while on career break.

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

The NIEA Management Board comprises the Acting Chief Executive (female), Executive Director of Natural Environment Division (female), Acting Executive Director of Resource Environment Division (male), Acting Executive Director of Strategic Planning and Change Division (male), and one Non-Executive Director (male).

Of the 624 (2019-20: 630) current members of staff 351 (2019-20: 353) are male and 273 (2019-20: 277) are female.

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

No redundancy and other departure costs have been paid in 2020-21.

## Off-Payroll Engagements

There were no Off-Payroll Engagements during the financial years 2020-21 and 2019-20.

## Expenditure on Consultancy

No consultancy expenditure was incurred in 2020-21.

## 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

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

The [NICS People Strategy](#) includes a range of actions that will help accelerate our ambition of a truly inclusive NICS, which reflects the society we serve.

As a key element of the People Strategy, our ambitious diversity and inclusion programme of work is delivered through the implementation of an annual NICS Diversity Action Plan, and overseen by the leadership of the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICS HR, as well as through partnership working with stakeholder organisations.

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The NICS' commitment to equality of opportunity is outlined in its [Equality, Diversity and Inclusion Policy](#).

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of [NICS human resource statistics](#).

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The findings are published in the NICS [Article 55 and Gender Reviews](#).

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available at [www.daera-ni.gov.uk/daeras-equality-scheme](http://www.daera-ni.gov.uk/daeras-equality-scheme).

## Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. NICS HR, 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.

Development and delivery of generic staff training is centralised in NICSHR<sup>1</sup>. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and this year the focus was on improving the quality of the development conversation between managers and staff, with the introduction of a talent management toolkit.

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.

### **(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;

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<sup>1</sup> NICSHR is the NICS' centralised human resources function. It falls under the responsibility of the Department of Finance

- 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 2019-20 is now in place and formal negotiations with trades unions on the 2020-21 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 adjustments to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and one of its' Deputy Secretaries is the NICS Diversity Lead for Disability. The NICS has a Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. During 2020-21 the NICS established a Disability Staff Network. This Network plays a key role in promoting disability equality and inclusion across the NICS.

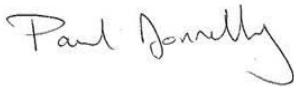
The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled people, including a Work Experience Scheme for People with Disabilities.

### **Sickness Absence**

The overall NIEA sickness absence rate for 2020-21 is 6.2 (2019-20: 10.4) working days lost per staff year equivalent.

## Number of SCS Staff by Band

The Agency's Acting Chief Executive, Tracey Teague, Grade 3; the Director of Natural Environment Division, Helen Anderson, Grade 5; the Acting Director of Resource Efficiency Division, Tim Irwin, Grade 5; and the Acting Director of Strategic Planning and Change Division, Marcus McAuley, Grade 5 are the organisations only Senior Civil Servants. .



**Paul Donnelly**  
Acting Chief Executive  
29 June 2021

# 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)

In addition to contingent liabilities reported within the meaning of IAS 37, the Agency also reports liabilities for which the likelihood of a transfer of economic benefits in settlement is too remote to meet the definition of contingent liability.

For 2020-21, in addition to the items covered in the Provisions Note 15 and Contingent Liabilities Note 16, the Agency is currently considering various options that may be required in relation to an illegal landfill site (2019-20: nil).

## Losses and Special Payments

### Losses Statement

	<b>Number of Cases</b>	<b>2020-21 £'000</b>	<b>Number of Cases</b>	<b>2019-20 £'000</b>
Administrative Write Offs	14	24	1	1
<b>Total</b>	<b>14</b>	<b>24</b>	<b>1</b>	<b>1</b>

### Special Payments

	<b>Number of Cases</b>	<b>2020-21 £'000</b>	<b>Number of Cases</b>	<b>2019-20 £'000</b>
Public Liability	2	12	-	-
<b>Total</b>	<b>2</b>	<b>12</b>	<b>-</b>	<b>-</b>

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

## 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

	2020-21 £'000	2019-20 £'000
<b>Fees and Charges</b>	<b>8,156</b>	<b>8,497</b>
<b>Operating Costs</b>		
Staff Costs	6,713	6,496
Administration and Accommodation	578	940
Notional Charges	1,017	996
<b>Total Charges</b>	<b>8,308</b>	<b>8,432</b>
<b>Operating (Deficit)/Surplus</b>	<b>(152)</b>	<b>65</b>

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.



**Paul Donnelly**  
Acting Chief Executive  
29 June 2021

## **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 2021 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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

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 2021 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 for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law 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 2019, 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**

In auditing the financial statements, I have concluded that Northern Ireland Environment Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Environment Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

The going concern basis of accounting for Northern Ireland Environment Agency is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

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

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 based on the work undertaken in the course of the audit:

- 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.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Northern Ireland Environment Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Northern Ireland Environment Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Northern Ireland Environment Agency will not continue to be provided in the future.

### **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 reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Environment Agency through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Safety Legislation, Environmental laws and regulations, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws (PAYE and NIC);
- making enquires of management and those charged with governance on Northern Ireland Environment Agency's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of Northern Ireland Environment Agency's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and inquiries of management and those charged with governance
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and investigating significant or unusual transactions made outside of the normal course of business .
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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](http://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.

## Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Kieran Donnelly". The signature is written in a cursive style with a large initial 'K' and 'D'.

*KJ Donnelly*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*1 Bradford Court*

*Upper Galwally*

*Belfast*

*BT8 6RB*

*5 July 2021*

## FINANCIAL STATEMENTS

### Statement of Comprehensive Net Expenditure for the period ended 31 March 2021

		2020-21 £000	2019-20 £000
	Note		
Income from Resource Efficiency Charges	7	(8,156)	(8,497)
Other Operating Income	7	(1,032)	(2,683)
<b>Total Operating Income</b>		<b>(9,188)</b>	<b>(11,180)</b>
Staff Costs	2	28,260	26,607
Current Grants	3	3,360	2,370
Capital Grants	3	1,413	991
Accommodation Running Costs	3	1,689	1,558
Depreciation and Amortisation Charges	3	1,302	1,217
Provision Expense	3	(41)	21
Other operating expenditure	3	9,626	10,174
<b>Total Operating Expenditure</b>		<b>45,609</b>	<b>42,938</b>
<b>Net Operating Expenditure</b>		<b>36,421</b>	<b>31,758</b>
Finance Income / Expense		-	-
<b>Net Expenditure for the year</b>		<b>36,421</b>	<b>31,758</b>
<b>Items that will not be reclassified to net operating costs:</b>			
Net gain on revaluation of Property, Plant and Equipment		(18)	(25)
Net gain on revaluation of Intangibles		(1)	(2)
<b>Comprehensive Net Expenditure for the year</b>		<b>36,402</b>	<b>31,731</b>

The notes on pages 67 to 92 form part of these accounts.

## Statement of Financial Position as at 31 March 2021

		2020-21 £000	2019-20 £000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	8(i)	23,510	22,983
Heritage assets	8(iii)	1,568	1,568
Intangible assets	8(v)	43	90
<b>Total non-current assets</b>		<b>25,121</b>	<b>24,641</b>
<b>Current assets</b>			
Inventories	11	78	78
Trade and other receivables	12	1,544	1,294
Cash and cash equivalents	13	3	3
<b>Total current assets</b>		<b>1,625</b>	<b>1,375</b>
<b>Total assets</b>		<b>26,746</b>	<b>26,016</b>
<b>Current liabilities</b>			
Trade and other payables	14	(8,310)	(6,242)
Provisions	15	(90)	(132)
<b>Total current liabilities</b>		<b>(8,400)</b>	<b>(6,374)</b>
<b>Total assets less total liabilities</b>		<b>18,346</b>	<b>19,642</b>
<b>Taxpayers' equity &amp; other reserves:</b>			
General fund		12,500	13,586
Revaluation reserve		5,846	6,056
<b>Total taxpayers' equity</b>		<b>18,346</b>	<b>19,642</b>



Acting Chief Executive  
29 June 2021

The notes on pages 67 to 92 form part of these accounts

## Statement of Cash Flows for the period ended 31 March 2021

		2020-21 £000	2019-20 £000
	Note		
<b>Cash flows from operating activities</b>			
Net operating cost		(36,421)	(31,758)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and amortisation	8	1,302	1,217
Profit on disposal of property, plant and equipment	3	(5)	(19)
Notional Charges	6	5,051	5,399
Provisions (written back)/expensed	15	(41)	21
Bad Debts Provision	3	18	53
Increase in trade and other receivables	12	(250)	(197)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		(18)	(53)
Increase in trade payables	14	2,068	542
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		482	(769)
Use of provisions	15	(1)	(53)
<b>Net cash outflow from operating activities</b>		<b>(27,815)</b>	<b>(25,617)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment and heritage assets		(2,245)	(1,805)
Proceeds of disposal of property, plant & equipment		5	20
<b>Net cash outflow from investing activities</b>		<b>(2,240)</b>	<b>(1,785)</b>
<b>Cash flows from financing activities</b>			
Funding from Parent Department DAERA		30,055	27,402
<b>Net financing</b>		<b>30,055</b>	<b>27,402</b>

**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 67 to 92 form part of these accounts.



## Statement of Changes in Taxpayers' Equity for the period ended 31 March 2021

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
<b>Balance at 31 March 2019</b>	Note	<b>12,314</b>	<b>6,258</b>	<b>18,572</b>
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)	-
<b>Balance at 31 March 2020</b>		<b>13,586</b>	<b>6,056</b>	<b>19,642</b>
Net Assembly Funding		30,055	-	30,055
CFERs payable to Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the year		(36,421)	19	(36,402)
Non-cash charges – notional costs	6	5,031	-	5,031
Auditors' Remuneration	6	20	-	20
Transfers between reserves		229	(229)	-
<b>Balance at 31 March 2021</b>		<b>12,500</b>	<b>5,846</b>	<b>18,346</b>

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 67 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 2020-21 *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 9 and 19. 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 2021.

## 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 replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.



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:

	2020-21 £000	2019-20 £000
Wages and Salaries	21,052	19,908
Social Security Costs	1,817	1,695
Other Pension Costs	5,391	5,004
<b>Total</b>	<b>28,260</b>	<b>26,607</b>

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

Notes to the Accounts

### 3. Other Operating Expenditure

		2020-21 £000	2019-20 £000
	Note		
Current Grants	4	3,360	2,370
Capital Grants	4	1,413	991
Other Current Expenditure	5	2,218	2,080
Accommodation Running Costs		1,689	1,558
Advertising & Publicity Costs		24	29
Communication Costs		178	112
Operating Leases		79	89
Other Office Services		528	501
Other Staff Costs		97	141
Travel & Subsistence Costs		90	262
Training Costs		121	122
Vehicle & Boat Costs		255	253
Other Operating Costs		972	1,152
Non-cash items			
Provisions – (written back)/expensed in year	15	(41)	21
Bad Debt Provision		18	53
<i>Notional charges:</i>			
Department of Finance	6	2,416	2,838
Intra-Departmental Notionals	6	2,615	2,541
External Auditor’s Remuneration	6	20	20
<i>Non-current assets:</i>			
Depreciation	8(i)	1,255	1,169
Amortisation	8(v)	47	48
Profit on disposal of property, plant and equipment		(5)	19
<b>Total</b>		<b>17,349</b>	<b>16,331</b>

Notes to the Accounts

#### 4. Grants

	2020-21 £000	2019-20 £000
Natural Environment	4,664	3,361
Resource Efficiency	109	-
<b>Total</b>	<b>4,773</b>	<b>3,361</b>
 <i>Natural Environment Grants comprise :</i>		
Environment Fund: Strands 1 and 2	3,251	2,370
Environment Fund: Strand 3 Challenge Fund - Capital	1,413	991
<b>Total</b>	<b>4,664</b>	<b>3,361</b>
 <i>Resource Efficiency Grants comprise :</i>		
Environment Fund: Water Quality Improvement	109	-
<b>Total</b>	<b>109</b>	<b>-</b>

#### 5. Other Current Expenditure

	2020-21 £000	2019-20 £000
<b>Divisional costs comprise:</b>		
Natural Environment	969	776
Resource Efficiency	1,249	1,304
<b>Total</b>	<b>2,218</b>	<b>2,080</b>
 <b>Natural Environment costs comprise:</b>		
Contracted Services	733	604
Professional Costs	236	172
<b>Total</b>	<b>969</b>	<b>776</b>
 <b>Resource Efficiency costs comprise:</b>		
Contracted Services	972	1,092
Professional Costs	277	212
<b>Total</b>	<b>1,249</b>	<b>1,304</b>

Notes to the Accounts

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.

## 6. Notional Charges

	2020-21 £000	2019-20 £000
<b>Intra-Departmental:</b>		
Department of Agriculture, Environment and Rural Affairs	2,615	2,541
<b>Total</b>	<b>2,615</b>	<b>2,541</b>
<b>Services provided by other Departments</b>		
Department of Finance:		
Accommodation	652	708
IT Assist	745	792
Personnel	524	558
Account NI	252	280
Departmental Solicitor's Office	144	373
Information Strategy and Innovation	99	127
	<b>2,416</b>	<b>2,838</b>
External Audit Fees	<b>20</b>	<b>20</b>
<b>Total Notional Charges</b>	<b>5,051</b>	<b>5,399</b>

Notes to the Accounts

**7. Income**

	2020-21 £000	2019-20 £000
Carrier Bag Levy	790	2,356
Operating Income from Country Parks	242	269
<i>Resource Efficiency Charges:</i>		
Regulatory Charges	8,156	8,497
Other Income	-	58
<b>Total</b>	<b>9,188</b>	<b>11,180</b>

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
<b>Cost or valuation</b>								
At 1 April 2020	4,632	17,525	2,792	4,216	153	1,428	3,081	33,827
Additions	-	-	180	205	-	194	1,185	1,764
Disposals	-	-	(61)	-	-	-	-	(61)
Revaluations	-	-	1	25	-	11	-	37
Reclassifications	-	290	(85)	130	-	-	(335)	-
<b>At 31 March 2021</b>	<b>4,632</b>	<b>17,815</b>	<b>2,827</b>	<b>4,576</b>	<b>153</b>	<b>1,633</b>	<b>3,931</b>	<b>35,567</b>
<b>Depreciation</b>								
At 1 April 2020	-	4,723	2,048	3,136	122	815	-	10,844
Charged in year	-	676	181	228	11	159	-	1,255
Disposals	-	-	(61)	-	-	-	-	(61)
Revaluations	-	-	1	10	-	8	-	19
Reclassifications	-	-	(65)	65	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>5,399</b>	<b>2,104</b>	<b>3,439</b>	<b>133</b>	<b>982</b>	<b>-</b>	<b>12,057</b>
<b>Carrying amount at 31 March 2021</b>	<b>4,632</b>	<b>12,416</b>	<b>723</b>	<b>1,137</b>	<b>20</b>	<b>651</b>	<b>3,931</b>	<b>23,510</b>
<b>Carrying amount at 31 March 2020</b>	<b>4,632</b>	<b>12,802</b>	<b>744</b>	<b>1,080</b>	<b>31</b>	<b>613</b>	<b>3,081</b>	<b>22,983</b>
<b>Asset financing:</b>								
<b>Owned 2021</b>	<b>4,632</b>	<b>12,416</b>	<b>723</b>	<b>1,137</b>	<b>20</b>	<b>651</b>	<b>3,931</b>	<b>23,510</b>

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
<b>Cost or valuation</b>								
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)	-
<b>At 31 March 2020</b>	<b>4,632</b>	<b>17,525</b>	<b>2,792</b>	<b>4,216</b>	<b>153</b>	<b>1,428</b>	<b>3,081</b>	<b>33,827</b>
<b>Depreciation</b>								
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	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>4,723</b>	<b>2,048</b>	<b>3,136</b>	<b>122</b>	<b>815</b>	<b>-</b>	<b>10,844</b>
<b>Carrying amount at 31 March 2020</b>	<b>4,632</b>	<b>12,802</b>	<b>744</b>	<b>1,080</b>	<b>31</b>	<b>613</b>	<b>3,081</b>	<b>22,983</b>
<b>Carrying amount at 31 March 2019</b>	<b>4,632</b>	<b>13,287</b>	<b>707</b>	<b>856</b>	<b>40</b>	<b>504</b>	<b>1,528</b>	<b>21,554</b>
<b>Asset financing:</b>								
<b>Owned 2020</b>	<b>4,632</b>	<b>12,802</b>	<b>744</b>	<b>1,080</b>	<b>31</b>	<b>613</b>	<b>3,081</b>	<b>22,983</b>

Notes to the Accounts

**8(iii) Heritage Assets**

	<b>Non Operational Heritage Land (Purchased) £000</b>	<b>Total Non Operational Heritage Assets (Purchased) £000</b>
<b>Cost or valuation</b>		
At 1 April 2020	1,568	1,568
Disposals	-	-
Revaluations	-	-
Reclassifications	-	-
Transfers	-	-
<b>At 31 March 2021</b>	<b>1,568</b>	<b>1,568</b>
<b>Carrying amount at 31 March 2021</b>	<b>1,568</b>	<b>1,568</b>
<b>Carrying amount at 31 March 2020</b>	<b>1,568</b>	<b>1,568</b>

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**

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



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. There were no purchases or disposals of heritage assets during the five year period to 31 March 2021 and no heritage assets acquired by donation during the periods.

Notes to the Accounts

**8(v) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2020	950	274	1,224
Additions	-	-	-
Disposals	-	-	-
Revaluations	1	2	3
Reclassifications	-	-	-
<b>At 31 March 2021</b>	<b>951</b>	<b>276</b>	<b>1,227</b>
<b>Amortisation</b>			
At 1 April 2020	929	205	1,134
Charged in year	10	37	47
Disposals	-	-	-
Revaluations	1	2	3
Reclassifications	-	-	-
<b>At 31 March 2021</b>	<b>940</b>	<b>244</b>	<b>1,184</b>
<b>Carrying amount at 31 March 2021</b>	<b>11</b>	<b>32</b>	<b>43</b>
<b>Carrying amount at 31 March 2020</b>	<b>21</b>	<b>69</b>	<b>90</b>
<b>Asset financing:</b>			
<b>Owned 2021</b>	<b>11</b>	<b>32</b>	<b>43</b>

Notes to the Accounts

## 8(vi) Intangible Assets

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

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	17,819	10,342	99	28,260
Other Operating Expenditure	3,166	3,027	58	6,251
Grants	109	4,664	-	4,773
Non Cash Expenditure	3,395	2,621	309	6,325
Income	(8,326)	(861)	(1)	(9,188)
<b>Net Operating Cost 2020-21</b>	<b>16,163</b>	<b>19,793</b>	<b>465</b>	<b>36,421</b>

	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)
<b>Net Operating Cost 2019-20</b>	<b>15,713</b>	<b>15,367</b>	<b>678</b>	<b>31,758</b>

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 2020-21 the Agency comprised 2 Operational 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 by cost category. 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.

Both 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.

A third Division, Strategic Planning and Change Division, which incorporates the Business Support Team, assists the Chief Executive and two Operational Directors in the delivery of key corporate functions such as strategic planning, governance, and financial and budget management.

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

	2020-21 £000	2019-20 £000
Operational	78	78
<b>Total</b>	<b>78</b>	<b>78</b>

## 12. Trade and other receivables

	2020-21 £000	2019-20 £000
<b>Amounts falling due within one year:</b>		
Trade Receivables	655	456
Other Receivables	408	387
Prepayments & Accrued Income	481	451
<b>Total</b>	<b>1,544</b>	<b>1,294</b>

Notes to the Accounts

## 12. Trade and other receivables (continued)

Included within trade receivables is £nil (2019-20 £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:

	2020-21 £000	2019-20 £000
Balance at start of year	(152)	(99)
Impairment losses recognised/ derecognised on receivables	(18)	(53)
<b>Balance at end of year</b>	<b>(170)</b>	<b>(152)</b>

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:

	2020-21 £000	2019-20 £000
Neither past due nor impaired trade receivables	76	148
1 – 30 days	16	232
31 – 60 days	5	24
61 – 90 days	4	1
91 – 180 days	552	13
181 – 361 days	2	38
361 days plus	-	-
<b>Gross carrying value</b>	<b>655</b>	<b>456</b>

Due to operational and practical limitations resulting from the Covid-19 Emergency, the issuing of the 2020-21 invoices for annual charges on a number of regulatory charging schemes was deferred until later in the financial year. This explains the significant increase in outstanding debt in the 91-180 day category above compared to the previous year-end.

Notes to the Accounts

### 12.1 Intra-Government Balances

**Receivables: Amounts falling due within one year**

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Balances with other central government bodies	3	517
Balances with local authorities	17	5
Balances with public corporations and trading funds	603	590
Balances with NHS trusts	-	2
Subtotal: Intra-government balances	<b>623</b>	<b>1,114</b>
Balances with bodies external to government	921	180
<b>Total receivables at 31 March</b>	<b>1,544</b>	<b>1,294</b>

### 13. Cash and cash equivalents

	<b>2020-21</b>	<b>2019-20</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March	<b>3</b>	<b>3</b>

The following balances at 31 March were held:

Cash in hand	<b>3</b>	<b>3</b>
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Notes to the Accounts

**14. Trade and other payables**

	2020-21 £000	2019-20 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	265	80
Accruals & Deferred Income	8,045	6,162
<b>Total</b>	<b>8,310</b>	<b>6,242</b>

**14.1 Intra-Government Balances**

**Payables: Amounts falling due within one year**

	2020-21 £000	2019-20 £000
Balances with other central government bodies	481	414
Balances with local authorities	440	414
Balances with public corporations and trading funds	12	53
Subtotal: Intra-government balances	<b>933</b>	<b>881</b>
Balances with bodies external to government	7,377	5,361
<b>Total payables at 31 March</b>	<b>8,310</b>	<b>6,242</b>



Notes to the Accounts

## 15. Provisions

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Balance at 1 April 2020	122	10	-	132
Provisions not required written back	(41)	-	-	(41)
Provided in the year	-	-	-	-
Provisions utilised in the year	(1)	-	-	(1)
<b>Balance at 31 March 2021</b>	<b>80</b>	<b>10</b>	<b>-</b>	<b>90</b>

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. All provisions are current and are expected to be settled within the next 12 months

	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)
<b>Balance at 31 March 2020</b>	<b>122</b>	<b>10</b>	<b>-</b>	<b>132</b>

All provisions are current and are expected to be settled within the next 12 months

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 31 March 2021 (31 March 2020: none).

## 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 2020-21, analysed by the period during which the commitment expires, are as follows:

	2020-21 £000	2019-20 £000
Not later than one year	2,434	2,230
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Balance at 31 March 2021</b>	<b>2,434</b>	<b>2,230</b>

## 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.

	2020-21 £000	2019-20 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year	8	9
Later than one year and not later than five years	16	24
Later than five years	1	-
	<b>25</b>	<b>33</b>

## 19. Financial Targets

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

Notes to the Accounts

## **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.

## **21. Events after the reporting period**

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

## **22. Date of Authorisation for Issue**

The Accounting Officer authorised the issue of these financial statements on 5 July 2021.



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