



2018-19

Annual Report & Resource Accounts

For the year ended 31 March 2019

A living, working, active landscape valued by everyone.



Department of
**Agriculture, Environment
and Rural Affairs**

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**INVESTORS
IN PEOPLE**

Annual Report and Accounts for the year ended 31 March 2019

Department of Agriculture, Environment and Rural Affairs

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Department of Finance under
section 10(4) of the Government Resources
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5 July 2019

Annual Report and Accounts for the year ended 31 March 2019



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Department of Agriculture, Environment and Rural Affairs
Annual Report and Accounts for the year ended 31 March 2019

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**DAERA - a living, working,
active landscape
valued by everyone.**

Introduction

The Department of Agriculture, Environment and Rural Affairs (DAERA) presents its Accounts for the financial year ended 31 March 2019.

Performance Report

Permanent Secretary Overview

I am very pleased to present the Department of Agriculture, Environment and Rural Affairs (DAERA, the Department) 2018-19 Annual Report and Accounts.

Brexit has had a huge impact on the Department in 2018-19 and a significant level of work has been carried out throughout the year to support our preparations in terms of legislation, policy frameworks and operational readiness for European Union (EU) Exit day.



This includes working with Northern Ireland (NI) and United Kingdom (UK) government departments to minimise potential risks and ensure a consistent approach to EU Exit planning throughout the UK. Strategic priorities for agri-food, fisheries, environment and rural society have also all been agreed with stakeholder groups to inform our future direction and all of this work will continue in 2019-20.

Whilst Brexit has been at the forefront, the Department has still delivered across a wide range of areas over the past year to support the Outcomes Delivery Plan 2018-19.

In supporting the rural economy under Outcome 1 - *'We prosper through a strong, competitive, regionally balanced economy'*, £290m European Union (EU) Common Agricultural Policy (CAP) grants were paid out under the Basic Payment, Greening and Young Farmer Schemes of which advance payments were made to 97% of applicants. Further payments of over £7m were made under Tier 1 of the Farm Business Improvement Scheme (FBIS) and over £3m were made under the European Maritime and Fisheries Fund (EMFF). Over 430 full time jobs were also created under the LEADER element of the Rural Development Programme (RDP).

On the Environment side DAERA led on Outcome 2 - *'We live and work sustainably – protecting the environment'* and good progress has been made on the indicators supporting this. The household recycling rate continues to increase, a remediation implementation plan has been drafted for the illegal waste deposits at Mobuoy Road, over 14,500 hectares (ha) of terrestrial protected area are under favourable management, over 230 ha of new woodland have been planted and a draft Ammonia Action Plan has been scrutinised by DAERA's Strategy Committee.

In relation to Outcome 6 - *'We have more people working in better jobs'*, almost 3,000 farmers and growers participated in the Business Development Groups (BDGs) and over 6,000 farm family members received Farm Family Key Skills Training. On the Education side, over 2,400 people achieved nationally validated qualifications at Level II and education and industry training was delivered to almost 11,000 people.

The Tackling Rural Poverty and Social Isolation (TRPSI) programme also continued to operate across the region and almost 62,000 individuals benefitted from this last year.

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Internally, the continued investment in our systems helped achieve 100% of Single Applications being made online. By May 2018 we also successfully implemented our General Data Protection Regulations (GDPR) readiness plan and relocated 257 staff to our new Ballykelly House. In the midst of uncertainty regarding the EU exit, staff have continued to operate in an impressive manner and the results of the People Survey reflected the positive impact of the department's focus on staff engagement work. In addition we spent 99.9% of the Department's £213m Resource budget and 99.9% of our £64m Capital budget.

While these are only a snapshot of our achievements, they demonstrate some of the diverse range of responsibilities that the Department holds. The content of this Report sets out in considerable detail all of the issues addressed by DAERA in the last financial year.

However, 2019-20 will bring many further challenges - not least with Brexit.

Our Departmental vision is to support '**a living, working, active landscape valued by everyone**'. By working together – government, communities and industry – we can continue to aim to achieve a thriving economy, a healthy environment and rural communities where people can live, work and grow.

A core part of our business is the protection of our **living** environment, helping people to understand the value of environmental assets and creating a shared desire to leave a legacy that we can be proud of for future generations. By opening more of our forest parks, beaches, rivers, lakes and country parks for education, leisure and recreation we can contribute to the growth of tourism, improve the mental and physical health and wellbeing of our people and create a broader appreciation of the natural world.

Our **working** landscape depends on this. Central to achieving a prosperous society in Northern Ireland is a balance between environmental sustainability and the continued economic growth of the farming, fishing, equine, forestry, and wider food industries. We will continue to promote innovative ways to produce and distribute top quality goods, produced to the highest, and safest standards. We will inspect, audit and verify animal health and welfare standards in order to ensure, and reassure, the public and our customers of the integrity, safety and quality of local food production. In a healthy economy our natural resources will be valued, re-used and recycled. Education and training is vital in driving these outcomes.

Delivery of successful Schemes and Programmes will enable **active** urban and rural communities to thrive and grow through economic and educational investment. Working with other government departments and rural stakeholders, we will aim to encourage and support investments in physical and social infrastructure that will drive the development of a successful, connected rural economy. We will also work in the heart of communities, providing professional advice and assistance. Our close links with industry will support and enhance the mutual transfer of knowledge and we will build on our professionalism and expertise which is accepted and recognised across the agri-food sector.

DAERA has around 2,900 people working across more than 230 sites who between them manage almost 10% of the Northern Ireland landmass, waterways and coast; who support a thriving £4.5 billion agri-food industry creating employment for up to 100,000 people directly and indirectly; and who serve our 1.8 million people, protecting and promoting the environment. Although we are facing huge challenges in relation to Brexit on top of our many existing responsibilities, we will be at the forefront of the work to help Northern Ireland adapt. The Department will continue to deliver for the people of Northern Ireland.

Non Executive Director's Report

The past year has been one of immense activity and development for DAERA. While the main themes continued to be delivering environmental and economic outcomes, transforming the way people work across the DAERA group and focusing on customers, and preparing for the opportunities and challenges of EU Exit, the last of these has, as expected, seen the biggest increase in effort.

DAERA has established an Audit & Risk Committee (ARAC) which is chaired by a non executive member with three additional independent members one of whom is also a non executive. ARAC contributes independently to the Departmental Board's overall process for ensuring that governance, risk management and internal control processes operate effectively.

EU Exit

The scale of Brexit preparations dominated large parts of DAERA's attention during 2018-19. The focus of DAERA's work intensified on operational preparedness, specifically the legislation workstream, Day 1 projects and contingency planning.

The three main pieces of primary legislation on the Agriculture, Environment and Fisheries Bills were progressed but due to Parliamentary workloads did not achieve Royal Assent during the year. DAERA's objective has been to ensure that we do not prejudge or constrain the ability of an incoming Minister, NI Executive and NI Assembly to decide what is appropriate for NI's agrifood, environment and fisheries sectors. On the secondary legislation workstream, work continued to ensure that DAERA can make all changes necessary to address operability issues and deficiencies in secondary legislation arising as a consequence of the EU Withdrawal Bill.

DAERA engaged with the Department for Environment, Food and Rural Affairs (Defra) and devolved administrations on operational preparedness, specifically the critical Defra-led Day 1 projects to ensure that DAERA is as prepared as possible for a No Deal EU Exit. NI / Republic of Ireland (RoI) border trade issues have also been a major focus of DAERA's engagement with Defra.

Contingency planning for a No Deal EU Exit on 29 March 2019 was stepped up under the UK wide preparations for EU Exit, which addressed the planning for such an outcome. DAERA developed scalable plans to meet expected needs and established a DOC to feed into the NI Hub within TEO.

Throughout the year, DAERA has continued to work with stakeholder groups, which have been instrumental in helping develop strategic priorities for the agri-food, environment, fisheries and rural sectors in NI. These groups also fed into the contingency planning preparations for a No Deal EU Exit.

Staff resourcing to address all the possible outcomes remains a major issue.

Major Capital Expenditure

The Department spent over £97m in Capital during 2018-19 on Capital Grant schemes, Research and Development (R&D) and Information Technology (IT) infrastructure and

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development. This was offset by capital receipts of approximately £34m, mostly from EU funding and income (R&D).

£50m was spent on capital grant schemes and most of this was through EU programmes such as RDP, EMFF and Interreg. The largest of these was the RDP which aims to assist rural areas in meeting a wide range of the economic, environmental and social challenges facing them. The key schemes within the RDP include the FBIS, LEADER and the EFS.

R&D is an integral part of ensuring the Department's operational activities are appropriately designed and targeted to achieve its strategic vision. Almost £23m was spent in R&D during the year, the majority of which was incurred by the Department's largest Arm's Length Body (ALB) Agri-Food and Biosciences Institute (AFBI).

In 2018-19 DAERA also made significant progress on a number of IT projects supporting priority Departmental business objectives, including CAP Reform EU Area Based Scheme Delivery and the NI Food and Animal Information System (NIFAIS). DAERA's IT investment of over £13m in 2018-19 will improve service delivery to our users by providing flexible, highly available and secure digital solutions which allow customers and users to access more efficient and effective services that are tailored to their needs.

Risk Management

DAERA's range of strategic and major operational risks can broadly be categorised into those derived from the group's environmental responsibilities and natural risks, operational and financial risks. During the year the Group Internal Audit and Fraud Investigation Service (GIAFIS) carried out a Review of the Northern Ireland Civil Service (NICS) Risk Management Arrangements. Pending the outcome of this review DAERA will note any recommendations and revise the Risk Management Strategy. The Departmental Corporate Risk Register (CRR) has been reviewed throughout the year at DB, Audit and Risk Assurance Committee (ARAC) and Delivery Committee.

Board Effectiveness

A Review of Board Effectiveness was undertaken during 2018-19. Members completed an on-line Self-Assessment Questionnaire of 20 mandatory statements which rated Members' views on the relative strengths of the Board's effectiveness. Members were asked to either agree, or disagree with each statement and the resulting summary of responses was reviewed by an independent adjudicator who determined that the findings were mainly very positive. It was concluded that the Board is operating in an effective manner, with the right balance of skills and knowledge. Board Members are clear on their roles and responsibilities and they oversee performance effectively. The Board's risk management, financial oversight and planning are effective within the context of the Corporate Governance Framework.

During 2018-19 the Board implemented changes to address any weaknesses identified from the 2017-18 review.

Performance assessment of individual Board members takes place, including the assessment of the Non Executive Members (NEMs) against their agreed objectives, and the Executives on the Board through the annual Senior Civil Service performance cycle.

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Overview

This section provides a concise description of the department, our purpose, the key risks that we face in achieving our objectives and how we have performed during 2018-19.

Departmental Aims and Objectives

DAERA's Vision is for "A living, working, active landscape valued by everyone". In pursuit of this Vision, the four key Strategic Outcomes of the Department are:

1. Sustainable, agri-food, fisheries, forestry and industrial sectors;
2. A clean, healthy environment, benefiting people, nature and the economy;
3. A thriving rural economy, contributing to prosperity and wellbeing; and
4. A well led, high performing organisation focused on outcomes.

The Department's Business Plan¹, along with Business Unit Plans, set out the more operational detail which not only contributes to the higher level aspirations through the achievement of annual targets but also provides staff with a clearer view of where their personal contribution fits with the Department's task to deliver an improved service to the customers and stakeholders.

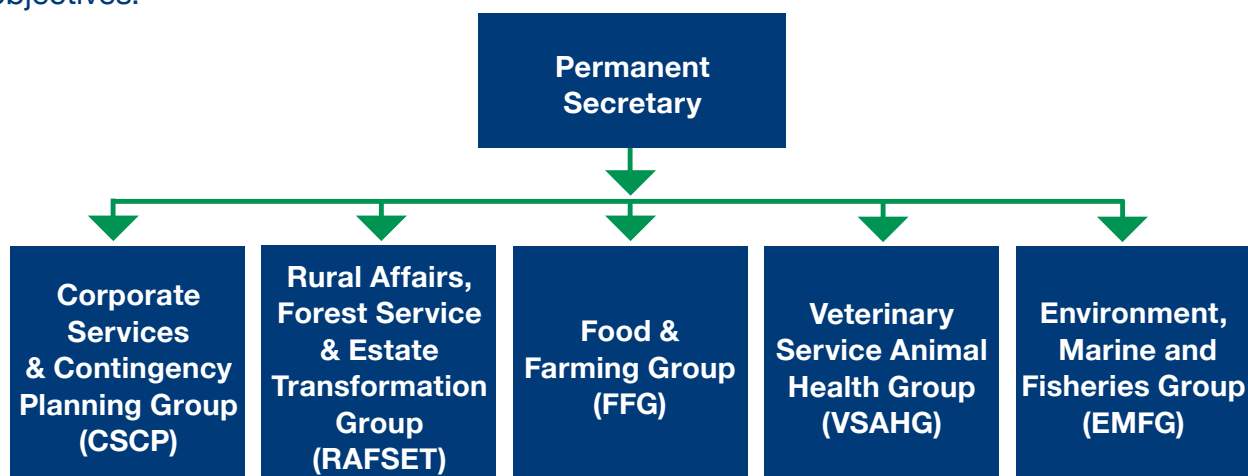
Pursuit of this vision complements achievement of the Draft Programme for Government (PfG) and the outcomes defined in the Draft Strategic Plan².

DAERA contributes to the overall PfG and has lead responsibility for the PfG Outcome 2:

- "We live and work sustainably - protecting the environment".

Organisation

The Department is structured into five groups to support the delivery of its strategic objectives:



¹ In the absence of a Minister the Department's 2018-19 Business Plan was not published and remained a 'draft'.

² In the absence of a Minister the Department's Strategic Plan was not published and remained a 'draft'.

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Purpose and Activities

The Department's principal activities include:

CSCP

- Preparation for Brexit and ensuring the appropriate Contingency Planning arrangements are in place.
- Developing new digital technologies to better deliver enhanced customer services.
- Ensuring that departmental expenditure is incurred appropriately and delivers value for money for the public.

RAFSET

- Supporting the Rural Development programme which funds economic, environmental and social measures for the benefit of rural Northern Ireland. The key purpose of this is to help achieve sustainable economic growth in Northern Ireland's rural areas, tackle poverty and promote social inclusion in rural areas and support rural communities.
- Forest Service manages a natural capital asset of 65,000 hectares of productive forest and green space and provides public goods and services through sustainable management of this asset to deliver a balanced mix of ecosystem services. Forest Service is responsible for Plant Health functions, inclusive of those relating to farming and horticulture as well as trees, and fulfils DAERA's legal obligations in the areas of forestry, plant and bee health, reproductive materials and horticulture marketing standards. Forest Service works collaboratively with partners in local government to provide opportunities for people to enjoy the diversity of our forests in terms of outdoor recreation activities.
- The Department's estate covers an area of approximately 85,000 hectares and comprises over 900 buildings across 243 sites. DAERA is currently facilitating organisational wide transformation of its estate to optimise its economic and functional performance, reinvigorate organisational culture and improve organisational resilience and capacity.

FFG

- To co-ordinate the development and implementation of Day 1 delivery plans for those impacted areas to ensure the continued delivery of services post exit from the EU.
- To develop and refine strategic issues arising as a consequence of the UK's decision to leave the EU, such as repatriated policy, common frameworks, legislation, future funding, operationalisation of the Withdrawal Agreement etc. through liaison with Departmental officials, the wider NICS, Whitehall Departments and regular engagement with key stakeholders.

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- To take forward the development of agricultural policy, and associated legislation, required as the result of the repatriation of EU policy to the UK.
- To develop Departmental policy in relation to the Common Agricultural Policy (CAP) including programmes to support sustainable growth in the agri-food Sector.
- To deliver a range of Rural Development Programme Schemes aimed at supporting the sustainable development of agri-food sector.
- To act as sponsor of the Livestock and Meat Commission for NI (LMC).
- To deliver the DAERA science transformation programme and commission the Department's research programme to meet its evidence and innovation needs.
- The delivery of a range of EU and nationally funded area-based and agri-environment schemes to farm businesses in Northern Ireland.
- DAERA is responsible to the Department of the Environment, Food and Rural Affairs (Defra) in Great Britain for the administration of schemes affecting the whole of the United Kingdom. The Department also oversees the application of European Union agricultural, environmental, fisheries and rural development policy to Northern Ireland.
- For 2018-19 DAERA has opening funding of £192.3m Resource, £22.8m Depreciation and £76.7m Capital totalling £291.8m and is responsible for the administration of Common Agriculture Policy schemes of £327.6m.
- The Department's principal activities in CAFRE are the delivery of education and knowledge and technology transfer programmes to those entering and those within the agri-food industry.

VSAHG

- Preventing the entry into Northern Ireland of exotic animal diseases.
- Eradicating animal diseases which are present where this is in the public interest.
- Safeguarding the welfare of all kept animals.
- Protecting the health of the public through veterinary public health controls under DAERA responsibility and implementation of other public health measures on behalf of the Food Standards Agency.
- Enabling exports of agri-food products through veterinary certification based on official controls whilst assisting cross government efforts to access new markets.

EMFG

- Developing and delivering policy and legislation to protect, conserve and enhance the environment (including land, air, freshwaters and marine waters), ensure effective waste management, mitigate and adapt to climate change, and to ensure the sustainable use of our seas and inland fishery resources.
- Responsibility for safeguarding the quality of the environment through effective regulation of activities that have the potential to impact on air, water and land, delivered through the Northern Ireland Environment Agency (NIEA).

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- Raising public awareness, supporting and managing the protection of, and access to, the environment including the management of country parks and nature reserves, delivered through NIEA, acting as the Statutory Nature Conservation Body in Northern Ireland.
- Overseeing the application of EU agricultural, environmental, marine, inland fisheries and rural development policy to NI.

The following are the bodies for which DAERA had some degree of responsibility during the year:

On-Vote Executive Agencies

During 2018-19 the Department had two Executive Agencies, the Forest Service and NIEA, which operated in accordance with their Framework Documents that describe the relationships and responsibilities between the Agencies, the Department and the Minister.

Executive Non-Departmental Public Bodies

During 2018-19 the Department sponsored the following Executive Non-Departmental Public Bodies (NDPB's):

- Agri-Food and Biosciences Institute (AFBI)^{3,4}
- Livestock and Meat Commission for NI (LMC)^{3,4,5}
- NI Fishery Harbour Authority (NIFHA)^{3,4,6}
- Agricultural Wages Board (AWB) for NI.

Statutory Advisory Body

Council for Nature Conservation and the Countryside (CNCC).

North South Body

DAERA is a co-sponsoring Department (with the Department of Communications, Climate Action and Environment (DCCA) in the RoI) for one North South Implementation Body, the Loughs Agency of the Foyle, Carlingford and Irish Lights Commission (FCILC)*#, for which funding is provided.

³ Separate Reports and Accounts are produced for these entities.

⁴ These entities have been consolidated, only to the extent of the inclusion of grants paid in the Consolidated Statement of Comprehensive Net Expenditure.

⁵ There is no grant-in-aid funding provided to the LMC.

⁶ There is no grant-in-aid funding provided to NIFHA.

Governance of Arm's Length Bodies

To promote sound working relationships, all ALBs work in close conjunction with a designated Sponsor Branch within the Department. It is the responsibility of the Sponsor Branch to ensure that the ALB is working in accordance with Government rules and regulations.

In addition, all Executive NDPB's, and the North South Body above, have agreed a Management Statement and Financial Memorandum (MSFM) with DAERA in accordance with Managing Public Money NI (MPMNI) guidelines.

The Department of Finance (DoF) also issued DAO DoF 03/19 Partnerships between Departments and Arm's Length Bodies: NI Code of Good Practice on 19 March 2019. Following the launch of this Code of Good Practice, DAERA held an ALB Engagement Session on 17 April 2019.

Other Bodies

DAERA funds Gangmasters and Labour Abuse Authority (GLAA) enforcement in NI. The GLAA is a UK-wide body sponsored by the Home Office, which aims to curb the exploitative activities of labour providers (Gangmasters) in agriculture, horticulture, shellfish gathering and the related food processing and packaging sectors.

Business Plan Monitoring and Reporting Arrangements

The Department has established monitoring and reporting arrangements in place in relation to its Business Plan targets. In the first instance, each target is assigned to a Senior Responsible Officer (SRO) who has responsibility for monitoring progress on a regular basis.

During the course of the financial year, detailed progress against each Business Plan target was reported to the DB for the periods ending 30 September, 31 December and 31 March. Progress is reported in accordance with the methodology previously adopted for the PfG Commitment Reports to the Executive.

The Performance Analysis Section below identifies the outcome at 31 March 2019 in relation to each of the targets included in the Department's 2018-19 Business Plan under each of the four Strategic Outcomes. Of the total 43 targets, 25 were achieved, 5 partially achieved and 13 not achieved.

In addition, the Performance Analysis Section details all the key issues facing the Department during the 2018-19 financial year.

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Corporate Risks

A CRR has been prepared on the basis of an assessment of the key risks impacting on the achievement of DAERA Key Performance targets. During the year the Department identified 11 Corporate Risks covering the following key issues:

1. Finance;
2. Staffing;
3. Information assurance;
4. Brexit;
5. Animal disease control;
6. Plant health;
7. AFBI;
8. EU conformity audits;
9. Mobuoy;
10. Bovine TB (bTB) eradication; and
11. NI Food Animal Information System (NIFAIS).

More detail on these risks can be found in the Governance Statement under Risk and Control Framework on page 70.

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Performance Analysis

The following is a summary of the outcome at 31 March 2019 in relation to each of the targets included in the DAERA 2018-19 Business Plan:

STRATEGIC OUTCOME 1: SUSTAINABLE AGRI-FOOD, FISHERIES, FORESTRY AND INDUSTRIAL SECTORS.

TARGET	POSITION AT 31 MARCH 2019
<p>By 31 March 2019:</p> <ul style="list-style-type: none"> • Complete the delivery of the second tranche of Tier 1 of the Farm Business Improvement Scheme (FBIS) Capital, with total grant payments of £7.5m made to 1,500 successful applicants (subject to the available funding); and • Subject to a lessons learned review of the first tranche, open the second tranche of Tier 2 with a total value of £12.5m (subject to the available funding). 	<p>Not Achieved.</p> <ul style="list-style-type: none"> • Target substantially achieved, with total grant payments of £7.1m made to 1,508 successful applicants by 31 March 2019. • Target not achieved. Lessons learned review of the first tranche is complete. Decision taken to roll over the target for opening the second tranche until 2019-20 business year, subject to greater certainty in relation to the UK's exit from the EU and taking account of any further guidance developed by DAERA on ammonia reduction and mitigation.
<p>By 31 March 2019 manage one inward mission from a priority third country market.</p>	<p>Achieved.</p> <p>Veterinary Service hosted an inward mission by Chinese Inspectors to NI on 21-23 April 2018, as part of a UK wide inspection of cattle Bovine Spongiform Encephalopathy (BSE) controls. The inspection led to the lifting of the Chinese BSE ban on UK beef on 27 June 2018. Pork and dairy exports to China are buoyant, working towards market access for other sectors through Defra, Foreign and Commonwealth Office and NI Bureau Beijing.</p>
<p>By 31 March 2019:</p> <ul style="list-style-type: none"> • Open the Community-led Local Development (CLLD) theme for applications; • Commit £2 million European, Maritime & Fisheries Fund (EMFF) funding to eligible projects consistent with the UK's Operational Programme priorities; and • Make grant payments of £2.25m to successful applicants to the EMFF Programme. 	<p>Achieved.</p> <ul style="list-style-type: none"> • The CLLD theme opened for applications on 19 June 2018. • £4.4m EMFF funding was committed to 56 successful applicants. • £3.28m EMFF grant payments made.

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TARGET	POSITION AT 31 MARCH 2019
Evaluate the effectiveness of the Exceptional Adjustment Aid (EAA) soil sampling programme and complete a further pilot scheme across 2 catchments by 31 March 2019 to assist with the development of a future Business Case.	Achieved. EAA Soils training effectiveness was assessed before and after training sessions in April – May 2018 and a ‘One Year On’ behavioural change questionnaire was issued in March 2019. These returns are being assessed and collated. Two Catchments (Colebrooke and Strule) were selected for Pilot 2 and soil collection and analysis has been completed. 584 farm businesses were supported which equates to approximately 9,700 fields for sampling (97% of the 10,000 field target).
By 30 September 2018, to have an agreed action plan for the eradication of bovine tuberculosis (bTB) by 2048 in response to TB Strategic Partnership Group’s (TBSPG’s) TB Eradication Strategy.	Not Achieved. Work is ongoing to finalise the wildlife and finance policy areas of the strategy.
By 31 July 2018, publish an Animal Health Strategy.	Not Achieved. The Strategy Committee considered the proposed consultation document at its meeting on 22 March 2019. It is intended to consult in Autumn 2019.
By 31 March 2019, assist in the delivery of DAERA’s Strategic Outcomes through the commissioning of up to £4.5m of new Research and Development (R&D) work from Northern Ireland Research organisations within international collaborative projects with an overall value of £19m.	Not Achieved. 15 new R&D international collaborative projects were commissioned to NI Research organisations to a value of £3.6m with an overall value of £16.1m. Programme launches during 2018-19 were controlled by DAFM and US Ireland and DAERA had no influence on the timing of launches.
During 2018-19, direct, monitor and evaluate the assigned AFBI work programme to meet the Department’s (i) research and development, (ii) scientific services and (iii) emergency response needs, within budget and on time.	Not Achieved. The End of Year Review of the 2017-18 Assigned Work Programme (AWP) has now been completed and no major issues were identified. The Mid-Year review of 2018-19 AWP is ongoing and a report will be drafted once this is finalised.

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TARGET	POSITION AT 31 MARCH 2019
<p>Manage the TB compensation bill in 2018-19 to £23.9m.</p>	<p>Achieved.</p> <p>Estimates during March 2019 indicate that there will be 645 fewer reactors this financial year. There has also been a decrease in the average compensation per animal. The Provisional Outturn (PO) is £23.6m which is £0.3m below the £23.9m target.</p>
<p>By 31 March 2019 have:</p> <ul style="list-style-type: none"> • 3,000 farmers developing their business through benchmarking, peer learning and knowledge & technology transfer, within Business Development Groups (BDGs); and • 2,700 farmers receiving training in Farm Family Key Skills (FFKS) and develop Innovation programmes to improve the uptake / adoption of research outcomes in the agri-food sector. 	<p>Partially Achieved.</p> <ul style="list-style-type: none"> • At 31 March 2019, 2,948 farmers and growers are participating in BDGs, which is a slight shortfall on the DAERA target for 2018-19. The scheme opened for a fourth tranche of applications in February 2019 and the uptake was lower than expected. A strategic review of the scheme has highlighted a number of actions, which will be implemented from April 2019, to maintain progress against the RDP target which is to assist 3,000 farm businesses through the Business Development Knowledge Transfer path by 31 March 2021. • The FFKS target has been exceeded, with 6,003 farm family members receiving training by 31 March 2019.
<p>By 31 March 2019, have 2,200 people achieving nationally validated qualifications at Level II and above and deliver a suite of education and industry training programmes to 8,000 people.</p>	<p>Achieved.</p> <p>At 31 March 2019, 2,410 people had achieved nationally validated qualifications at Level II and above. Education and industry training programmes were delivered to 10,897 people.</p>

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STRATEGIC OUTCOME 2: A CLEAN, HEALTHY ENVIRONMENT, BENEFITING PEOPLE, NATURE AND THE ECONOMY.

TARGET	POSITION AT 31 MARCH 2019
By 31 December 2018 issue EFS agreements to all successful 2018 higher and wider level applicants.	Partially Achieved. All EFS agreements were issued by 3 April 2019.
By 31 March 2019, increase household recycling by >1% point over 2017-18 levels in order to support PfG Outcome 2 and Indicator 36 (increase household waste recycling) and to meet the 2020 EU Waste Framework Directive household waste recycling target. (Note: a baseline level for comparison/monitoring will not be published until July 2018 when the Quarter 4 2017-18 results are published, which includes the provisional annual figure (moved from Performance Quadrant). Baseline is 48.1% for 2017-18).	Achieved. The provisional annual figure for 2018-19 will not be available until July 2019. However, the published provisional 12 month rolling rate up to 31 December 2018 is 49.2%, which is 0.1% above the DAERA target with three months still to report.
By 31 March 2019 to complete a pilot study on a marine protected area to demonstrate how the integration of DAERA's Strategic Outcomes could be achieved through implementation of the draft marine plan for Northern Ireland (once adopted).	Not Achieved. This work had to be paused in January 2019 due to competing priorities, in particular preparation for EU Exit.
By 31 December 2018, through the DAERA Project Board on Ammonia Reduction, draft an "ammonia action plan" incorporating the Departmental response to the Expert Working Group Ammonia Annex.	Achieved. The Ammonia Project Board has considered a draft Ammonia Action Plan and it has also been scrutinised by the DAERA Strategy Committee.
By 31 March 2019 complete a Departmental position paper on Natural Capital and commence at least one pilot project involving external stakeholders.	Achieved. Three pilot projects have been completed and a range of discussions have taken place with senior planners and other council staff to raise awareness of the concept. A policy paper on the findings of the pilot studies and the potential practical application of natural capital was discussed at the February 2019 NIEA Board meeting.

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TARGET	POSITION AT 31 MARCH 2019
By 31 March 2019, ensure a second NI Climate Change Adaptation Programme is laid before the NI Assembly which will contribute to PfG Outcome 2 we live and work sustainably - protecting the environment.	<p>Not Achieved.</p> <p>The Climate Change Adaptation Programme is a cross cutting initiative with representations from all departments and hence their agreement has to be sought before the final report can be laid. Delays in the process were experienced in the last quarter of 2018-19 due to the breadth of queries and correspondence from other departments on the content of the Adaptation Programme. It is anticipated that the report will be laid in the Assembly in the early part of 2019-20.</p>
By 31 March 2019, have agreed an implementation plan to deliver the remediation strategy for the illegal waste deposits at Mobuoy Road.	<p>Partly Achieved.</p> <p>Remediation implementation plan was drafted by 31 March 2019 and was discussed at Mobuoy Programme Board on 4 April 2019. This included the Outline Business Case 1 which was approved by the DAERA Casework Committee on 8 April 2019.</p>
By 31 March 2019 have carried out a full public consultation on the draft Air Quality Strategy and having considered the consultation responses, produce a final draft ready for Ministerial approval. The Strategy will support PfG Outcome 2 and Indicator 37 (Improve air quality - annual mean nitrogen dioxide concentration at monitored urban roadside locations).	<p>Not Achieved.</p> <p>This work was delayed due to competing priorities, in particular preparation for EU Exit. It is intended to launch the draft strategy for consultation by summer 2019.</p>
By 31 March 2019 achieve 14,500 hectares of terrestrial protected areas under favourable management. This will contribute directly to the delivery of PfG Outcome 2 indicator associated with protecting biodiversity.	<p>Achieved.</p> <p>14,581 ha by 31 March 2019. This target has been met through a number of schemes - (1) RDP EFS Tranche 1; (2) Management of Sensitive Sites (MOSS) at Bann Estuary Special Area of Conservation; (3) Management of DAERA owned land through NIEA Regional Operations Branch; and (4) Interreg Va - the Cooperation Across Borders for Biodiversity (CABB) project at Garron.</p>

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TARGET	POSITION AT 31 MARCH 2019
By 31 March 2019 help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry, aiming for 90% compliance with all authorisations and regulatory requirements using agreed compliance assessment methodology.	Achieved. Overall Compliance – 93.8%.
By 31 March 2019 work in collaboration across the Department, and with others, to deliver 80% of the actions within the 2018-19 catchment work programme (designed to help achieve the target of 70% of water bodies achieving “good” status by 2021). This work will support PfG Outcome 2 where monitoring of soluble reactive phosphorus values in rivers will act as a PfG indicator of improving water quality.	Achieved. By 31 March 2019, 87% of the 136 Key Target Measures (KTMs) identified in the work programme actions were completed (target was 80%).
By 31 March 2019, have 200 hectares (ha) of new woodland supplying a range of ecosystem services and supply at least 400,000m ³ of sustainable timber to industry.	Achieved. 238 ha of new woodland have been planted. Forest Service has made available 404,506m ³ of timber against a target to supply 400,000m ³ of sustainable timber to industry by year end.

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STRATEGIC OUTCOME 3: A THRIVING RURAL ECONOMY, CONTRIBUTING TO PROSPERITY AND WELLBEING.

TARGET	POSITION AT 31 MARCH 2019
By 31 March 2019, in partnership with government bodies and organisations, 40,000 rural dwellers to benefit through the development and implementation of measures to tackle rural poverty and social isolation.	Achieved. 61,864 individuals have benefitted.
By 31 March 2019, create 150 full time equivalent jobs in rural areas using the LEADER component of the Rural Development Programme.	Achieved. Overall jobs total currently stands at 434 full time equivalents created.
By 30 June 2018 take receipt of the report commissioned to analyse the economic value of the equine industry in Northern Ireland, including identifying areas with the potential for growth and development. By 31 March 2019, prepare an Equine Strategy and Action Plan, following publication of a report commissioned to analyse the economic value of the equine industry in Northern Ireland, including identifying areas with the potential for growth and development.	Not Achieved. Due to delays in the tendering process, the commissioned analysis contract was not awarded until May 2018. Extensive engagement took place across the NI equine sectors from June 2018, including receipt of 800 responses to an online survey. Whilst this was a positive response, it resulted in additional time being added to the contract, to analyse the feedback and complete economic modelling. Feedback from DAERA Economists on the draft analysis report is being considered. It is hoped that a final version will be agreed by summer 2019.

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STRATEGIC OUTCOME 4: A WELL LED, HIGH PERFORMING ORGANISATION FOCUSED ON OUTCOMES.

TARGET	POSITION AT 31 MARCH 2019
Make advance payments to 90% of eligible Direct Payment applicants (€140m and 20k applicants), and by 31 December 2018, make payments in full to 95% of eligible Direct Payment applicants (€280m and 22k applicants).	Achieved. Target exceeded - Advance payments to 97% of eligible applicants (£190m/€213m and 23,278 Farm Businesses). By 31 December payments in full were made to 98% of eligible applicants (£280m/€314m and 23,676 Farm Businesses).
By 31 March 2019 the percentage of bovine births registered by MC1 paper notifications will be reduced from 27% to 20%.	Achieved. Paper notifications reduced to 15.5%.
By 31 March 2019, to have 4 star (80%) satisfaction rating or above from customers on quality of online services.	Achieved. 4 Star rating achieved on all online services released in 2018-19.
By 30 September 2018, to have agreed the programme plan for the science transformation programme including incorporation of the findings of the science scoping study and AFBI review (Corporate Services) and by 31 March 2019, to have sufficiently progressed the design specification and planning permission application for the veterinary sciences new building, in preparation for the Integrated Supply Team (IST) tender to commence in May 2019.	Not Achieved. The Science Transformation Programme is being progressed in line with the recommendations of the Starting Gate Review. This delays the finalisation of a programme plan until a Science Strategy is agreed, although key projects are being progressed in parallel. Whilst the Animal Health Science project is progressing well delays mean that the IST will not be in place until November 2020.
By Exit Day, to ensure that DAERA can provide advice as necessary to enable the respective Whitehall Ministers (primarily Defra) to make all the changes necessary to address operability issues and deficiencies in legislation relevant to DAERA arising as a consequence of the EU Withdrawal Act.	Not Achieved. The volume of legislation to be laid as a consequence of the EU Withdrawal Act 2018 continues to fluctuate as the UK Government and EU negotiations continue. DAERA will monitor the expected changes to the legislation to ensure the necessary legislative work is completed.
By 31 March 2019 to deliver a successful Information and Communication Technology (ICT) Service Procurement, culminating with award of contract to preferred bidder(s).	Achieved. ICT services contract successfully awarded, procurement exercise for the provision of Business Intelligence Services ongoing.

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TARGET	POSITION AT 31 MARCH 2019
To implement action plan to ensure readiness for the General Data Protection Regulations (GDPR) by 25 May 2018.	Achieved. Successfully implemented GDPR readiness plan which included appointment of a Data Protection Officer for DAERA and the rollout of a security and information assurance training and awareness programme to all Information Asset Owners within DAERA.
By 31 March 2019 the error rate for area-based schemes to be limited to 2%.	Achieved. Initial analysis of the 2018 random on-the-spot-check results give an error rate (after penalty) of 0.95% which is well within the 2% target. This will be confirmed when the Article 9 return is submitted in July 2019.
Provisional Resource and Capital outturn to be between 99% and 100% of Final Budget for 2018-19.	Achieved. The Provisional Outturns for both Resource and Capital are 99.9%.
By 31 March 2019 to have concluded roll out and implementation of NIFAIS Cattle Disease Control and build of Movement functionality (Stage 1), maintaining services in a secure manner during the transition / migration from APHIS. Cattle Disease Control Live and benefits becoming realisable. Cattle Registration & Movement Services un-interrupted and on track for July 2019 live deployment.	Not Achieved. Cattle Disease Control software is not expected to exit User Assurance Testing until early July 2019, or Go Live before early October 2019. Cattle Movement software is projected to Go Live after June 2020. Benefits are not expected to be realised until well into 2020-21.
By 31 March 2019 co-ordinate the development and implementation of Day 1 delivery plans for those impacted areas to ensure the continued delivery of services post exit from the EU.	Partially Achieved. There has been much ongoing uncertainty around the UK's departure date. A number of projects have progressed well and delivery confidence is high. However some have advanced more slowly and DAERA remains engaged with Defra.
Throughout 2018-19, develop and refine strategic policy priorities on a range of Brexit-related issues through liaison with Departmental officials and regular engagement with key stakeholders.	Achieved. Strategic priorities for agri-food, fisheries, environment and rural society have all been agreed with stakeholder groups.
By 31 March 2019, achieve a 5% increase in the DAERA Employee Engagement Index score (from 50% to 55%).	Achieved. Engagement Index Score of 55% achieved.

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TARGET	POSITION AT 31 MARCH 2019
<p>By 31 March 2019, reduce sickness absence (based on average days lost per person) by 10%. The opening baseline was confirmed by NICS HR/ NISRA as 10.5 days. A 10% reduction equates to a 2018-19 target of 9.5 working days lost per person.</p>	<p>Not achieved.</p> <p>The final provisional outturn figures for 2018-19 will not be available from Northern Ireland Statistics and Research Agency (NISRA) until the end of April and will not be verified until around August 2019. However, based on the February figures the projected end of year outturn is 10.3 working days lost per person.</p>
<p>Performance management compliance:</p> <ul style="list-style-type: none"> • By 30 April 2018, achieve 90% completion of 2017-18 End of Year Reviews; • By 30 June 2018, achieve 90% completion of 2018-19 Personal Development Plans (Note: Date changed from 30 April 2018 to 30 June 2018); and • By 31 October 2018, achieve 90% completion of 2018-19 Mid Year Reviews. 	<p>Partially achieved.</p> <ul style="list-style-type: none"> • 95.1% of End of Year Reviews completed; • 74.6% of Personal Development Plans completed; and • 93.91% of Mid Year Reviews completed.
<p>By 31 May 2018, 240 staff will have relocated to Ballykelly House.</p>	<p>Achieved.</p> <p>257 staff relocated by building opening.</p>
<p>By 31 October 2018, DAERA Heads of Profession will have developed plans for the professional and technical training and development of relevant staff.</p>	<p>Achieved.</p> <p>Professional and Technical Training plans are in place for all branches where appropriate.</p>

Performance Analysis

The following were the key issues for the Department during the 2018-19 year:

Brexit

DAERA is one of the NICS departments most affected by the decision to leave the EU and meeting the associated challenges has to date required a reprioritisation of resources leading to an impact on core business and existing staff. The Department continues to seek ways to supplement existing capability and capacity but currently carries 275 staff vacancies, 85 of which relate specifically to Brexit.

DAERA established a range of contingency measures within the preparations for EU Exit Project and in line with all NICS Departments, Command, Control and Co-ordination (C3) structures are now in place to deal with the risks associated with leaving the EU without a withdrawal agreement. In addition to reviewing all emergency response plans, a C3 Departmental Operations Centre and Communications Team has been set up to co-ordinate information and support decision making within DAERA. Staff have been trained and facilities re-purposed to ensure that DAERA provides an effective response to EU Exit impacts within the region, and can provide information to NI and UK decision makers in a timely and accurate manner.

There has been an increase in the volume of Brexit related work across the Department which intensified when the UK and the EU launched formal Article 50 negotiations. A small team has been established to proactively react to phase 2 negotiation issues as they arise.

Work has also been ongoing to establish common approaches in some areas that are currently governed by EU law, but that are otherwise within areas of competence of the DAs or legislatures. The common frameworks will set out a common UK, or GB, approach and how it will be operated and governed.

Work is ongoing to ensure that DAERA can make all changes necessary to address operability issues and deficiencies in legislation relevant to DAERA arising as a consequence of the EU Withdrawal Bill.

DAERA has been engaging with Defra and the other DAs as well as extending and developing our relationships in Brussels and Dublin. We have also established new structures with our counterparts across the UK to co-ordinate the work at a national level.

Under the guidance of TEO, Brexit Division has co-ordinated the examination of all policy areas for Day 1 Delivery issues, identifying those that are EU Exit sensitive against a range of scenarios, prioritising them and identifying solutions. Initial project delivery planning has also commenced but is tempered by the fact that Defra has identified a significant number of operational readiness projects under which the Department's projects lie.

DAERA has reviewed and enhanced the governance arrangements that were in place to ensure that the Department could respond to the UK/EU negotiations. Four new stakeholder groups (Environment, Trade and Agriculture, Fisheries and Rural Society) were established to lead industry through the Brexit process, meet and react quickly during the negotiations and provide the UK Government with a definitive and unambiguous view as and when proposals are presented.

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The Department has met regularly with the stakeholder groups and these groups have been instrumental in helping to develop Strategic Priorities for the Agri-food sector, Environment and Fisheries in NI.

DAERA has also developed a NI Agricultural Policy Framework Proposals paper in collaboration with the DAERA Trade and Agriculture Committee and the DAERA Environment Stakeholder Group. Engagement with stakeholders on this paper is expected to expand and continue in 2019.

A significant level of work has been carried out to support Brexit preparations in terms of legislation, policy frameworks and operational readiness to ensure that we maintain high environmental standards in NI post EU Exit day. The Department has been working with NI and UK Government Departments to minimise potential risks and ensure a consistent approach to EU Exit planning throughout the UK. Environmental legislation is a key area for DAERA, given that much environmental policy emanates from EU policies and legislation covering a wide range of environmental issues such as waste, water, air quality, and EU Emissions Trading Schemes. DAERA environment officials have worked with the UK Government and Westminster to bring forward legislation to deal with operability issues arising from EU Exit in a 'No Deal' scenario.

Work has continued in support of Brexit preparations in terms of legislation, policy frameworks, operational readiness and understanding of North South issues.

North South Co-Operation

The Department engaged with its counterparts from the RoI across a range of mutually beneficial cross-border issues. Co-operation takes place on both a formal basis under the auspices of the North South Ministerial Council (NSMC) and more informally on routine / operational matters through various Working Groups.

DAERA has responsibility for three NSMC Sectoral meetings – 'Agriculture', 'Aquaculture and Marine' and 'Environment'.

Topics discussed at 'Agriculture' Sectoral meetings include Animal Health, Plant Health, International Trade, Rural Development, EU Funding, Farm Safety and Common Agricultural Policy.

Matters raised at 'Aquaculture and Marine' meetings relate to the Loughs Agency of the FCILC (The Loughs Agency), a cross-border implementation body with responsibility for the promotion and development of Lough Foyle and Carlingford Lough for commercial and recreational purposes, conservation and protection measures, the licensing and development of aquaculture and the development of marine tourism. The Loughs Agency continues to focus on specific actions that enhance and develop the angling potential and marine tourism appeal of the Foyle and Carlingford catchments.

The 'Environment' Sectoral meetings include topics such as EU Funding, Fuel Laundering, Cross Border Movements of Waste, Waste Management and Water Quality. There was separate engagement on the issue of waste repatriation relating to waste that had been

illegally deposited in NI, which is the subject of a framework agreement between NI and the RoI.

All 3 NSMC Sectoral meetings cover the implications of the UK Referendum on EU membership.

Whilst there were no full NSMC Sectoral meetings held during 2018-19 departmental representatives of the NSMC met once in 2018 and once in 2019. Officials in both jurisdictions have continued throughout 2018-19 to work closely to promote sustainable social and economic development of rural communities, improve the all island response to any developing epizootic disease risks, combat rural crime and consider a range of accountability and governance issues associated with the Loughs Agency. Co-operation has included bovine TB, farm safety, agricultural education, rural development and plant health risks with the Department of Agriculture, Food and the Marine (DAFM) Chief Plant Health Officer attending the UK Plant Health Coordination meeting. The close working relationship between the two jurisdictions has continued throughout the year.

Environment

DAERA's work recognises the primacy of sustaining the environment that we all share. This is reflected in the draft PfG's second outcome: we live and work sustainably - protecting the environment. Key indicators on climate change, recycling, sustainable transport, water and air quality and biodiversity are set out to assess how we are doing.

The issue of plastic waste and marine litter has increased in public awareness at an unprecedented rate largely down to the reporting and images on the BBC programme Blue Planet. The Department has been working closely with the UK Government and other DAs on a number of initiatives and legislative instruments to tackle the plastic problem.

Climate change is a global threat and the need to address it is reflected in international agreements like the Paris Agreement of 2015 which seeks to limit global temperature rise this century to less than 2 degrees Celsius above pre-industrial levels. Prior to this the UK Climate Change Act 2008 has committed us to a target of an 80% reduction in greenhouse gas emission (GHG) over 1990 levels by 2050. The latest emission figures available for NI show a long term decrease in GHG emissions of 15.9% since the 1990 base year. The main sources of emissions in NI are agriculture, transport and energy. The energy sector has played a large part in delivering the reductions that have been achieved in NI. Going forward DAERA generally faces challenges of how to promote long term policies to reduce our emissions and this will include progressing an Ammonia Action Plan to achieve tangible and sustained reductions in ammonia emissions from NI farms.

Reducing our emission is only one aspect of addressing climate change. Adapting to the consequences of the changes that are already taking place is another significant challenge. DAERA has been working with other departments to respond to the latest risk assessment produced by the Adaptation sub-committee of the independent, expert committee on Climate Change.

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The Department continues to work towards meeting the requirements of the EU Waste Framework Directive and Landfill Directive. Results for 2017 continue to show that NI has already met the 2020 target of 'reducing the amount of biodegradable municipal waste (BMW) going to landfill to 35% of that produced in 1995'. For 2017 NI had reduced BMW to landfill to 24% of the 1995 baseline. The EU household waste recycling target has been more challenging. It requires that at least 50% of 'waste from households' is recycled by 2020. The Department has worked collaboratively and in close partnership with District Councils during 2018-19 in order to increase recycling. The provisional 'waste from households' recycling rate for 2018 is 47.6%; an increase of 1.3 percentage points from the 46.3% reported for 2017. This increase continues to provide NI with a realistic prospect of meeting the 2020 target.

The Department has continued to provide financial assistance to local government to deliver improvements to recycling services and infrastructure. During 2018-19 £2m of capital funding has been allocated to 12 local council projects. In addition, the Department has supported, including financially, a range of behaviour change and communications initiatives to provide awareness on waste prevention and increase household waste recycling.

Regulation of the waste sector remained a key challenge for the Department and we continued to work with the waste industry, councils and other partners, to deliver a compliant and crime free waste industry. Enforcement activities tackling criminality range from education and prevention to deterrence, disruption and detection.

Numerous challenges are faced within the realm of biodiversity; such as agricultural intensification or abandonment, and planning development. During the year NIEA sought to address these through targeted actions on priority habitats and species and in partnership with Non-Governmental Organisations (NGOs) landowners and other third parties.

The Department is currently implementing a 6 year programme which aims to have 70% of all water bodies within NI classified as achieving 'Good Status' or better by 2021. Further to this several key pieces of local environmental legislation in respect of the Water Framework Directive (WFD) and the Drinking Water Directive were updated.

In September 2018, an interim update on WFD status showed that no overall improvement of 37% at good or better status had been achieved, and that status in rivers alone had declined from 32.7% to 31.3%. This indicates a significant risk that the 2021 targets are unlikely to be met. If deterioration continues, this will impact on Environmental outcomes and indicators as set out within PfG, and achievement of minimum requirements of WFD. Further interventions may be required to prevent deterioration and deliver improvements, and it is essential that these are considered as part of joined up policies on environment, land use, agriculture and economy.

Clean air is vital for human health and wellbeing. The Department monitors levels of air pollutants to assess compliance with EU Directives and works with other government departments such as the Department for Infrastructure (DfI) and with other stakeholders to find ways of addressing the sources of air pollution. The Department continues to provide funding to the NI district councils to support local air quality monitoring.

Our environment is essential to our economic prosperity and it is a foundation for the health and well-being of the people of NI. The Department recognises that improved environmental outcomes can be achieved through a proactive approach to education and through highlighting key issues. During the financial year the Department's NIEA worked with CAFRE to ensure key environmental issues feature as part of education and awareness programmes. In addition, the Department has implemented results-driven digital marketing campaigns using [MyNI](#) that are encouraging people to take up information and services and contributing to the Outcomes Delivery Plan for NI.

Moving forward the Department will be involved in the UK wider review of the regulatory infrastructure for nuclear, radiation, radioactive waste, transport safety and related health issues.

Agri-Food Strategy

Following the UK's decision to exit the EU, the Department has developed a NI Agricultural Policy Framework Proposals paper in collaboration with the DAERA Trade and Agriculture Committee and the DAERA Environment Stakeholder Group. Engagement with stakeholders on this paper is expected to expand and continue in 2019-20.

Agri-food Strategy - Third Country Market Access

DAERA's Veterinary Service Animal Health Group (VSAHG) plays a key role in facilitating and developing international (i.e. outside the EU Single Market) trade of products of animal origin from NI. Although Defra in London is the Central Competent Authority for international trade to and from the UK, VSAHG undertakes key official controls and stakeholder engagement in NI that supports and underpins international market access for our livestock primary producers and the meat and dairy processing sectors through:

- competent authority for the delivery of Sanitary & Phytosanitary (SPS) official controls for animal health and welfare, feed safety and marketing standards;
- competent authority for veterinary export health certification (required documentary assurance for international trade of products of animal origin) and responsible for verifying compliance by food businesses with official controls and third country requirements;
- developing market access opportunities with Defra, Dairy UK and the UK Export Certification Partnership, by hosting inspections, completing questionnaires, agreeing SPS requirements underpinning export health certificates with international government officials;
- establishing and maintaining international markets through approval, verification and audit of exporting establishments and engagement with international inspectors;
- service delivery on behalf of the Food Standards Agency (FSA), under a Service Level Agreement (SLA), for a range of food hygiene official controls; and

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- excellent working relationship with agri-food industry partners (e.g. Meat Exporters Working Group, Dairy UK) and other regulatory, and government, partners (e.g. FSA, InvestNI, District Councils, DAERA - DAFM Dairy Export Working Group).

DAERA supports the NI Executive's wider International Relations Strategy. We have extensive international linkages and are developing mutually beneficial relationships with targeted countries, regions and organisations to ensure a living, working, active landscape valued by everyone.

We are playing our part, creating a focused International Relations Action Plan that will support the achievement of the NI Executive's International Relations Strategy and draft PfG commitment of "a shared, welcoming and confident society that respects diversity".

Furthering existing and new market access is a key priority of DAERA's International Relations work. The UK currently has Export Health Certificate (EHCs) for Products of Animal Origin (POAO) agreed for over 1,400 products or commodities across approximately 180 countries - the NI agri-food industry has access to most of these markets.

DAERA has developed close working relationships with our stakeholders which has enabled us to successfully host a number of inward missions leading to opening of valuable markets for the NI agri-food industry.

Inward missions provide an opportunity for DAERA and the NI agri-food industry to demonstrate the rigorous standards we have in place to produce our high-quality, safe and wholesome food. We place a clear emphasis on traceability at the heart of our production and processing and recognise that a joined up, safe and efficient food supply is essential.

In 2018 VSAHG officials welcomed to NI government inspectors from China and Japan. Both were inspections of BSE controls. These resulted in the opening of a new market in Japan and paving the way for future beef exports to China, with their lifting of the BSE ban on UK beef in August 2018. A separate inspection by Chinese authorities of our Avian Influenza (AI) controls in the UK took place in September 2018.

Sectoral Issues

The 2018 year showed product prices that were mostly similar or greater to those of the previous year. However, provisional figures indicate that the 'Total Income from Farming' (TIFF) in NI fell by 23% in 2018 (24% in real terms) to £360m from £467m in 2017. This downturn in income was mainly due to the fact that growth in total value of inputs purchased by the sector was more pronounced than the growth in total value of outputs from the sector. The growth in total value of inputs was primarily driven by a higher total cost of feedstuffs purchased by the sector in 2018. This higher cost is attributable to increases in both feed usage and prices in 2018.

There are a range of factors that led to the increase in total cost of feedstuffs in 2018 and it is difficult to isolate the importance of individual factors e.g. exchange rates, weather, oil prices and global production levels.

Common Agricultural Policy

The Department administers Direct Payments to farmers under CAP support schemes. These schemes, which include the Basic Payment, the Greening Payment and the Young Farmers Payment, are fully funded by the European Commission. During 2018 we maintained our focus of maximising technology by increasing the number of applications made online from 99% to 100%. Advance payments of Direct Payments were issued for the first time in 2016, making NI the first region of the UK to deliver advance payments. In 2018, the target to pay 90% of applicants an advance was surpassed, with 97% of eligible applicants receiving a payment. 23,278 farm businesses received advance payments amounting to £190m/€213m in October and November 2018.

Balance payments (or full payments for those not eligible for an advance) could be made from 1 December 2018. £90m / €101m in payments were made to 23,676 farmers in December. This represented 98% of eligible farmers, exceeding the target of 95% set.

We have now made full payments to 99.5% of eligible claims for Basic Payment and Greening. Where successful application to the Young Farmers Payment has been confirmed, this has also been paid. This is a significantly better payment performance than any other region within the UK.

1,200 businesses were selected for the 2018 controls campaign and these inspections have been completed. In 2018 the target to have at least 50% of On the Spot Checks (OTSC) cases paid by December was exceeded, with 94% of OTSC cases being paid by this time. At the end of March 2019, payment has been finalised for 99.5% of OTSC cases.

In December 2018, the first payments were made through the new EFS. 1,216 farm businesses participated in the first Tranche of the scheme and at the end of March 2019, payment had been released to 82% of cases. These payments equated to £7m.

Area Aids Disallowance

An EU Commission audit in 2018 identified a weakness in one key control in relation to the Areas of Natural Constraint (ANC) scheme. Consequently, the Commission had proposed a flat rate correction of 5%. The Department challenged the Commission's findings and the Commission decided not to impose a financial correction. The audit is therefore closed.

Maintaining a compliant Land Parcel Identification System (LPIS)

The LPIS is a key control for area based schemes and ongoing work is necessary to ensure that the farm business map data remains accurate and up to date, thereby reducing the risk of future disallowance. DAERA and Land & Property Services (LPS) are therefore continuing to work together to ensure the LPIS data is refreshed on a 3-4 year cycle and to maintain compliance with EU Regulations as implemented through CAP reform. LPS has also further enhanced the data to reflect modern Global Positioning System (GPS) technologies (positional improvement).

The quality of the LPIS has improved and been maintained over recent years and this is evidenced by passing the main test within the annual EU LPIS Quality Assessment.

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Map information to support the Single Application Form (SAF) process

In line with EU targets to have all SAF-related transactions completed online by 2018, farmers are encouraged to use DAERA's online services. Paper LPIS scheme maps have not issued to farm businesses since 2015. Instead, online systems have been developed and enhanced annually to allow farmers to view and amend their maps online and to facilitate more accurate claims. If farmers face difficulty in amending their maps they can contact the SAF Advisory Team for support.

The use of remote sensing to conduct on-the-spot checks (OTSC's)

Remote sensing involves careful examination of a satellite image or aerial photograph of the land in a Farm Business and comparing this with the area declared on the SAF. As part of the control, DAERA introduced Remote Sensing in 2012 to complement classic OTSCs. In 2018 Remote Sensing comprised 100% of OTSCs.

Classical Inspections

Countryside Management Information Branch complete approximately 7,500 rapid field visits each year. These are completed classically, where an inspector is on the ground and are completed on the back of a request from the Controls with Remote Sensing Contractor due to lack of clarity regarding imagery or to confirm boundaries.

Supporting Local Industry and Rural Society

Tackling Rural Poverty and Social Isolation (TRPSI)

The Department also manages a TRPSI Programme. During 2018-19 intervention on the ground continued through a number of initiatives including:

- provision of concessionary travel for smart pass holders on rural community transport partnership vehicles, enabling over 200,000 trips to be undertaken;
- funding the Rural Support charity to provide assistance to rural families and farmers facing difficulties and providing for a social farming support service;
- development and delivery of a micro-capital grants scheme to 600 community and voluntary sector organisations, benefitting an estimated 46,000 rural dwellers;
- a Farm Family Health Checks Programme which provided health screening to over 2,600 clients at marts and rural community venues;
- the Step Up to Sustainable Employment+ (SUSE) programme which promotes employment and progression towards employment through education and training, engaging over 210 rural participants;
- a joint initiative by the Health and Social Care Board (HSCB), Public Health Agency (PHA) and DAERA to increase Social Farming activity by promoting the Trusts to actively refer individuals toward Social Farming Support Service sessions;
- support to develop forest infrastructure, walkways, paths and facilities to increase outdoor participation in recreational and sporting opportunities and address rural isolation issues;
- development of a heritage site which will provide increased opportunities for those living in the rural area to access, participate in and engage with an important rural resource while encouraging increased social interaction; and
- in partnership with the Department for Communities (DfC) and Sport NI provide capital support for 5 projects to improve facilities in rural areas which provide opportunities to participate in physical activity.

Through the TRPSI Community Development Support Programme, support has also been provided through six contract holders to some 1,200 rural community groups operating across the region. This has included support for 7,500 individuals and communities, including farmers and farm families. The Community Development programme also provides assistance to individuals and groups to engage with the social economy sector as a means of achieving the economic and social sustainability of rural communities; and developing capacity and leadership in rural communities along with proper governance as a means of supporting community involvement and maintaining strong rural communities.

A number of these TRPSI initiatives were developed in conjunction with a range of other Government Departments. This illustrates the strength in partnership working to resolve rural issues but also the ability of this work to lever in additional funding for rural areas. Work continues to develop existing and new initiatives.

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NI Rural Development Programme 2014-2020

Implementation of schemes under the NI Rural Development Programme (NIRDP) 2014-2020 continued during 2018-19.

Objective 1 - Competitiveness

The FBIS is an important element of the NIRDP and includes a portfolio of measures aimed at knowledge transfer, co-operation, innovation and capital investment, which will help to support sustainable growth in the sector. FBIS BDGs bring together small groups of farmers and growers to consider how knowledge, co-operation and innovation can improve the performance of their businesses. At 31 March 2019, 2,948 farmers and growers were participating in groups. The scheme opened for a fourth tranche of applications in February 2019.

By 31 March 2019, FBIS Farm Family Key Skills delivered training to 6,003 Farm Family members on topics including Business Planning, Health and Safety Awareness, Health and Safety First Aid on farm, Sustainable Soil Management, and Animal Health.

During 2018-19, the FBIS Farm Innovation Visits scheme opened, with 63 farmers participating in 4 visits. The Agri-Food Co-operation Scheme also opened in December with applications received from six groups.

The capital component of the FBIS, which is worth up to £40m over the first 2 tranches of its initial phase is being managed as 2 tiers and includes capital investment support linked to the needs of the farmer's business plan at 40% of eligible costs. The objective of Tier 1 is to improve farm sustainability. Tier 2 supports farm business transformation based on a robust, viable and sustainable business plan. All successful applications are subject to environmental assessment.

Both tranches of Tier 1, which provide grant for on farm investment projects from £5,000 up to £30,000 (in project costs) are nearing completion. At 31 March 2019 total grant payments of £7.1m had been made to 1,508 successful applicants in the second tranche of Tier 1. Tier 2 provides for on-farm capital investment projects in excess of £30,000 eligible project costs (to a maximum grant of £250,000). Most applications received in the first tranche of Tier 2 have been assessed with over 95% having confirmed outcomes.

At 31 March 2019, 121 Letters of Offer had been awarded totalling £13m grant. DAERA had received 33 claims for completed projects totalling £3.3m grant. The opening of a second tranche of Tier 2 is being kept under review.

Objective 2 - Environment

Management of NI's natural resources to improve biodiversity, water quality and to mitigate climate change remains a high priority for the 2014 - 2020 Programme through the agri-environment programme and forestry schemes.

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Under the Forest Expansion Scheme 238 ha of new woodland were created by 27 business owners in 2017. In addition, six businesses received grant support for replanting of 60 ha under the Woodland Investment Grant.

The EFS which is the new agri-environment scheme under the 2014-2020 NIRDP, opened for applications in 2017. As of March 2019 there are 3,041 agreements in place and further application tranches are planned. The scheme has three levels:

- a Higher Level, primarily for environmentally designated sites;
- a Wider Level, to deliver benefits across the countryside outside of environmentally designated areas; and
- a Group Level, to support co-operative action by farmers in specific areas such as river catchment.

The scheme has been designed to address specific environmental needs, primarily relating to biodiversity and water quality. Successful applicants undertake a five-year agreement to deliver a range of targeted environmental measures.

The Areas of Natural Constraint Scheme provides dedicated support to beef, sheep, deer and goat producers who farm in severely disadvantaged areas in order to compensate them in part for the additional costs and income forgone relating to the constraints on agricultural production in that area. In December 2016 it was decided that the scheme would be extended for one final year for payment in 2018 with a budget of £8m.

Objective 3 - Rural Development

This objective includes the LEADER measures, a “bottom up” approach being delivered by Local Action Groups (LAGs) with administrative support from Councils. LEADER focuses on:

- supporting the creation and development of micro and small enterprises in the broader rural economy;
- the provision of more and better basic services;
- regenerating villages and their surrounding area;
- provision of community based solutions to broadband black spots in rural areas; and
- projects which tackle rural poverty and social isolation.

To date the LEADER Programme has received 1,258 applications worth £62m, and we have thus far committed to £32.2m spend with 753 Letters of Offer issued. Payments have been made to projects totalling over £25.2m with 1,096 FTE jobs to be created from these projects. LAGs continue to hold funding workshops to progress through the schemes.

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Rural Network Support Unit

The Rural Network website was launched on 5 August 2016 and is populated with information relating to all aspects of the RDP. Membership of the network has grown considerably and is now in the region of 3,500. Members receive regular e-mail alerts and Departmental press releases on the opening of schemes.

The Network Support Unit has conducted awareness sessions with councils and government departments on the implementation of the NI Rural Needs Act and will also provide training to other public authorities affected.

Rural Needs Act

The Rural Needs Act (NI) 2016 (the Act) came into operation for government departments and district councils on 1 June 2017 and for the other public authorities listed in the Schedule to the Act on 1 June 2018. The Act requires policy makers and public authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services.

In meeting its obligations under Section 1 of the Act, a number of Rural Needs Impact Assessments have been completed by policymakers within the Department for the 2018-19 year. The Department will detail these assessments when it publishes the second Rural Needs Annual Monitoring Report 2018-19. With no Executive in place, policy development and implementation within the Department has been limited.

The Department has a number of additional responsibilities under the Act such as providing advice, making arrangements to secure co-operation and exchange of information between public authorities and publishing an Annual Report. In meeting its obligations under Section 2 of the Act, the Department introduced revised guidance in April 2018, which was informed by a review of the first phase of implementation of the Act. The revised guidance document was officially launched in June 2018 and has been shared with all the public authorities listed on the Schedule to the Act.

In line with its obligations under Section 3 of the Act, the Department published the first Rural Needs Annual Monitoring Report in December 2018. This report provides details of how Departments and District Councils have met their obligation to have due regard to rural needs.

In meeting its obligations under Section 4 of the Act, the Department facilitated a co-operation event in March 2019 engaging with public authorities and encouraging them to share learning and experience. The Department continues to provide support to public authorities on the implementation of the Act.

Evidence and Innovation Strategy

To ensure that DAERA's policy and operational activities are designed and targeted to achieve the Strategic Vision, sound scientific evidence is informed by strategic policy drivers and research needs. The Department also recognises, the vital role of innovation in developing a sustainable and profitable regional economy.

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The Department's evidence and innovation programme is directed by four Programme Management Boards (PMBs) which are broadly aligned to the strategic goals of the Department. During 2018-19, the PMBs commissioned 19 new research and development projects within the DAERA-directed AFBI work programme as follows:

PMB1	To promote the sustainable economic development of the local agri-food sector.	6 projects
PMB2	To build the evidence base to inform the Department's broad rural policy agenda, including the fishing sector.	5 projects
PMB3	Strategic approach to protecting animal and plant health and animal welfare supported by sound scientific evidence.	3 projects
PMB4	To underpin improved environmental outcomes which are major factors in health and wellbeing.	5 projects

Details of the DAERA-directed AFBI work programme are published at:

<https://www.daera-ni.gov.uk/publications/daera-directed-afbi-research-work-programme-201819>

Developing local scientific expertise and training scientific leaders for the future are key objectives of the DAERA Postgraduate Studentship Programme. In 2018-19, 12 new studentships were awarded to address research priorities for DAERA, including the development of systems to improve utilisation of forage and grass in beef production systems, maximising the benefits of cover crops and measuring the impacts of Social Farming.

The Department recognises the very significant advantages to be gained through a collaborative approach to research for the agri-food sector. Collaboration with government funders from other regions and countries can lever significant additional scientific expertise and research capacity for the benefit of all. A Collaborative Research Fund was established in 2016-17. DAERA is currently collaborating with DAFM through its national "Competitive Call for Research" and via the "US Ireland Fund" a tripartite arrangement with the US National Institute of Food and Agriculture (NIFA). Through the second commissioning cycle of this 'DAFM-DAERA Competitive Call for research' two projects have been commissioned to the value of £1.8m, with DAERA funding of £0.4m, (leveraging £1.5m investment in new research). One 'US-Ireland' project to the value of £2.8m has been commissioned to date (DAERA investment of £0.8m). Commissioning cycles are currently ongoing for each of these two funds with further awards anticipated in 2019-20.

The DAERA-directed AFBI annual work programme continued to provide a range of analytical and diagnostic scientific testing, and emergency response capability during 2018-19. These scientific services, delivered by AFBI on a statutory basis, underpinned and supported the achievement of a wide range of policy objectives across the Department.

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DAERA Science Transformation Programme

The Department's Science Transformation Programme, agreed in 2017-18 continued to be implemented this year. The Vision for the Science Transformation Programme is that by 2025 the science provided, managed and used by DAERA will be innovative, collaborative and transformative. The Department will have the highest quality science staff, facilities and governance to support a healthy and sustainable economy, environment and rural community and help deliver the PfG outcomes.

During the year a Programme Management Office (PMO) was established and strategies and policies to govern the programme were developed and agreed. A Starting Gate review was undertaken in October 2018 and its outcome and recommendations are informing how we implement the Programme.

Two of the early projects in the Programme completed in the first half of the year. These were the Tailored Review of AFBI and the DAERA Science Scoping Study. A third early project, the Animal Health Services Building project continues. During this year, the project underwent a Gate 2 review, a Strategic Design Brief and Scope of Services were developed and the procurement process for the Integrated Consultancy Team, the design team, was completed.

Also during this year, a DAERA Science Strategy Framework project and a Laboratory Information Management System project were established.

The Science Strategy project will develop a strategic framework to guide how DAERA can optimise its use of science to help deliver departmental and PfG objectives over the next 10 years. It considers what we need to do to become more intelligent customers of science; provide leadership for science, including better targeting of funding; protect the investment we make; pursue value for money; and ensure impact of science products. This project will consist of a number of operational workstreams. One of these - the Innovation Strategy workstream - was also initiated this year. It is seeking to define the strategy options DAERA should adopt to encourage and support innovation through fostering an enabling environment for knowledge generation, exchange and exploitation.

The Laboratory Information Management System project is seeking to develop and deliver a centralised, science management information environment, which effectively and efficiently facilitates the collation, handling, management and analysis of laboratory scientific information across the DAERA family, including supporting integration and collaboration between internal and external science teams. Work this year has included scoping the requirements and developing an Outline Business Case, which identifies and assesses options to deliver on the identified needs.

Animal Health and Welfare

The Department continues to work closely with Industry to reduce and eradicate Bovine Viral Diarrhoea (BVD). The proportion of calves born persistently infected with the BVD virus has fallen from 0.6% for the 12 months to November 2017 to 0.46% in the 12 month period to November 2018. It is anticipated that a public consultation on proposed additional legislative measures will take place in 2019.

NI continues to have Negligible Risk (NR) status (the lowest risk) after the World Organisation for Animal Health (OIE) upgraded the official BSE risk status from Controlled risk to NR in 2017.

There continues to be the ever present threat from epizootic diseases, including Foot-and-Mouth Disease, AI, Bluetongue and Swine Fever. There are at present several EU Member States with outbreaks of epizootic disease, including France where Bluetongue continues to spread and the Baltic States and Eastern Poland where African Swine Fever has been present since 2014. The Department continues to take practical measures to prevent the entry of epizootic disease and to respond effectively should a disease outbreak occur.

There have also been a number of outbreaks of High Pathogenic AI in wild birds, domestic poultry and captive birds across Europe during 2017-18. The H5N6 strain of the disease has also been found in wild birds in GB, RoI and in NI.

The use (and misuse) of antibiotics in human and animal medicine has been associated with the spread of antibiotic resistant infections in both humans and animals.

Antimicrobial Resistance (AMR) is a significant threat to both human and animal health. The UK is developing an overall 20 year UK AMR Vision which will be supported by a UK AMR 5 year National Action Plan, which will aim to establish a secure basis for the step-change that is envisaged. The UK AMR 20 Year Vision and 5 Year National Action Plan were published on 24 January 2019 by the Health Secretary Matt Hancock at the World Economic Forum in Davos.

In parallel with the development of the UK AMR National Action Plan 2019-2024, 'One Health' AMR Implementation Plans 2019-2024 are currently being developed in each of the DAs. In NI, work is ongoing with colleagues in the Department of Health (DoH) to ensure that this reflects the priority areas for action from human and animal health, agriculture and the environment perspectives, as well as reflecting the commitments in the new UK Action Plan.

The Department introduced a new TB testing services contract in April 2016. The contract has been performing well and has seen standards of delivery (as monitored by key performance indicators), rise compared to the previous management regime. Under the new contract there is a requirement for Private Veterinary Practitioners (PVPs) to complete annual refresher training provided by the Department. This training has now been moved to an on-line delivery model which has the versatility to expand the offering to include scientific update from a range of researchers working in relevant areas. This model will further harness the potential of private vets to inspire and enthuse their farm clients to consider the epidemiology of the disease and important considerations such as on farm

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biosecurity. The contract requires PVPs to complete a generic biosecurity advice form at every annual TB test. The form was introduced in December 2017 and its purpose is to stimulate a conversation between the farmer and their PVP about biosecurity practices on the farm. The new arrangements include training and updates for PVPs thus they are better informed and in a better position to give good disease control advice to farmers.

A reactor quality assurance pilot study started in November 2017. The aim is to provide data specific to NI on bTB skin test reaction regression and the Interferon Gamma (IFNG) blood test response in reactors. The field work for this project was completed in late 2018 and the data collected is currently being analysed. A report of findings will be issued shortly and will help inform policy development and actions where fraud is suspected.

The Department's consultation on its response to the TBSPG's Strategy to eradicate TB from NI closed in February 2018 with 200 responses received. The Department consulted on a range of proposals under the thematic headings of Management, Oversight and Partnership Working; Tools and Processes; Wildlife; Herd Health Management; Finance and Funding; and Research. A high level summary of responses was published on the Department's website in spring 2018.

Officials have been working to analyse the responses in order to inform advice to a Minister, once in post, for decisions on a way forward, alongside development of a business case to underpin any future Ministerial decisions. The Department also took forward a public appointment exercise in early 2018 to establish an independent expert advisory group, the TB Eradication Partnership (TBEP), as proposed by the TBSPG. It has met with a range of stakeholders and departmental officials, and has been assisting the Department in finalising proposals for any incoming Minister to consider.

In late autumn 2017 a prevalence study of bTB in badgers was undertaken in two defined areas (Omagh and Aghadowey). Disease was confirmed in the badger population and approval was then received to proceed with sett surveys of the two areas. These surveys commenced in spring 2018 but were then suspended over the summer due to ground conditions. They recommenced in the late autumn and the Aghadowey sett survey has now been completed. It is anticipated that the Omagh survey will be completed shortly. The results of this field work will be used to inform and provide advice to a Minister, once in post, on any potential future wildlife strategy to address the infection level in badgers as part of the future eradication strategy.

New bTB Programme measures were introduced in March 2018. These were in response to the sustained rise in disease levels and were closely aligned to the recommendations made within the TBSPG Strategy. The measures represent a significant enhancement to the TB Programme, and have facilitated the earlier removal of diseased animals. They have also given greater assurance that infection has been removed from breakdown herd during the course of the breakdown.

The 5-year "Test and Vaccinate or Remove (TVR)" wildlife intervention research project commenced in May 2014 in a 100km² area around Banbridge, County Down. The TVR project concluded in October 2019 and it is anticipated that the final reports from TVR should be available throughout 2019, subject to completion of data analysis and test results.

The Department continues to have a key role in safeguarding the welfare of animals, by fulfilling its statutory obligations in relation to the Welfare of Animals Act (NI) 2011 and by providing funding to councils, in order to support the enforcement of non-farmed animal welfare.

The second animal welfare service statistical bulletin was published in December 2018 and this showed that councils carried out 9,189 inspections and assessed the welfare of 2,400 animals. 1,041 animals were surrendered or seized and 21 convictions were secured.

The implementation of the 2011 Act was reviewed in 2014-15, with input from Councils, the Police Service of NI (PSNI), the Public Prosecution Service NI (PPSNI) and NI Courts and Tribunal Service (NICTS). A final report was published in February 2016 setting out 68 recommendations. As of March 2019, over 84% of the recommendations have been implemented.

DAERA is seeking to influence and negotiate provisions within the proposed EU Animal Health Regulation tertiary legislation that will help deliver the objectives envisaged in the All-Island Strategy in order to safeguard animal health and welfare in NI to the benefit of its agri-food industry. This is particularly important in light of the decision of the UK to leave the EU.

The Northern Ireland Food Animal Information System (NIFAIS), the replacement for the Animal and Public Health Information System (APHIS)

The NIFAIS Contract was formally awarded in April 2016.

The first deliverable, Herd & Flock Keeper Registration and Tag Supply Authorisation, was made available to Cattle Ear Tag Suppliers and specialist staff in July 2017, and is now fully live across the Department's user base.

Cattle Disease Control software is not expected to exit User Assurance Testing until July 2019, or Go Live before early October 2019.

Cattle Movement software is projected to Go Live after June 2020.

Digital Strategy

Work continues on the implementation of DAERA's Digital Strategy. It is clear that further roll out of enhanced digital services with appropriate support offers significant potential for farmers in reducing the burden of compliance and increasing access to simplified services. The target within the Digital Strategy is to achieve 100% online uptake of key services by 2020-21. Uptake of services increased significantly in 2018-19 with 100% of Single Application Forms, 86% of entitlements traded, and 96% of map changes completed online. Improvements to the services introduced in 2018-19 included the introduction of online entitlement statements. An analysis of usage clearly demonstrates that once farmers make the jump to go online, they do not go back to traditional paper channels.

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We recognise that there are genuine difficulties for some in accessing online services, including broadband issues and levels of confidence in being able to use the service. CAFRE continues its programme of training to help people onto digital channels and free internet access is available at DAERA Direct offices and in local libraries with support to help users. We have introduced bespoke assisted digital support sessions at DAERA Direct offices. Farmers have been able to make appointments to be taken step by step in one to one sessions through the online application process for the Single Application Form and the EFS. Comprehensive real time web chat capability was also introduced for anyone encountering any difficulties using the online service.

The Department is developing a Customer Contact Project, in relation to the Identification, Registration and Movement (IRM) of cattle and sheep, that will provide a long term, functioning model for customer contact across the DAERA Direct network by March 2020. The project aims to promote greater online uptake of cattle and sheep IRM functions, whilst also streamlining back office processing.

The continued movement towards more online service delivery has been underpinned by significant investment in our digital platforms with an emphasis on information security aligned to international best practice standard ISO 27001 and protecting customers' personal data in line with the GDPR introduced in May 2018.

Forest Service (including Plant Health)

The Forest Service is an Agency of the Department. During the year it grant aided the planting of 238 ha of new woodland planting under the NIRDP, to promote forest expansion. Forest Service supplied 404,506 m³ of timber from its sustainably managed forests as a resource for local industry while continuing to enhance the environment and landscape, and extending opportunities for public access for recreation and health benefits.

The Service operates by working in partnership with industry, local government and environmental charities, so that forests continue to meet local needs and involve others in getting best value from publicly owned forests. Engagement continued during 2018-19 and has contributed to the promotion of healthy, active lifestyles by working with partners to create forest recreation facilities at a number of locations. Darkley forest - walking trails and car park; and Gosford Forest Park - bicycle, walking and horse trails were launched during 2018-19.

The Service also provides a regulatory framework for forestry, plant and bee health, and seed certification schemes to protect the productive capacity of agriculture and forestry. That will help deliver the objectives envisaged in the All-Island Strategic approach to plant health to the benefit of our land based industries and the wider environment.

We remain fully engaged, as part of a Plant Health partnership approach, in delivering Government policy for EU Exit preparedness. We continue to work with Defra and the DAs to ensure that a common regulatory framework, including operable plant health legislation and plant health risk management arrangements are in place by EU Exit day.

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We remain focussed on extending our partnerships and internal capability to safeguard the plant health status of our productive land based industries and our wider environment including adopting a strategic approach to plant health on the island. The Agency publishes its own Annual Report and Accounts and a fuller explanation of its performance may be found there.

Marine and Fisheries

The Department's Marine and Fisheries Division is responsible for the promotion, protection, enhancement and sustainable use of:

- all fish stocks inland and at sea (including aquaculture and fish health); and
- the marine environment through legislation, planning, licensing, monitoring and conservation activities. It is structured around 8 work areas - Conservation & Reporting; Marine Planning; Monitoring & Assessment; Strategy & Licensing; Inland Fisheries; Sea Fisheries Inspectorate; Sea Fisheries Policy & Grants; and Aquaculture, Fish Health & Sponsorship of the Loughs Agency of the FCILC.

Inland Fisheries Community Outreach Team works with a wide range of groups to organise events using angling as a vehicle to address a wide range of issues including health and well-being, mental health and social exclusion.

A targeted programme of future Marine Protected Area designations will be required in future years to meet the Department's obligations under both national and international legislation and agreements. The Department's current focus is on developing management plans for the protected areas and AFBI secured Interreg Va funding to deliver the majority of this work.

The public consultation stage of preparing a Marine Plan for NI closed on 15 June 2018. The Department is giving full consideration to representations made by consultees. The Marine Plan (when adopted) will be used by public authorities in taking decisions which affect or might affect the marine area, including authorisation or enforcement decisions, and decisions that relate to the exercise of any function capable of affecting the marine area.

At the December 2018 Fisheries Council most Irish Sea fish quotas for 2019 were set in line with scientific advice and were at Maximum Sustainable Yield (MSY) levels. Irish Sea nephrops, haddock, herring, and plaice stocks are all above MSY levels. Cod is being harvested sustainably and the stock is now above the lower biological stock limit. Irish Sea sole is also sustainably fished with the stock showing a strong upward trend. Only Irish Sea whiting continues to be of concern in terms of achieving MSY for all Irish Sea fish stocks by 2020. All practical methods to avoid catching this species are being employed. The improvements in Irish Sea fish stocks follow the adoption of wide ranging fish conservation measures in the Irish Sea that have boosted fish stocks, and partnerships between scientists and fishermen that have improved the amount and quality of information on which stock assessments are based.

During 2018-19 the final measure under the EMFF was opened for applications. This was the Community-led Local Development measure which launched in June 2018.

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To date under the EMFF a total of £10m public funding has been committed to 146 projects. During 2018-19 £4.4m was committed for 56 projects and payments of grants to successful applicants totalled £3.3m.

Regulatory and Natural Resources Policy

The Department's Regulatory and Natural Resources Policy Division (RNRPD) is responsible for Better Regulation legislation, Natural Heritage policy, Air and Environmental policy, Water policy, Environmental Improvement schemes and the Carrier Bag Levy. The Division continues to develop new policies, enact legislation and transpose European directives in these important areas.

Policy work continued on the development of a new environmental permitting regime for NI governing waste, water, radioactive substances and pollution prevention and control. This project is a key element of the Regulatory Transformation Programme - an overarching strategy which is designed to deliver an innovative and streamlined regulatory system for the 21st century which supports sustainable growth and increases compliance.

Addressing ammonia emissions and their impact on the environment and human health is a key priority for the Department. In December 2017, following receipt of the "Making Ammonia Visible" report from the Expert Working Group on Sustainable Agricultural Land Management, DAERA established a Project Board on Ammonia Reduction which is chaired by the Head of Environment, Marine and Fisheries Group (EMFG) and has representation from across the Department. The key task of this Project Board is to develop an Ammonia Action Plan which will deliver tangible and sustained reductions in ammonia, thus reducing the pressure on sensitive sites whilst facilitating the sustainable development of a prosperous agri-food industry. During 2018-19, this Project Board has worked with stakeholders to examine options on ammonia, including through a series of Ammonia Stakeholder Forum meetings. The Department has developed a series of measures on research, ammonia reduction on farm, knowledge transfer and farm development which represent a comprehensive approach to ammonia. DAERA plan to publish a consultation on ammonia during 2019.

The EU Thematic Strategy on pesticides aims to minimise the risks to health and the environment from the use of pesticides. The final stage of the strategy is the implementation of a National Action Plan to meet the obligation under Article 4 of the Sustainable Use Directive. In 2016, the Health and Safety Executive, in conjunction with the other DAs, set out to produce an updated National Action Plan to be published and sent to the European Commission (EC). It is anticipated that the Action Plan will be published in 2018.

The Carrier Bag Levy published in August 2018 validated statistics that show in 2017-18 (Year 5 of the 5p levy), a reduction in bag numbers of 67.1% was achieved compared to the baseline figure of 300m bags in April 2013. The Department will publish validated Year 6 (2018-19) statistics in August 2019. Since implementation the levy has already delivered the removal in excess of over 1 billion bags from circulation.

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In line with the Department's commitments on Air Quality, as contained in the draft PfG under Outcome 2, RNRPD continues to monitor the levels of air pollutants to assess compliance with EU Directives. The division, through the Environment Fund, provided £0.2m to district councils in NI to support local air quality monitoring.

The division has also formed a multidisciplinary working group to assist in addressing the challenge posed by AMR bacteria in the context of the water environment. The working group will contribute to the NI 'One Health' policy and associated AMR action plan by commissioning, via the NIEA Board, activities aimed at identifying the potential sources of AMR to establish an evidence base on which to build future policy, monitoring activity and potential remedial action.

Environmental Policy

The Department's Environmental Policy Division (EPD) is responsible for policy and legislation relating to waste and overarching greenhouse gas emissions.

An important element of the work of EPD is the transposition of European and UK environmental legislation into domestic law. This provides an up-to-date environmental policy and regulatory framework that meets our needs while satisfying our European and UK obligations.

Progress continues on a range of cross Departmental actions detailed in the current NI Climate Change Adaptation Programme which was published in January 2014. Work has proceeded and is near completion on the development of a second Adaptation Programme to address the climate change risks to NI identified in the most recent UK Climate Change Risk Assessment (CCRA2) which was laid in Parliament on 18 January 2017. It is expected CCRA2 will be published in 2019 and will cover the years 2019-2024. In May 2018 EPD put in place a new development and support services contract to support the work of Climate NI on adapting to climate change. Action continued in support of PfG Indicator 29 which includes a series of actions across most sectors that demonstrate reductions in greenhouse gas emissions. This was supported by the Cross Departmental Working Group on Climate Change mitigation sub-group. EPD also worked with the Department for Business, Energy and Industrial Strategy (BEIS) to provide input to the UK's Carbon Budgets. The Department has worked closely with BEIS and the other DAs to close the Carbon Reduction Commitment (CRC) scheme after the 2018-19 compliance year across the UK and to introduce a new streamlined carbon reporting UK scheme (SECR) from April 2019.

The Department has been engaging closely with BEIS and other DAs in considerations for the development of a UK Emissions Trading Scheme (ETS) for 2021. Alongside this has been joint UK and DA contingency planning and regulation development to facilitate Emissions Trading requirements in light of possible Brexit outcomes.

The Department continued to deliver key aspects of the NI Waste Management Strategy and actions supporting Outcome 2 of the draft PfG with respect to Indicator 36

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'Increasing household waste recycling'. Financial assistance of £2m capital was provided to support 12 local council projects to improve recycling services and infrastructure. Almost £0.7m was provided to the Waste and Resources Action Programme (WRAP), Keep NI Beautiful and local Councils to support a range of activities including a Single-Use Plastics project, a study to ascertain the future policy needs to meet circular economy related targets, and 5 behavioural change projects. The Department also worked in partnership with local councils and WRAP to deliver recycling communications and training for kerbside collections and Household Recycling Centres across NI.

The EU is quickly progressing towards the passing of the Single-Use Plastics Directive which aims to ban single-use plastics items where there is already a suitable alternative, as well as reduce consumption of others, increase recycling and raise awareness of the problems of other plastic products. The Department is liaising with UK government departments and the DAs on this Directive.

The Waste (Fees and Charges) (Amendment) Regulations (NI) 2018 (SR 2018 No. 91) came into operation on 7 May 2018. They amend the Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations (NI) 1999 and the Waste Management Licensing Regulations (NI) 2003. The purpose of the Regulations is to increase the fees and charges for processing registration of waste carriers, brokers and dealers as well as exempt waste activities.

In relation to Brexit, substantial action has been undertaken by EPD to support the preparations for exiting the EU in waste and climate change matters and through the facilitation and coordination of EU Exit legislation through the Westminster process.

Northern Ireland Environment Agency (NIEA)

The aim of the Agency is to achieve a clean, healthy environment, benefiting people, nature and the economy and this Outcome is linked to two of the draft PfG Outcomes; *live and work sustainably by protecting the environment and create a place where people want to live and work, to visit and invest.*

The Agency seeks to achieve its aim in a variety of ways through regulation and enforcement, designation and management of sites, grant-aid schemes, management of countryside, monitoring programmes, and awareness raising measures. The Agency also provides scientific and technical advice to government on the development of legislation and policy.

The Agency publishes its own Annual Report and Accounts and a fuller explanation of its performance may be found there.

Sustainability Report

At the United Nations (UN) Sustainable Development Summit in September 2015, world leaders adopted Transforming Our World: the 2030 Agenda for Sustainable Development which includes a set of 17 Sustainable Development Goals (SDGs) and 169 associated targets to end poverty, fight inequality and injustice and tackle climate change by 2030.

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The goals and targets came into effect on 1 January 2016 and cover a wide range of areas which cut across the work of all government departments. Work has been undertaken to provide cross departmental input to the UK Voluntary National Review on the UN SDG's.

Key sustainable development actions throughout DAERA are summarised as follows:

- in response to recommendations in the Sustainable Agricultural Land Management Strategy (SALMS) DAERA implemented two pilot soil testing and analysis schemes and a LiDAR scan of agri lands in a selected catchment to identify areas prone to loss of nutrients from run off. Approximately 1,600 farmers have participated in the schemes, 30,000 field samples were taken in 3 water catchment areas and a wider NI scheme. A one year after soil analysis training survey was recently issued to 1,035 farms. The results of this work will be evaluated to inform future Agri Environmental policies. Scientific research projects to address other SALMS recommendations are currently being progressed.
- through the enforcement of the NI Cross-Compliance requirements for those in receipt of direct agricultural support (including Direct Payments), the Department contributed to maintaining land in good agricultural and environmental condition.
- the Department continues to contribute to improved water quality and better nutrient management through implementation of a revised Nitrates Action Programme (NAP) for the period 2019-2022 and the Water Framework River Management Plans.
- the Manure Efficiency Technology Scheme (METS) has supported better nutrient management, improved water quality in rivers and lakes, reduced chemical fertiliser usage resulting in lower greenhouse gas emissions, reduced ammonia emissions and odour from slurry spreading and improved air quality. METS has funded investment in over 307 spreading systems. DAERA continues to provide financial support for METS equipment through the capital element of the FBIS.
- there was concluding work on the NIRDP 2007-2013, which included significant investment in economic, environmental, social and industry competitiveness measures. This includes 585 ongoing participants in agri-environment programmes.
- there was initial roll out of the NIRDP 2014-2020 in line with the Europe 2020 strategic objectives of smart, sustainable and inclusive growth, incorporating action on climate change as a cross-cutting objective.
- DAERA's new agri-environment scheme, the EFS, opened for applications in 2017. As of March 2019 there are 3,041 agreements in place and further application tranches are planned. EFS is one of the Department's largest schemes with a projected budget of £112m up to 2025. It has been designed to address specific environmental needs, primarily related to biodiversity and water quality, and represents a new and enhanced approach to agri-environment scheme delivery.

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- official control programmes were implemented to ensure compliance with agri-food legislation in support of the competitiveness of the food and farming sectors.
- the NI Regional Food Programme (NIRFP), which supports initiatives that raise the profile of quality regional food, was delivered. The programme encourages collaboration within the local agri-food supply chain to develop and expand profitable and sustainable markets.
- people development programmes, to ensure those entering, and already in, the agri-food industry have the competency to take forward the sustainable development of the sector continued.
- Forest Service delivered a substantial legislative and operational readiness plant health programme in preparation for the date of EU Exit. We developed contingency arrangements for the implementation of EU Exit arrangements to ensure continued safeguarding of the high plant health status of our agricultural, horticultural and forest industries, and to protect the wider environment. We continued to work in partnership with Defra and the other DAs to manage risks to plant health, within a common framework. Forest Service established a Plant Health Risk Management Board to agree scientific and trade route risk based assessments of harmful organisms. The risk ratings are published on the NI Plant Health Risk Register and act as a means of prioritising, surveillance and action the highest threats to our plant health status. The Risk Register is available online to professional operators and the wider public. We also introduced legislation requiring the pre-notification of imports of high risk woody plants and trees to assist in efforts to combat serious risks to plant health, including from *Xylella* a bacterial disease spreading in Italy. We recognised the threat from introductions of the Invasive Alien Species Asian hornet to native Honeybees and worked with the Ulster Beekeepers Association and developed a response plan with colleagues in NIEA.
- a third phase of the Forest Expansion Scheme was launched under the 2014-2020 NIRDP. In 2018 this resulted in 238 ha of new woodland being created by 27 business owners. In addition, 6 business owners received grant support for replanting of 60 ha under the Woodland Investment Grant.
- the development of long term management plans for fisheries in the Irish Sea continued by working with the UK Fisheries Administrations and the Commission, through Common Fisheries Policy reform and Marine Strategy Framework Directive (MSFD), to ensure more stocks are fished at MSY each year and to get all stocks there by 2020 at latest.
- roll out of the Greenhouse Gas Implementation Partnership's (GHGIP) updated 'Efficient Farming Cuts Greenhouse Gases Implementation Plan 2016-2020' is continuing. The plan sets out a pathway for the agriculture sector, with support from the Department, to achieve its sustainable growth ambitions, while delivering better environmental outcomes. It is focused on increasing the

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wider-scale implementation of efficiency measures to improve farm performance and reduce the carbon intensity of local food production. Support measures to facilitate this are signposted within the plan, including a number funded under the NIRDP 2014-2020.

- DAERA continued to progress actions to help the agriculture sector understand and manage the risks identified in the NI Climate Change Risk Assessment. Adaptation support measures are available in the NIRDP 2014-2020.
- DAERA has established a Project Board on Ammonia Reduction which has been working with stakeholders to develop an Ammonia Action Plan which will deliver tangible and sustained reductions in ammonia, thus reducing the pressure on sensitive sites whilst facilitating the sustainable development of a prosperous agri-food industry. A series of measures for ammonia reduction have been developed and a consultation on a comprehensive approach to ammonia is intended to take place during 2019.
- the Department ensures that its procurement activity meets the best practice levels set out in the DoF guidance on Equality of Opportunity and Sustainable Development in Public Sector Procurement.
- NIEA is actively involved in restoring the historic hydroscheme at Roe Valley Country Park to its former use. This site was the first Hydro Electric Power station in NI which produced electricity from the 1890's to 1965. The restored scheme will produce a significant amount of electricity and reduce dependence on non-renewable fossil fuels. The scheme additionally aims to promote the industrial heritage and add educational and tourism value to the site. The hydroscheme was commissioned during March 2017 and is currently undergoing reliability and performance testing.

Departmental Knowledge Framework

The Knowledge Framework sets out the rationale for DAERA's involvement in education, training and technology exchange provision, what the Department seeks to achieve and the nature of its interventions. The Framework maintains that DAERA's involvement in education, knowledge and skills, innovation and technology transfer should be driven by policy objectives and strategic goals and that wherever possible, encouraging knowledge and skills should be included within all of DAERA's work.

The Framework is a high level, succinct document that incorporates a set of principles. It aims to ensure that individuals, organisations, and businesses within the agri-food industry have access to high quality, relevant and accessible education, training and technology exchange to improve productivity, resilience, environmental performance and sustainability. The framework also sets educational attainment targets for those working in the agri-food industry.

The Framework was formally adopted and published as a departmental strategic policy in January 2019. A high level Programme Management Board (PMB) oversees implementation of the Framework.

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College of Agriculture, Food and Rural Enterprise (CAFRE)

CAFRE continues to deliver Knowledge Transfer programmes across the agri-food industry to people entering (students) and people within the industry. The programmes are delivered on a part-time and full-time basis across the disciplines of agriculture, horticulture, food, equine and agri-food business. During 2018-19 Knowledge Transfer programmes were delivered to over 10,897 people.

For people wishing to enter the agri-food industry, CAFRE offers 56 higher and further education programmes with over 1,700 students enrolled in the 2018-19 academic year. In 2018 675 students graduated with a qualification at Level 2 or above. The courses range from Level 2 apprenticeship programmes, delivered on a part-time basis, to full-time Degree and Master programmes offered in partnership with Queens University Belfast (QUB) and Ulster University (UU).

Knowledge Transfer Programmes are also offered to people who are already employed in the agri-food industry. In addition to training which helps farmers and growers meet their legislative obligations, CAFRE delivers two Knowledge Transfer Schemes and two Innovation Schemes of the FBIS. These are; Business Development Groups, Farm Family Key Skills, the Innovation Technology Evaluation Demonstration (ITED) Scheme and the Farm Innovation Visit (FIV) Scheme. These are funded through the NIRDP 2014-2020.

By 31 March 2019, 2,948 farmers and growers had enrolled on 149 BDGs which provide a training forum that allows sharing of knowledge (peer learning) with the aim of improving technical efficiency and profitability of businesses. The key objectives of the programme are that participants benchmark business performance, identify areas for improvement, complete individual business development plans and then adopt the latest knowledge and technology to improve business performance. Good progress has been made and by 31 March 2019, 2,357 business development plans had been prepared, 1,170 enterprises were benchmarked and 1,718 technologies were adopted.

By 31 March 2019 8,573 farmers had participated in FFKS training programmes since the programme began in 2016. FFKS offers a range of courses in business planning, first aid, animal health and health and safety.

The ITED Scheme aims to increase the rate of adoption of technologies on farms through a network of demonstration farms in NI. By 31 March 2019 the scheme had been developed and delivery is planned to begin in late spring / early summer 2019.

By 31 March 2019 four FIVs had been delivered with 48 participants having the opportunity to build their knowledge of innovative technologies across a variety of farm enterprises in England, Scotland, Denmark and the Netherlands.

CAFRE also offers business development planning and training opportunities to the NI food industry and by 31 March 2019 1,907 people had received training, 594 people had gained a qualification at Level II or above, 293 businesses had prepared a business development plan and 121 businesses had adopted technologies.

The new Knowledge Advisory Service (KAS) was established in April 2018 to deliver proactive knowledge transfer programmes incorporating environmental, business and technical performance across the agri-food industry. The KAS is linked to policy objectives across all land-based disciplines and aims to enhance knowledge, drive forward innovation, improve resilience and develop environmental performance.

Protecting Against Emergencies

DAERA is responsible for protecting against outbreaks of animal, fish, and plant disease and has a key role in responding to Food and Feed Safety emergencies. DAERA is also, through NIEA, the Lead Government Department (LGD) on Chemical, Biological, Radiological and Nuclear (CBRN) planning and preparedness. During 2018-19 the corporate Major Emergency Response Plan was desk-top tested.

Business areas that are involved in emergency planning activities have contingency plans in place which are maintained, updated and tested on a regular basis. In the course of the year Business areas revised their Business Continuity Plans (BCPs) to take account of improved best practice and Cabinet Office guidance.

Human Rights

The Department is committed to respecting human rights. We aim to ensure that the services we provide and the activities that we undertake have a positive impact on society. DAERA also complies with Section 75 statutory equality obligations in the delivery of policy and delivery of services. DAERA's annual report to the equality commission on compliance with its statutory duties for 2017-18 has been endorsed by the Equality Commission for NI. Work is ongoing to prepare DAERA's annual progress report for 2018-19 which will be sent to the Equality Commission by the end of August 2019.

Anti-Corruption and Bribery

In line with the principles of the NICS Code of conduct, the Department is committed to maintaining high ethical standards. DAERA does not tolerate fraud, bribery any form of corruption or any illegal or unethical activity. Financial Policy, Procurement and Contracts Branch has responsibility for leading on Counter Fraud related matters within the Department. DAERA's Principal Accounting Officer established the Departmental Counter Fraud Forum (CFF) which reports to ARAC. The role of the CFF, 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.

Payment of Suppliers

The Department is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code and British Standard BS 7890: "Achieving Good Payment performance in Commercial Transactions". Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later. During 2018-19, 97.00% of DAERA bills were paid within this standard (the 2017-18 DAERA figure was 96.37%).

From 1 December 2008, the Department has operated a policy of paying for goods and services within 10 working days. This is in accordance with the "Supporting Businesses: Prompt Payment of Invoices" initiative within the NICS. All Business areas have been informed of the policy and are committed to carrying it out. During 2018-19, 92.16% of DAERA bills were paid within the 10 day target (the 2017-18 DAERA figure was 91.23%).

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for the year ended 31 March 2019

The Department continues to work closely with Account NI Shared Service Centre and DAERA business areas to improve the performance in monitoring the payment to suppliers.

The Department's payment performance for 2018-19 is available at the following link:

<https://www.finance-ni.gov.uk/publications/nics-prompt-payment-tables-2018-19>

Financial Performance 2018-19

We have had a strong year, successfully delivering our objectives in line with the budget allocation whilst at the same time preparing for the EU exit, utilising our £5m budget for this.

Robust forecasting has underpinned our outturn of 99.9% and 100% respectively of the resource and capital budgets. This is in line with our Business Plan Strategic Outcome Target *“Provisional Resource and Capital outturn to be between 99% and 100% of Final Budget for 2018-19.”* This means that we have been able to maximise our budget to continue to deliver our objectives including preparation for EU exit.

Key achievements:

- continuing with preparations for exiting the EU, making sure the department has robust plans in place for a smooth and orderly exit including effective arrangements to implement domestic schemes and functions;
- supporting the NI rural economy with: £290m EU CAP grants comprising of the Basic Payment, Greening and Young Farmer Schemes; £27m EU CAP grants mainly from schemes within the RDP and matched with £44m National grants funded from the Exchequer; and £50m of grant in aid to our ALBs;
- maximising our capital budget in order to invest in information and communications technology to improve our services, carrying out essential development of estate, including improving our education and science facilities. This was achieved by rigorous prioritisation of investment and saw us spend almost 100% of our capital budget, exceeding our target; and
- continued to keep the department’s disallowance exposure at a lower level through maintaining existing strong controls and working on improvements identified through previous audits.

Departmental Resource Accounts are required under legislation and are published on an annual basis. The financial results of DAERA are on pages 107 - 146.

Supply Estimates are the means by which Parliamentary (Assembly) authority is secured for most government expenditure. Supply is granted on an annual basis, voted in the Main and Spring Supplementary Estimates and in the Budget Acts in NI.

The Statement of Assembly Supply (SoAS) shows that our net resource outturn for the 2018-19 financial year was £260m. This consisted of £209m in Departmental Expenditure Limit (DEL), £(16m) in Annually Managed Expenditure (AME) and £67m in Non Budget.

Outturn against Budget Control Totals

On **Resource DEL** there is a £0.24m (0.1%) underspend against a budget of £213.3m. On **Capital DEL** there is a £0.05m (0%) underspend against a budget of £63.8m. This equates to a **Total DEL** underspend of £0.29m (0.1%) of the Total DEL budget of £277.1m.

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for the year ended 31 March 2019

The table below shows Resource and Capital DEL Outturn Compared to Budget from 2016-17 to 2018-19 (£'m).

	2016-17	2017-18	2018-19
Resource DEL budget	216.0	184.1	213.3
Resource DEL outturn	198.8	183.9	213.1
Underspend	17.2	0.2	0.2
Capital DEL budget	38.8	38.9	63.8
Capital DEL outturn	38.7	38.8	63.8
Underspend	0.1	0.1	0.0

Annually Managed Expenditure (AME) Outturn against Budget

Particular areas of departmental expenditure are more volatile and difficult to forecast with accuracy beyond a 12 month period. Such items are budgeted for as AME, with the Department having a Final AME Budget of £21.4m. The Provisional AME Outturn of £(15.5m) resulted in an underspend of £36.9m which was mainly due to the reduction in the CAP Disallowance provision (£12m) and the variance on the upward revaluation of Forest Service biological assets (£21.4m).

Net Cash Requirement

The Department's net cash requirement outturn was £251.7m against an estimate of £274.8m.

Annual Report and Accounts for the year ended 31 March 2019

Reconciliation of Resource expenditure between Estimates, Accounts and Budgets

Certain misalignments exist in the financial information reported within the Estimates, Accounts and Budgets and the table below provides a reconciliation between these.

DAERA Resource Allocation	2018-19 £'000	2017-18 £'000
Net Resource Outturn (Estimates)	260,405	208,870
Other Adjustments (unrealised exchange gain)	109	(131)
Net Operating Cost (Accounts)	260,514	208,739
Less Capital Grants	(50,642)	(21,929)
Less European Union Income related to capital grants	18,384	6,207
Less notional inter-departmental charges	(18,032)	(17,376)
Less non-budget grants payable to NDPB's	(49,507)	(36,118)
Less non-voted expenditure that is outside the Resource Budget	(109)	131
Add NDPB Resource Expenditure	36,935	35,545
Resource Budget Outturn	197,543	175,199
Of which:		
Departmental Expenditure Limit (DEL)	213,058	183,886
Annually Managed Expenditure (AME)	(15,515)	(8,687)

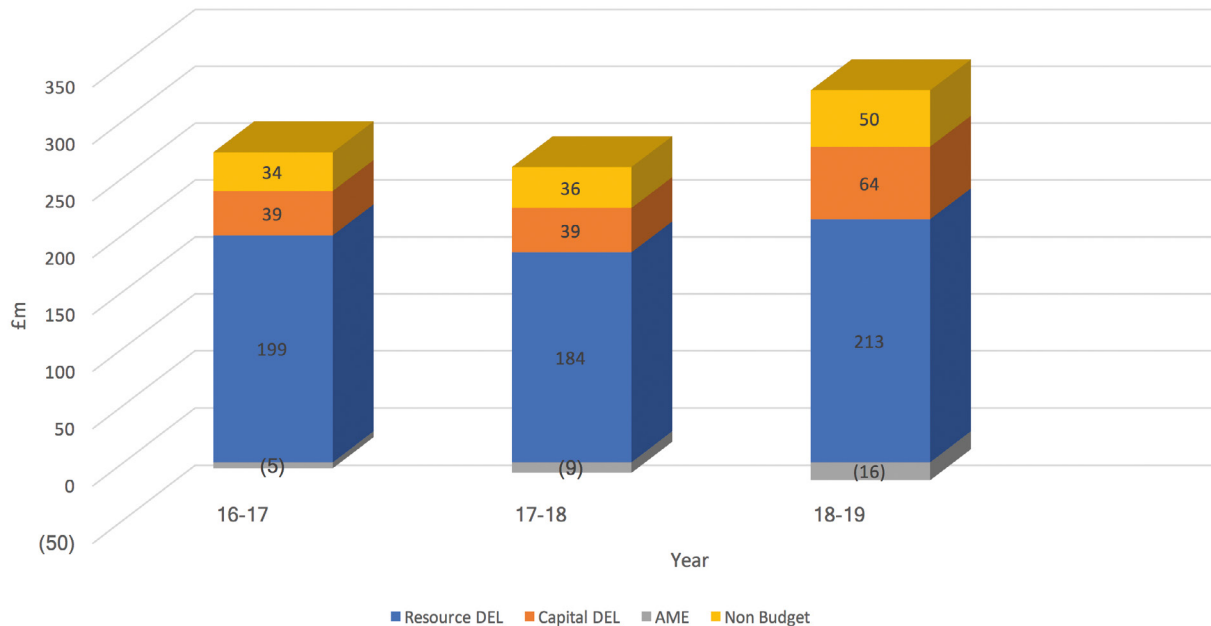
Long Term Expenditure Analysis and Trends

The graph below shows the trends in departmental expenditure. As DAERA was only formed at the beginning of the 2016-17 year only 3 years comparative information is available. There is no significant difference year-on-year.

Breakdown of DAERA's total expenditure over the last 3 years is shown in the figure below. The reduction in 2017-18 related mainly to the release of the CAP Disallowance accrual. The increase in 2018-19 Resource and Capital DEL is explained further on page 52.

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Breakdown of Total DAERA Expenditure

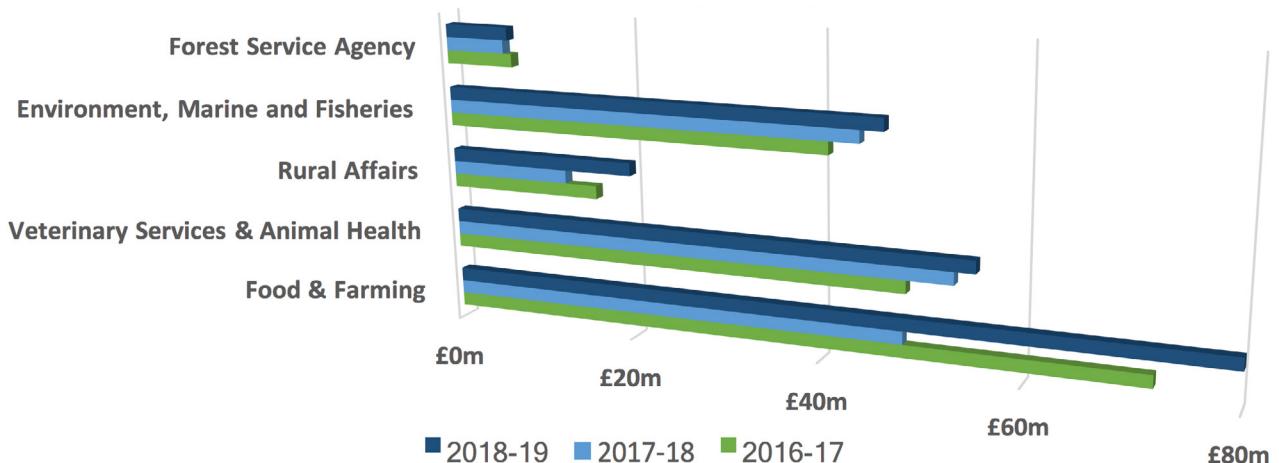


Resource DEL includes the administrative costs of running DAERA and programme spend on delivering our outcomes in environmental quality; food, farming and biosecurity; floods and water; marine and fisheries; and natural environment and rural. It also includes an allowance for the consumption of our assets over time (depreciation: £23m in 2018-19).

Compared to 2017-18 the resource DEL outturn increased by 16% mainly due to a £26m reduction in CAP Disallowance accruals in 2017-18 which were released to the NI Block following a successful EU Area Aids audit in November 2017 and an increase of £5m in respect of our preparations for the UK leaving the EU.

Resource funding by DAERA's strategic groups is shown below:

Resource DEL by Group

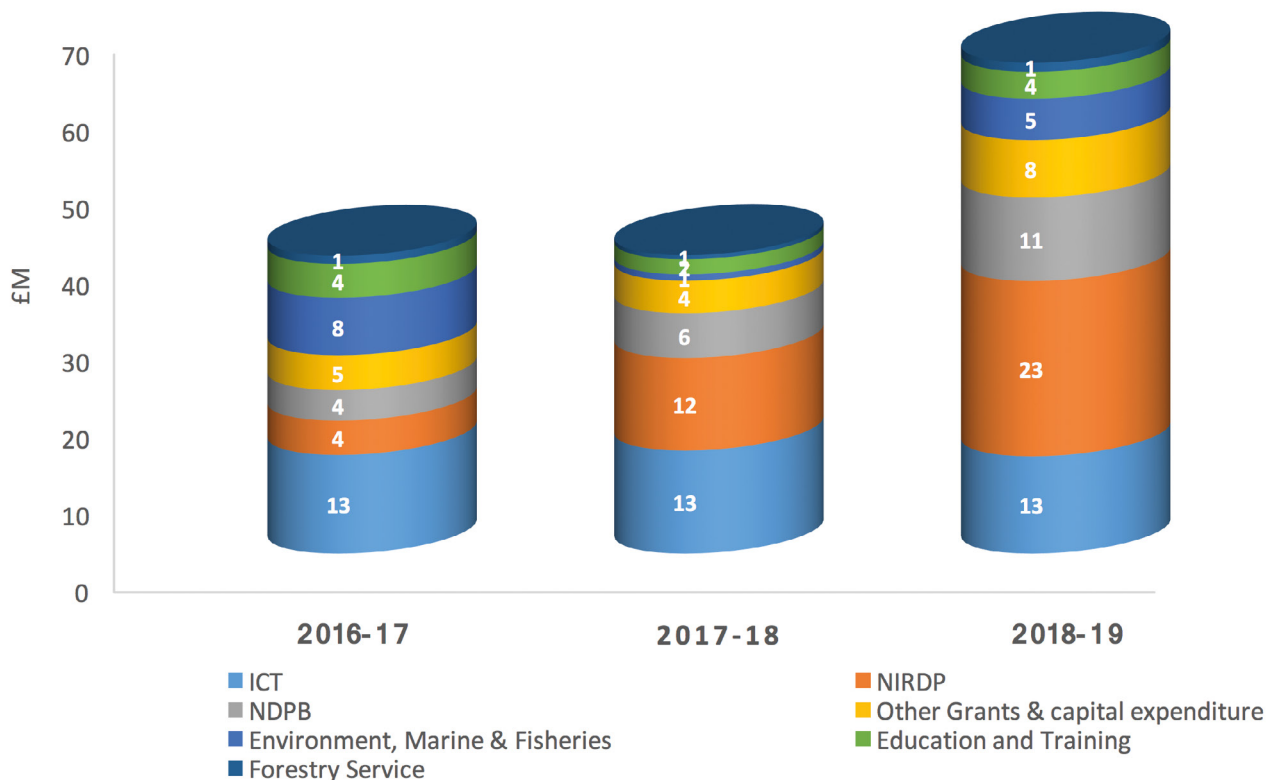


Annual Report and Accounts for the year ended 31 March 2019

The largest area of spend is within Food and Farming which includes education and grants provided to farm businesses. The increase on the prior year was due to the release of an accrual in 2017-18 in respect of EU CAP disallowance which never materialised. The impact was to significantly reduce the reported in spend in that year. Veterinary Services and Animal Health spend has increased over time due to increases in TB compensation.

Capital covers investment in the assets we need to deliver our objectives. This includes expenditure on our estate, our ICT systems, supporting investment in our ALBs as well as the payment of capital grants.

A breakdown of capital by expenditure type is shown below:



The significant increase in DAERA's Capital budget in 2018-19 was to progress the delivery of the EFS, the Business Investment Scheme and other RDP 2014-20 schemes. Additionally capital support provided to AFBI for R&D investment also increased in 2018-19.

Our gross spending in the economy is actually more than twice the size indicated by our DEL budget, because it includes payments made, mainly to farmers, in respect of CAP and rural development schemes, for which income is received from the EC. This income was £318m in 2018-19.

Budget 2019-20

On 28 February 2019 the Secretary of State published 2019-20 budgets for all departments in Westminster. DAERA was allocated £203m Resource, £23m Ringfenced Depreciation and £86m Capital.

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for the year ended 31 March 2019

The Resource budget rolled over from 2018-19 with the following additional allocations of:

- £1.8m Confidence and Supply funding for TRPSI programme;
- £5.9m to take forward our crucial Brexit work; and
- £5.5m for additional employers pension contributions.

On Depreciation the £23m budget allocation has remained at the same level as in 2018-19.

The Capital budget allocation of £86m is the Department's highest ever allocation and will allow DAERA to invest in:

- RDP schemes such as LEADER, FBIS and EFS;
- the Digital Transformation Programme to improve service delivery;
- the Science Transformation Programme which aims to transform how science underpins and progresses the Department's strategic outcomes;
- the Department's ageing estate that has been subject to periods of under investment; and
- important R&D in partnership with AFBI.

As part of DoF's 'Post Budget' exercise the Department was allocated a further £1.2m Resource and £4.0m Ringfenced Depreciation.

These allocations provide a good platform for the Department to continue to undertake its wide range of functions and responsibilities in 2019-20.

The tables below summarise the Department's opening Net Resource and Net Capital budget allocations which may be subject to some change in-year as part of the usual Public Expenditure process.

DAERA Resource Allocation	2019-20 £'000
Non Ring-Fenced Resource DEL	204,299
Ring-Fenced Resource DEL	26,791
NET RESOURCE DEL	231,090
NET CAPITAL DEL	86,036

Budgetary Outlook

Work on the Budget 2020-21 exercise will continue throughout 2019-20. Given the current constrained economic outlook, Resource pressures will be significant as the Department deals with the additional demands of Brexit, leads and delivers on Outcome Delivery 2 while faced with pay inflation and significant increases in employer pension contribution. Brexit will have a significant impact during this period in terms of:

- developing and delivering repatriated / devolved policy across the areas of agriculture; animal and plant health; science; environment; fisheries; forestry and rural policy;
- facilitating the export and import of goods and services; and
- developing future policy and funding programmes.

On Capital there is an ongoing need to invest in DAERA's programmes, IT systems, R&D and ageing estate. Whilst there have been comparatively low levels of Capital investment in the past, the Department will be seeking for this to be addressed over the short to medium term.

Therefore the Department will have to critically assess how future services can be delivered to citizens within a restricted Resource budget. It will also have to ensure that Capital is invested which maximises benefits across the above key areas. Consequently, there will be significant financial challenges over this period.



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

25 June 2019

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Accountability Report

Corporate Governance Report

Director's Report

Departmental Accounting Boundary

DAERA is a devolved Government Department in the NI Executive. It has operated in the absence of a Minister since 3 March 2017.

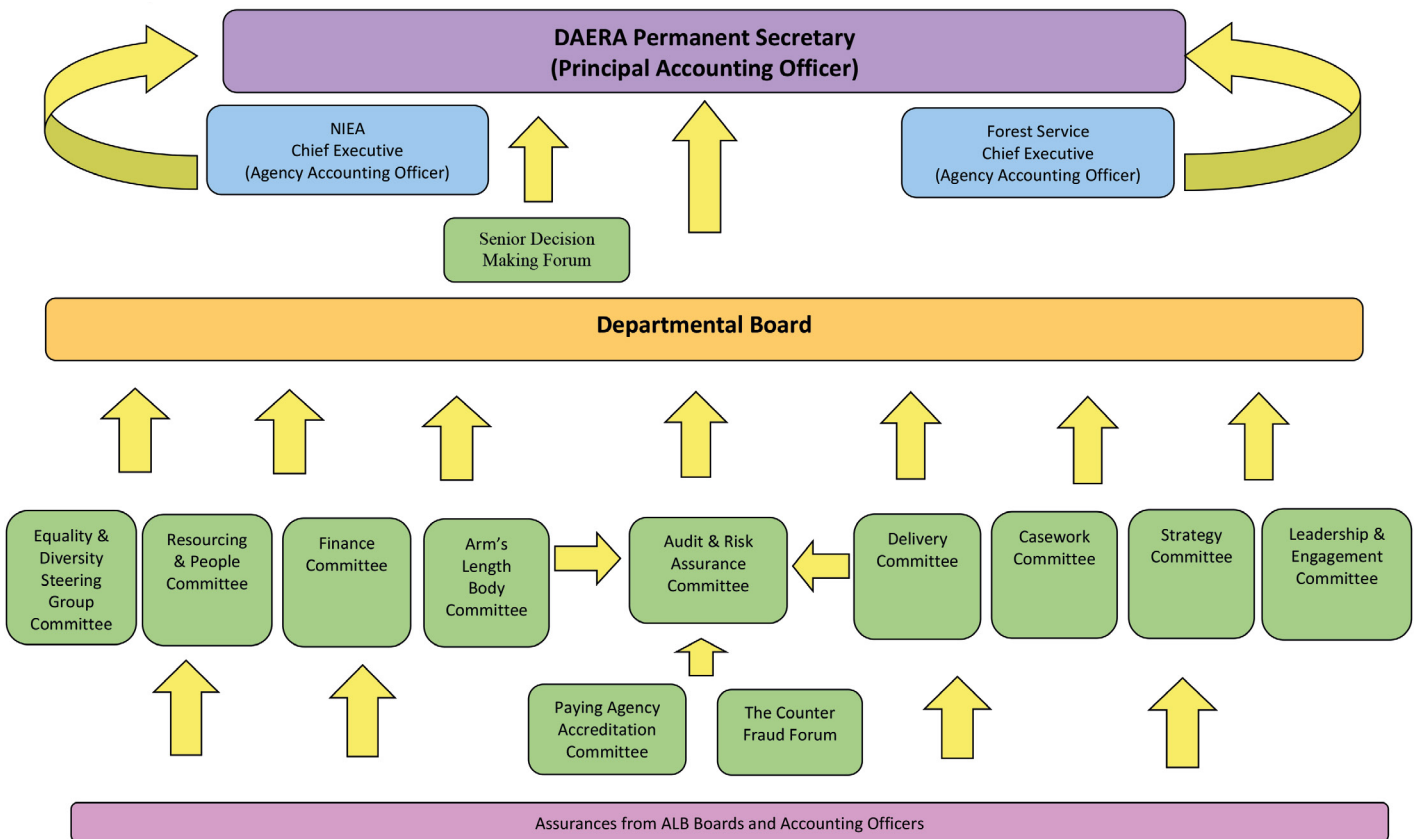
The Permanent Secretary, Dr Denis McMahon, as Principal Accounting Officer, is responsible for the overall operation and performance of the Department.

The Chief Executives of the Forest Service and NIEA are the Agency's Accounting Officer's, through the Principal Accounting Officer, for the Agency's performance and operations.

DAERA's Accounts for the financial year ended 31 March 2019 comprise a consolidation of the income and expenditure, assets and liabilities of those entities falling within the Departmental Resource Accounting boundary, being the Core Department, Forest Service and NIEA.

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DAERA Corporate Governance Structure



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Departmental Board

The Department is headed by its Permanent Secretary, who in 2018-19 was supported by a DB of seven senior DAERA officials, NICS HR Strategic Business Partner and up to two NEMs. The Board meets at least ten times a year to discuss Departmental business at a strategic level. During 2018-19, the composition of the Board was as follows:

Dr D McMahon	Permanent Secretary
Mr C Lewis	Senior Finance Director / Central Services and Rural Affairs Group (responsible for Digital Services Division; Corporate Services Division; Finance & Estates; Relocation & Change; Rural Affairs) (01 April 2018 - 30 September 2018)
Mr D Small	Environment, Marine and Fisheries Group (responsible for NIEA; Environmental Policy; Regulatory & Natural Resources; Marine & Fisheries Division)
Mr R Huey	Chief Veterinary Officer (responsible for Veterinary Service and Animal Health Group)
Mr N Fulton	Food and Farming Group (responsible for CAFRE); CAP Policy Economics & Statistics; Food & Farming Policy; Science Evidence & Innovation Policy; EU Area Based Schemes)
Mrs F McCandless	Rural Affairs, Forest Service and Estate Transformation Group (01 June 2018 - 31 March 2019)
Mr B Doherty	Director of Corporate Services (01 April 2018 - 19 December 2018); Head of Corporate Services and Contingency Planning Group (20 December 2018 - 31 March 2019)
Mr S McGrade	Director of Corporate Services (10 January 2019 - 31 March 2019)
Mr D Reid	Finance Director
Mrs J Fullerton	Senior Human Resource Business Partner (NICS HR) (01 April 2018 - 30 September 2018)
Mrs G Downey	Human Resources Business Partner (NICS HR) (01 October 2018 - 31 March 2019)
Mrs S McCue	Non-Executive Member
Dr B Stuart	Non-Executive Member (01 September 2018 - 31 March 2019)

Interests of Board Members

None of the DB Members have any significant interests which conflict with their management responsibilities. Full details of interests are given in Note 20 to the Accounts.

Board Committees

The Board has established the following committees to oversee and / or provide advice on specific areas of work:

- Audit and Risk Assurance Committee;
- Finance Committee;
- Resourcing and People Committee;
- Casework Committee;
- Equality and Diversity Steering Group Committee;
- Leadership and Engagement Committee;
- Strategy Committee;
- Delivery Committee; and
- Arm's Length Body Committee.

Further details on the role of the Board and its sub committees are available within the DAERA Corporate Governance Framework.

<https://www.daera-ni.gov.uk/sites/default/files/publications/daera/daera-corporate-governance-framework-updated-february-2019.DOCX>.

Departmental Reporting Cycle

DAERA's Public Expenditure proposals are considered as part of the NI Budget process, the outcome of which is contained within the Budget document published by the DoF.

More detailed information in relation to the annual resource and cash requirements is contained within the Main Estimates and Spring Supplementary Estimates documents published by DoF.

<https://www.finance-ni.gov.uk/topics/finance/main-and-supplementary-estimates>

Security of Personal Data

DAERA is compliant with the GDPR introduced in May 2018. The security of our business information assets and our IT Systems is an extremely important issue for the Department and involves everyone and anyone who works for, or with, the Department in any capacity. DAERA has published an Information Security Policy which describes the guiding principles that must be applied in this context. A complimentary set of Information Security Standards provides business areas with information and guidance on how these

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for the year ended 31 March 2019

principles should be implemented. The Department's Annual Report and Governance Statement reflect that necessary controls are in place to safeguard information assets; that when information assets are shared or disposed of as no longer necessary, that this is done safely and securely; that necessary controls are in place to deal with any information loss incident; and that staff and contractors are appropriately trained.

Should such an incident occur, each business area in DAERA has an Information Asset Register in place, and a Data Breach Management Plan and assurances are sought that these are reviewed and tested annually.

DAERA has a designated Data Protection Officer and a network of Information Asset Owners (IAO) who take responsibility for key information assets within the Department. Data Protection and Information Management Branch has provided training to each of the IAOs outlining their role and responsibilities with regard to the confidentiality, integrity and availability of the information they hold, the reporting structure in which they operate and the kind of precautions that they need to put in place in order to prevent information loss occurring and how to handle an information loss should it occur. This is augmented by the regular issue of advisory documents and comprehensive guidance on the intranet. These IAOs report through the Senior Information Risk Owner (SIRO) to the Accounting Officer.

There were no breaches of data security or unauthorised releases of data in Financial Year 2018-19 that needed to be reported to the Information Commissioner.

Complaints Handling

DAERA is committed to providing the highest possible standards of service to all its customers, and has published core standards of service that customers can expect to receive. Central to these is the facility for customers to lodge formal complaints if things go wrong.

The Department has been operating its current complaints procedures since 1 February 2017.

Information explaining to members of the public how to lodge a complaint with the Department is available in DAERA Direct and other front facing offices. It can also be found on the DAERA website. Complaints can be made in person, by letter, by e-mail to a dedicated complaints mailbox, by telephone or by text phone.

Information relating to number and type of complaints received across the Department is collated annually and an annual report is submitted to the Departmental Top Management Team (TMT), highlighting any trends in the type of complaints being made and the learning applied by Business Areas to ensure these do not re-occur.

There were 23 new complaints relating to quality of service received by the Department in 2018-19. Of these 3 were escalated to step two by the end of March 2019. The Department will publish a breakdown of the levels and categories of complaints received during 2018-19 on its website during 2019-20.

Departmental Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG), Mr K Donnelly, in accordance with the Government Resources and Accounts Act (NI) 2001. He is Head of the NI Audit Office (NIAO). He and his staff are wholly independent of the Department, and he reports his findings to the NI Assembly.

The audit of the financial statements for 2018-19 resulted in a notional audit fee of £127k. This is included in non-staff administration costs in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE).

The NIAO also undertakes the audit of DAERA's (an accredited Paying Agency) European Agricultural Funds Accounts. NIAO acts as part of a UK consortium of audit bodies that undertakes the work of the UK Certification Body for the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) Accounts of the UK. The 2018 EAF accounts were cleared by the European Commission on 11 March 2019.

The C&AG may also undertake other statutory activities that are not related to the audit of the Department's financial statements. These include the preparation of Value for Money (VFM) studies, which report to the Assembly on the economy, efficiency and effectiveness with which the Department's financial resources have been used.



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

25 June 2019

Annual Report and Accounts for the year ended 31 March 2019

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (NI) 2001, DoF has directed DAERA to prepare for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of DAERA and of its net resource outturn, application of resources, 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* (FReM) and in particular to:

- observe the Accounts Direction issued by DoF, including the relevant 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going-concern basis.

DoF has appointed the Permanent Head of the Department as Accounting Officer of DAERA. 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 for safeguarding DAERA's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in *MPMNI*.

Disclosure to Auditor

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.



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

25 June 2019

Governance Statement

This is the Annual Governance Statement for DAERA as required by DAO (DFP) 10/12. This Statement sets out the governance, risk management and internal control arrangements that have operated in the Department from 1 April 2018 to 31 March 2019.

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

As Accounting Officer for DAERA, I have responsibility for maintaining a sound system of internal control that supports the achievement of DAERA policies, aims and objectives, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in MPMNI.

The Department also regards its Agencies and NDPB’s as partners, although these latter bodies are in practice ALBs underpinned by strict accountability arrangements. During the year, in line with best practice, I have reviewed DAERA’s governance and accountability arrangements to remedy any shortcomings highlighted through reports from the NIAO, Public Accounts Committee (PAC), Internal Audit and ARAC.

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20th July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15th March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

Governance Framework

The Governance Framework, which includes the system of internal control, is designed to manage the Department’s risks to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. A system of internal control has been in place for the year ended 31 March 2019, and up to the date of approval of the Annual Report and Accounts, in accordance with Her Majesty’s (HM) Treasury and DoF guidance.

The Chief Executives of the NIEA and Forest Service were Agency Accounting Officers during the past year, and were directly responsible to me, in the absence of a Minister, for their respective Agency’s performance and operations during the year.

Additional assurance is obtained through a formal Governance Reporting process. Stewardship Reports are provided by individual business areas, including those which sponsor ALBs. The Stewardship Reporting process is monitored by Finance Division and Internal Audit; any issues of significance are highlighted in the Stewardship Reports and reported to the ARAC. I also received Certificates of Assurance from Senior Officers, providing me with their assurances and reporting any significant issues of internal control, between the mid and year-end reports.

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The Department's corporate governance framework is available via the following link:

<https://www.daera-ni.gov.uk/sites/default/files/publications/daera/daera-corporate-governance-framework-updated-february-2019.DOCX>

Departmental Board

As Accounting Officer, I am supported in the discharge of my role and responsibilities by the DB of seven senior officials, and up to two Independent NEMs. The Board, which operates within the guidelines set out in the "Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013", supports, and is accountable to, the Minister and is chaired by me, as the Department's Permanent Secretary.

The independent members of the Board are considered to be independent in character and judgement. Any potential Conflict of Interest for all Board members, including independent members, is notified to NICS HR (copied to the Principal Accounting Officer and Board Secretariat).

Conflict of Interest

During 2018-19, no declared interests were deemed to conflict with the overall conduct of Board business. Members have undertaken to excuse themselves from participation if potential conflicts of interests arise during normal course of business.

The Board meets at least ten times a year to discuss Departmental business at a strategic level. Details of the Board membership, responsibilities and attendance at meetings are as follows.

ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (11)
Dr D McMahon	Permanent Secretary.	11/11
Mr C Lewis	Senior Finance Director / Central Services and Rural Affairs Group (responsible for Digital Services Division; Corporate Services Division; Finance & Estates; Relocation & Change and Rural Affairs).	2/5
Mrs F McCandless	Rural Affairs, Forest Service and Estate Transformation Group.	6/8
Mr D Small	Environment, Marine and Fisheries Group (responsible for NIEA EA, Environmental Policy; Regulatory & Natural Resources and Marine & Fisheries Division).	10/11
Mr R Huey	Chief Veterinary Officer (responsible for Veterinary Service and Animal Health Group).	10/11
Mr N Fulton	Food and Farming Group (responsible for the CAFRE; CAP Policy Economics & Statistics; Food & Farming Policy; Science Evidence & Innovation Policy and EU Area Based Schemes).	9/11
Mr B Doherty	Director of Corporate Services and Head of Corporate Services & Contingency Planning Group.	9/11
Mr S McGrade	Director of Corporate Services.	3/3

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ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (11)
Mrs J Fullerton	Senior Human Resource Business Partner (NICS HR).	5/5
Mrs G Downey	Human Resource Business Partner (NICS HR).	4/5
Mr D Reid	Finance Director.	10/11
Mrs S McCue	Non Executive Member.	11/11
Dr B Stuart	Non Executive Member.	7/7

Roles and Responsibilities of the Board

The Board will assist the Permanent Secretary to meet his corporate governance responsibilities for the Department by discharging the following roles:

- provide strategic clarity for the Department, including its mission, vision, values and strategic objectives and oversee the implementation of the Department's strategic and business plans, including its contribution to the NI Executive's PfG, Budget, and Investment Strategy;
- oversee performance and risk management of the Department's ALBs;
- ensure sound financial management is in place and scrutinise the allocation of financial and human resources to achieve strategic objectives;
- ensure clear, consistent, comparable performance information is used to drive improvements; and monitor and steer performance against plans;
- set the Department's appetite for risk and ensure transparent, prudent and effective controls are in place to manage risk;
- ensure the Department has the capability to plan and to deliver to meet current and future needs; and
- take responsibility for propriety, regularity and value for money of public finances and safeguard the Department's assets.

The main areas of responsibility for the Board are:

- signing off Budget submissions and Monitoring Round submissions to DoF;
- initial internal allocation of running costs and programme monies;
- agreement of capital projects, acquisitions and disposals above £1m;
- agreement of the Risk Management Strategy, Counter Fraud Strategy and the assurance system underpinning the Governance Statement; and
- taking an overview in respect of the senior management structure of the Department.

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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).

A Review of Board Effectiveness was undertaken for 2018-19. Members completed an on-line Self-Assessment Questionnaire of 20 mandatory statements which rated Members' views on the relative strengths of the Board's effectiveness. Members were asked to either agree, or disagree with each statement and the resulting summary of responses was reviewed by an independent adjudicator (Joy Allen, Managing Director, Leading Governance Ltd.) who determined that the findings were mainly very positive. It was concluded that the Board is operating in an effective manner, with the right balance of skills and knowledge. Board Members are clear on their roles and responsibilities and they oversee performance effectively. The Board's risk management, financial oversight and planning are effective within the context of the Corporate Governance Framework.

During 2018-19 the Board implemented changes to address any identified weaknesses from the 2017-18 review.

Performance assessment of individual Board members takes place, including the assessment of the Independent members against their agreed objectives, and the Executives on the Board through the annual Senior Civil Service performance cycle.

Quality of the Data used by the Board

The Board receives standing information for each meeting on key areas such as finance and human resources. Briefing papers on other material issues are provided as they arise. Papers are issued a week in advance of any Board meeting to allow members to review and, where appropriate, to raise questions in advance.

Financial information is provided in accordance with the Government Financial Reporting MPMNI and guidance from the DoF, issued primarily as Dear Finance Director (FD) or Dear Accounting Officer (DAO) letters. All transaction records are provided from the Account NI shared service system. Accordingly, the Board considers that it can take assurance as to the quality of the data it uses to inform decision-making.

Committees of the Departmental Board

The Board has established the following committees to oversee and / or provide advice on specific areas of work:

- Audit and Risk Assurance Committee;
- Finance Committee;
- Resourcing and People Committee;
- Casework Committee;
- Equality and Diversity Steering Group Committee;
- Leadership and Engagement Committee;
- Strategy Committee;
- Delivery Committee; and
- Arm's Length Body Committee.

In compliance with the “Corporate Governance in Central Government Departments: Code of Good Practice NI (2013)”, all DAERA Committees are chaired by a member of the Board.

The roles of each of the Committees of the DB is summarised below:

Audit and Risk Assurance Committee (ARAC)

As Principal Accounting Officer, I have established the ARAC as a Committee of DB to support me in my responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Principal Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

ARAC ensures that high level information on risk and control is brought to my attention, through DB, in order to assist in identifying priorities for action.

ARAC subjects my executive decisions to constructive challenge in the sense of encouraging me to ensure that I can demonstrate that I have made the best possible decisions in the light of all the available evidence.

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

ARAC comprises four members, appointed by the Principal Accounting Officer on the advice of the DB. Membership during the year consisted of the two DAERA NEMs (Sharon McCue and Dr Bernie Stuart) and two independent External members (Sharon Hetherington, NI Courts and Tribunals Service and Donald Henry, Utility Regulator) drawn from the wider NICS. ARAC was chaired during 2018-19 by the NEM Sharon McCue.

ARAC supports me in my responsibilities for issues of risk, control and governance. ARAC does this by reviewing the assurances provided by the Department's business areas. ARAC also considers recommendations from the Department's Delivery Committee in relation to the status of the Key Risks identified in the CRR and Corporate Balanced Scorecard.

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During the past year ARAC held four formal routine meetings (on 24 May, 25 September, 22 November 2018, and 10 January 2019). A further meeting was held on 10 January 2019 to review DAERA EU Accounts for EAGF/EAFRD and ARAC also met at Final Accounts stage to provide me with the level of assurance that I require before signing the Departmental Accounts.

All ARAC meetings are attended by DAERA Senior Officers along with representatives from DAERA's Finance Division, ARAC Secretariat, and representatives from specific business areas as required.

ATTENDANCE OF ARAC MEMBERS		MEETINGS ATTENDED (7)
Mrs S McCue	Non Executive Member (Chair)	7/7
Dr B Stuart	Non Executive Member	4/5
Mr D Henry	Independent External Member	6/7
Ms S Hetherington	Independent External Member	5/7

ARAC Annual Report

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

The work of the ARAC is assisted by the Delivery Committee, the Counter Fraud Forum, the ALB Committee, and the Paying Agency Accreditation Committee (PAAC).

Finance Committee

The Finance Committee is responsible for considering a wide range of strategic financial issues. These have included developing detailed proposals in respect of Budget exercises, and Monitoring Rounds; the monitoring of savings plans and monitoring value for money through the development of improved financial and performance reporting. The Committee is chaired by the Senior Finance Director (Group Head of Central Services and Contingency Planning). In addition to the Chair, membership of the Committee has included Departmental Group Heads, the Finance Director, the Director of CAP, Economics and Statistics, the Corporate Services Director, the Deputy Finance Director and the Head of Financial Planning Branch.

Resourcing and People Committee

The Resourcing and People Committee is responsible for considering DAERA strategic workforce planning including how best to manage priority resourcing requirements at a Departmental level against the backdrop of reduced resources and affordability. The Committee provided assurance to the Permanent Secretary that the Department was operating within its affordable staffing limit and applied a corporate approach to ensure that staff resources had been effectively allocated across the organisation.

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The Committee is chaired by the Group Head of Central Services and Contingency Planning and included Departmental Group Heads, the Finance Director, the Director of Corporate Services, the Head of Business Management Branch, the Directors of Brexit Division and Forest Service, the HR Business Partner for DAERA and a representative from the NICS HR Resourcing.

Count Casework Committee

The Casework Committee is chaired by the Senior Finance Director with the Finance Director and Chief Agricultural Economist in attendance and provides assurance to the Accounting Officer and DB around significant expenditure decisions made within DAERA. The Committee increased collective decision making and buy-in to projects, particularly where affordability was a significant consideration.

Equality and Diversity Steering Group Committee

The Equality and Diversity Steering Group Committee is chaired by the Permanent Secretary and ensured that DAERA fulfilled its equality, diversity, good relations and human rights obligations.

Leadership and Engagement Committee

The Leadership and Engagement Committee is chaired by the Permanent Secretary and built leadership capacity and promoted the benefits of engaged, cohesive teams, to oversee and steer measures which increased the DAERA Employee Engagement Index (EEI) and championed and communicated best practice to promote staff engagement within DAERA.

Strategy Committee

The Strategy Committee is chaired jointly by Food and Farming and Environment, Marine and Fisheries Group Heads and had a key role to play in the development and scrutiny of strategy proposals within the Department. The Committee provided a strategic challenge for the Department, including the oversight of strategic policies and strategies being developed. This promoted consistency and coherence between strategies and provided DB with assurances regarding the appropriateness of the Department's key strategy documents and proposals.

Delivery Committee

The Delivery Committee is chaired by the Group Head of Central Services and Contingency Planning and promoted consistency of approach to Risk and to Business Planning. The Committee provided DB with assurances regarding the management of risks and performance against business plans. The Committee was supported by the PAAC.

Arm's Length Body Committee

The ALB Committee is chaired by the Finance Director, ensured that there was a coherent and strategic approach across DAERA in the management of ALBs and reported to DB.

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Paying Agency Accreditation Committee (PAAC)

To ensure compliance with EU rules and Regulations on European Agricultural Funds, and to monitor the implementation of these schemes, DAERA has established a PAAC which is chaired by the Head of the Paying Agency. PAAC maintains a Risk Register which is reviewed at each meeting of the PAAC. Key issues arising from this Risk Register are reported to each meeting of the Delivery Committee and an annual update is provided to the ARAC. DAERA Directors also submit annual Stewardship Reports to the Head of the Paying Agency. In addition, a PAAC representative reports to the UK Accreditation Compliance Committee to ensure a consistent approach to Paying Agency requirements across the UK Member State.

Under EU legislation, CAP funded EAGF and EAFRD payments can only be authorised, executed and accounted for by accredited Paying Agencies. Within each Member State, a Paying Agency must be accredited by the Competent Authority (in the UK the four Agriculture Ministers acting jointly) as meeting certain criteria laid down in governing legislation. Each year, the Accounts of each of the Paying Agencies are subject to an audit by the Certification Body (in DAERA's case the NIAO) and, on the basis of this audit, the Commission can propose "clearance" of the relevant Paying Agency Accounts.

The 2018 EAF Accounts (covering the period 16 October 2017 to 15 October 2018) have been submitted and successfully cleared by the Commission under the annual "Clearance of Accounts" process. This process was accelerated for the EAF 2018 audit due to the ECs 'No Deal' Brexit contingency planning.

Senior Decision Making Forum (SDMF)

The Senior Decision Making Forum (SDMF) is comprised of senior officials from each of the Groups with the Finance Director and Corporate Services Director in attendance. The Forum facilitated senior officers to exercise functions of the Department in accordance with the NI (Executive Formation and Exercise of Functions) Act 2018 and the associated Secretary of State guidance. The forum met on a weekly basis, as required.

When the SDMF agreed that it was appropriate to exercise a function of the Department, the decision was elevated to the Permanent Secretary, who was ultimately responsible for the action. A monthly record of decisions taken within the Department under the new Act was provided to TEO. TEO subsequently compiled a monthly summary report of decisions taken by all Departments. This was provided to the Secretary of State and subsequently published on the TEO website.

Risk and Control Framework

The Department's approach to risk management is objective driven. Our Aim and Strategic Outcomes, drive the critical aspects of the Department's activities. The Department's Risk Management Strategy during the year remained effective. Part of this Strategy is the maintenance of a CRR to help ensure that the Department's Key Risks are being managed effectively.

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The Department's corporate governance arrangements are underpinned by a robust risk management process embedded into DAERA's systems and procedures. The DAERA CRR was based upon the Department's key strategic risks and its format was in line with best practice guidance. In total 11 Key Risks were identified during the course of 2018-19 incorporating:

1. Failure to align budgets with strategic priorities leading to;
 - overspends or underspends in outturn;
 - inappropriate or inadequate resourcing of projects and strategic priorities; and
 - failure to meet a range of corporate objectives.
2. Failure to have appropriate staff resources in place in a timely manner to deliver Departmental objectives;
 - failure to identify long term staffing needs and have them in place in a timely manner to deliver Departmental objectives.
3. Significant business impact resulting from ineffective information assurance;
4. Failure to achieve operational readiness by 29 March 2019 assuming "No Deal";
5. Failure to prevent or control a trans-boundary Animal Disease outbreak of significance;
6. Failure to predict or prevent the introduction and establishment of organisms harmful to plant health and of significance to industry and the environment;
7. AFBI's failure to deliver its strategic, financial and operational priorities;
8. That following EC conformity audits, financial corrections (Disallowances) could be applied by the EC because of;
 - the level of risk to the Fund created by Pillar 1 and 2 IACS Schemes; and
 - Pillar 2 non IACS Schemes are not delivered in compliance with the EU Regulations leading to financial correction.
9. Failure to protect the environment through remediation of the Mobuoy illegal waste site in a timely and cost-effective manner;
10. Failure of the DAERA bTB Eradication Strategy to control TB and subsequent Departmental spend on programme; and
11. Failure to
 - implement cattle disease control by 31 March 2019,
 - Implement cattle movement delivery for July 2019; and
 - maintain services in a secure manner.

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Ownership of each Key Risk is allocated to a SRO at Grade 5 and each SRO provided updates to Delivery Committee meetings throughout the year.

In addition to the maintenance of a CRR, each business area completes a Risk Management Plan linked to performance targets. In this way risk management remains a key function in managing business performance and remains a live process. The responsibility for the identification and reporting of risks is cascaded throughout the organisation.

A key element of the Department's Risk Management Strategy is DAERA's appetite for risk which helps risk owners identify operationally acceptable risks in the Department. Business areas with the appropriate skills and expertise continue to assess and manage risks at an operational level. If the business area considers the level of risk is going to rise beyond the acceptable threshold, then that risk is elevated for senior management review. This mechanism ensures that the Department's risk appetite is considered in a timely fashion and assessed at the most appropriate level within the Department.

Analysis of, and response to, risk is key to corporate governance and DB has overall responsibility for the management of risks associated with the delivery of the Department's functions. DB relied on a variety of mechanisms to confirm that the Department's corporate and other risks were being managed effectively. These mechanisms included:

- scrutiny of the CRR by DB;
- receipt of ad hoc and regular reports on specific risks by DB and TMT meetings;
- assurances received from ARAC, as advised by the Delivery Committee;
- the work undertaken by the Internal Audit; and
- Risk Registers produced and monitored at Group and Divisional level.

Assurances

A key element of the Departmental risk management processes is the provision of regular assurances. All business areas across the Department, and also ALB Accounting Officers, provide quarterly and annual assurance statements that effective risk management arrangements are in place. This is in addition to the assurances I require confirming there is robust governance over a range of other specific areas.

Information Risk

Cabinet Office guidance on the control and security of information and data requires the management of information risk to explicitly feature in an organisation's Governance Statement. I ensured that information assurance is actively managed as one of the Key Risks on DAERA's CRR. Key sources of information assurance for DAERA are the Department's SIRO, supported by trained IAOs and the Department's Security Assurance Group which comprises of the Departmental Security Officer, the Departmental IT Security Officer, Information Management Branch and the Departmental Data Protection

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Officer. Other assurance is also provided to me by the IT Assist, the Department's Delivery Committee, the NICS IT Accreditation Panel, the DAERA IT Accreditation Committee, and other committees responsible for the Department's key IT systems.

In addition, Internal Audit helps the SIRO fulfil his assurance obligations through coverage of key information risk areas in their annual programme. This includes an in-depth review of system security operating procedures for key IT systems.

Each year DAERA completes a Security Risk Health Check report, which provides further information assurance for the Head of the Civil Service (HOCS).

Whistleblowing

During 2018-19 the Department continued to operate the Whistleblowing recording system. This requires all Divisions to maintain a Whistleblowing Register to record all disclosures received in each Division, or ALB. The maintenance of Registers is a mandatory requirement across the Department.

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

During 2018-19 a total of 39 whistleblowing notifications were received by the Department and reported to ARAC. These notifications included allegations of corruption, misconduct by staff members and conflicts of interest. This compared to 22 notifications in 2017-18.

All whistleblowing notifications are investigated and addressed by the relevant business area and in cases of suspected fraud an investigation by the DoF Fraud Investigation Service is requested.

Internal Audit

The Department's Internal Audit Branch (IAB) operates to the defined Public Sector Internal Audit Standards (PSIAS). IAB submits quarterly progress reports to ARAC and an Annual Report which includes the Head of Internal Audit's objective evaluation of, and opinion on, the adequacy and effectiveness of the Department's framework of governance, risk management and control, together with recommendations for improvement.

IAB's Annual Report for 2018 - 19 confirmed an overall satisfactory opinion in respect of the Department's governance, risk management and control framework.

Enterprise Shared Services

I draw assurance from the audit opinion and on the mid and year-end inter-Departmental assurance reports received from the Head of Internal Audit in DoF on the various components of Enterprise Shared Services. These include Account NI which is responsible for the Department's transaction processing, HR Connect which is responsible for the Department's Human Resource management arrangements, and IT Assist which provided our IT support services.

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I note that the Head of Internal Audit in DoF has provided a satisfactory audit opinion on Enterprise Shared Services overall.

Ministerial Directions

I can confirm that, as Accounting Officer, I am in compliance with the “Accounting Officer responsibilities” set out in MPMNI Chapter 3, by ensuring that, should the Minister decide to continue with a course of action which I have advised against, the Minister is requested to provide me with a formal Ministerial Direction to proceed with that course of action. Such a Direction is likely to mean that the associated expenditure is novel or contentious and therefore outside of the Departmental delegated expenditure limits.

The Minister may decide, in these circumstances, that the issue should be discussed by the Executive. If this happens and a decision reached at the Executive is to agree to the course of action proposed by the Minister, it will be recorded in the minutes which can be treated as formal approval. As Accounting Officer I ensure that Ministerial Directions are formally notified to DoF and to the C&AG.

I had no Ministerial Directions issued to me during the 2018-19 year.

Review of the effectiveness of the system of internal control

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the SROs within the Department who have responsibility for the development and maintenance of the internal control framework. I also take account of comments made by the external auditors in their management letter and other reports.

The SROs are required to proactively report any weakness in the Department’s systems of internal control through the stewardship and risk management reporting process. I have been advised on the effectiveness of the system of internal control by the Board, the ARAC and the Delivery Committee. Plans to address any weaknesses identified and to ensure continuous improvement of the system are in place.

In addition, the Head of Internal Audit has provided me with a satisfactory opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control for 2018-19.

The Department’s system of internal control, as outlined above, will continue to operate and we will continue to strengthen controls where appropriate. For the incoming year, the Department plans to:

- continue to review its CRR with a view to ensuring that, where necessary, further improvements to the process of risk management will be made;
- continue to promote and develop counter fraud awareness across the Department;
- improve financial management generally, and the quality of financial information to the DB; and

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- continue to improve monitoring of ALB Governance arrangements and compliance with all key guidance.

Internal Audit

For 2018-19, the Annual Internal Audit report provided a satisfactory opinion. The opinion of DAERA IAB was based on the results of 49 Final Reports and 9 Draft Reports. 46 of these reports had positive opinions, 1 had a 'limited' opinion and there were 11 Special Exercises where no opinion was relevant.

Key issues reported by DAERA IAB over the period

Limited Opinion Audit Reports 2018-19

There was one limited opinion report issued during 2018-19. Follow Up reviews were planned in respect of 2 limited opinion reports, namely Plant Health (issued in 2017-18) and Trade Certification.

Plant Health (Forest Service)

The Plant Health Follow Up review commenced in March 2019 to consider the recommendations in respect of the setting of fees and charges for the NI Seed Potato Certification Scheme which includes FCR and rebating of Tuber Inspection fees. Management have taken action to improve the system of risk management, control and governance are as follows:

- Plant Health Management developed a strategy and action log at the request of the Forest Service Chief Executive to progress changes to seed potato policy, achievement of full cost recovery and legislative changes. Progress against the action log is monitored by Plant Health Management
- A policy document has been developed (Policy Guide for Setting and Reviewing Fees and Charges for the Seed Potato Crop and Tuber Inspection). The policy will be implemented in conjunction with updated legislation.
- A FCR Plan has been prepared which outlines the steps required to achieve full cost recovery, this involves increasing tuber inspection fees, an update to the Potato Inspection and Certification System (PICS) to improve efficiency in the administrative process and amending legislation to change the inspection process. Approval on the changes will be sought through the DAERA Senior Decision Making Forum.
- Rebates for exports ceased in September 2018 and Forest Service senior management advised that these will not be reinstated.

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Trade, Certification (OFFC)

The Final Report for the audit of Trade Certification and Training issued in May 2018 and attracted an overall 'limited' opinion. Control weaknesses in relation to export certification of dairy and meat products and the appointment and oversight of Authorised Veterinary Inspectors (AVI) were highlighted. The recommendations within the report were accepted by management and Internal Audit had planned a follow up review to commence in January 2019. However, VSAHG management requested that this review was carried over to 2019-20 due to priority Brexit work. Initial documentation has been provided in relation to new procedural documents covering Milk and Dairy Certification, while recommendations relating to the appointment and monitoring of AVIs and development of formal work schedules is being taken forward as part of VSAHG Workstream 3 of the Trade Transition Plan. We have scheduled the follow up review for Q2 on the 2019-20 Internal Audit plan.

Other Control Issues Reported

Other control issues identified through stewardship reporting include:

Bovine TB Strategy

The NIAO delivered in November 2018, a review of the NI TB Programme and recommended that the Department should:

- implement fully the recommendations of the TB Strategic Partnership;
- re-emphasise shared ownership of the disease between industry and government;
- implement compensation reduction;
- take action to address TB in wildlife;
- review regularly the effectiveness of new Strategy;
- ensure farmers adhere to biosecurity measures and high standards of herd health;
- take all efforts to improve the testing regime; and
- enforce EU compliance on restocking.

The lack of a Minister has impacted on the development of a strategy but work is ongoing to develop recommendations and a future direction in order to action the recommendations in the NIAO VFM report. The Audit Action Plan and Accountability Grids have been updated and agreed with DoF on 21 March 2019, and contain targets for actions which can be taken forward in the absence of a Minister.

Bovine TB Compensation and associated TB programme costs very significantly overspent against the agreed opening budget

In the Budget 2018-19 Information gathering exercise DAERA had flagged up TB Compensation pressures to DoF based on estimated cost for 2018-19 of £24m.

In recent years we have been operating in one year budget cycles without a functioning Executive or Ministers in place. The Department has not changed the opening budget for TB Compensation for that reason but implemented plans to cover the pressure through the In Year Monitoring process.

As a result the final January Monitoring Round position for the TB Compensation budget was £24.7m and the Department reported a Provisional Outturn of £23.6m.

Staffing levels

A significant amount of work has been undertaken in the Department to identify and fill those priority posts needed to deliver our business following exit from the EU. The Department has filled 123 Brexit posts, but there is still 275 approved vacancies, 85 of which are for Brexit posts. So far we have redeployed 90 staff from business as usual posts into Brexit, but despite the great amount of flexibility and willingness shown by staff throughout the Department, redeployment is no longer a viable option. Furthermore the numbers required to deliver future business in either a Deal or No Deal scenario will increase our staffing needs significantly and well beyond the capacity available from within the Department.

We have worked very closely with NICS HR to take forward a range of vacancy management activities to fill posts. However, as well as progressing more recruitment competitions, promotion boards and trawls, it is obvious that in these unprecedented circumstances the usual measures will not address all our needs and a significant shortfall, especially in relation to Professional and Technical roles, remains a serious risk. We are very aware of the impact which all of this is having on staff and are committed to mitigating that impact where possible. To achieve this we are considering which work can be slowed down, reduced in scale or postponed to create space for staff to be involved in the most urgent work required in the context of the impact of EU Exit.

Because DAERA is the Department most affected by Brexit, a new Directorate dealing with Contingency Planning for a no-deal EU Exit has been established. The work of that Division has continued at pace, despite the lack of clarity with regard to a range of issues. That uncertainty is among a number of significant challenges, principally meeting the demands of Brexit work within very short timescales and with staff resources limited by the 'normal' work of the Department.

Leased accommodation at Warrenpoint harbour

Retrospective approval from DoF for the holding over of a lease for accommodation at Warrenpoint Harbour since 1 January 2018 is required. DAERA leases a small office at Warrenpoint Harbour from Warrenpoint Harbour Authority accommodating staff within VSAHG to facilitate inspectorate duties. The formal lease covered the period 1 January

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2014 to 31 December 2017 at an annual rental cost of £1,711. Following lease expiry DAERA continued to occupy the premises on a rolling basis under the same terms and conditions. A business case was completed in October 2018 to cover expenditure under existing lease terms until the expected relocation date of 31 March 2019 but unfortunately DAERA did not seek DoF Supply approval for this period. There was no business case completed for the initial holding over period from 1 January 2018. The lease cost for the period 1 January 2018 to date was £2,281 and this is irregular expenditure.

Direct Award Contract (DAC) for AFBI site-wide licence for GenStat for Windows

Potential irregular expenditure. AFBI had a DAC in place in December 2017 for 12 months and accessed the GenStat licences in February 2019 at a cost of circa £2k. Payment has not yet been sought, but if invoiced, any payment will be classified as irregular as there was no DAC in place.

North South Body

The Business Plan and Budget of North / South Implementation Bodies is subject to the approval of the NSMC, including Finance Ministers. The continued absence of the political institutions in 2018, therefore, resulted in the Loughs Agency not having an approved Business Plan and Budget in place. DoF Contingency arrangements, however, continued in 2018, providing approval to the payment of grants by Sponsor Departments, thus ensuring that service delivery was maintained, while avoiding illegal spend by Departments. Until agreed Business Plans receive Finance Ministers and the NSMC approval, these payments will, however, remain irregular. Subsequent approval of the Loughs Agency's Business Plan by the NSMC may be taken to provide retrospective approval.

In this period, contingency arrangements were issued by DoF on 12 December 2017 and 15 March 2018. These arrangements were triggered by the Loughs Agency, in conjunction with Sponsor Departments, resulting in DoF approving a Grant payment of £2,580,000 on 9 April 2018, to cover the Agency in 2018. The Department paid £2,257,631 to the Loughs Agency in 2018-19 (2017-18, £1,559,063).

Remuneration and Staff Report

The staff and remuneration report provides information on people in DAERA and sets out the entity's remuneration policy for directors, how that policy has been implemented, sets out the amounts awarded to directors, and where relevant the link between performance and remuneration. It also provides details on remuneration and staff that the Assembly and others see as important to accountability.

1. Departmental Remuneration Report 2018-19

Remuneration Policy

The pay remit for the NI (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, DoF's Permanent Secretary has set the 2018-19 NI public sector pay policy in line with the overarching HM Treasury parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. The pay award for SCS staff for 2018-19 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 NI 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 NI can be found at www.nicscommissioners.org.

Salary and pension entitlements

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

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Remuneration (including salary) and pension entitlements [Audited information]

No Minister was in place during 2018-19 and 2017-18.

Officials	2018-19			2017-18		
	Salary	Pension Benefits * (to the nearest £1000)	Total	Salary	Pension Benefits * (to the nearest £1000)	Total
Dr D McMahon Permanent Secretary	115-120	49,000	165-170	10-15 (110-115 FYE)	4,000	15-20
Mr N Lavery Permanent Secretary (Until 18 February 18)	-	-	-	100-105 (110-115 FYE)	16,000	115-120
Mr C Lewis Deputy Secretary (Until 30 September 18)	50-55 (100-105 FYE)	23,000	75-80	90-95 (95-100 FYE)	5,000	95-100
Mr D Small Deputy Secretary	95-100	26,000	120-125	90-95	1,000	90-95
Mr N Fulton Deputy Secretary	90-95	41,000	130-135	85-90	9,000	95-100
Mr R Huey Deputy Secretary	90-95	24,000	115-120	85-90	5,000	90-95
Mrs F McCandless (From 1 June 18)	75-80 (90-95 FYE)	23,000	100-105	85-90	26,000	110-115
Mr D Reid Finance Director	70-75	23,000	90-95	65-70	45,000	110-115
Ms L Warde Hunter Deputy Secretary (1 Apr 17 - 24 April 17)	-	-	-	5-10 (85-90 FYE)	2,000	5-10
Mr B Doherty Director of Corporate Services until December 18 then January 19 - Director of Corporate Services & Contingency Planning	80-85	108,000	185-190	5-10 (70-75 FYE)	1,000	5-10
Mr J Cassells Acting Corporate Services Director (25 September 17 - 22 October 17)	-	-	-	5-10 (65-70 FYE)	(1,000)	0-5
Ms G Fee Director of Corporate Services (until 28 February 18)	-	-	-	65-70 (75-80 FYE)	27,000	95-100
Mr S McGrade Acting Corporate Services Director (From 10 January 19)	15-20 (65-70 FYE)	36,000	50-55	-	-	-

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Officials	2018-19			2017-18		
	Salary	Pension Benefits * (to the nearest £1000)	Total	Salary	Pension Benefits * (to the nearest £1000)	Total
Dr. B Stuart Non Executive Board Member (1 September 2018 - 31 March 2019)	5-10	-	5-10	-	-	-
Mr D Russell Non Executive Board Member (until 31 January 18)	-	-	-	10-15	-	10-15
Ms S McCue Non-Executive Board Member	5-10	-	5-10	0-5	-	0-5
Band of Highest Paid Director's Total Remuneration	115-120			110-115		
Median Total Remuneration	£30,149			£29,493		
Ratio	3.9			3.8		
<p>* 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.</p> <p>Full Year Equivalent (FYE) - is the salary that would have been paid had the Official been in position for a full financial year.</p>						

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.

The NI Assembly was dissolved on 26 January 2017. An Executive was not formed following the 2 March 2017 election, and from this date Ministers ceased to hold office. As a consequence, no Minister has been in place in the Department during 2017-18 and 2018-19.

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. No members of senior management disclosed above received Benefits in Kind in 2018-19 or 2017-18.

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Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual.

Fair Pay Disclosures [Audited Information]

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in DAERA in the financial year 2018-19 was £115k - £120k (2017-18, £110k - £115k). The ratio was 3.9 times (2017-18, 3.8) the median remuneration of the workforce, which was £30,149 (2017-18, £29,493).

No Employees received remuneration in excess of the highest-paid director in either year. Remuneration ranged from £17k to £115k (2017-18, £17k to £114k).

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Pension Entitlements [Audited information]

Officials	Accrued pension at pension age as at 31-3-19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-19 or date of leaving if earlier	CETV at 31-3-18 or date of commencement if later	Real increase/ (decrease) in CETV*	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr D McMahon Permanent Secretary	20 - 25	2.5 - 5	312	247	29	-
Mr C Lewis Deputy Secretary (To 30 September 18)	30 - 35 plus lump sum of 100 - 105	0 - 2.5 plus lump sum of 2.5 - 5	773	717	23	-
Mr D Small Deputy Secretary	45 - 50 plus lump sum of 135 - 140	0 - 2.5 plus lump sum of 2.5 - 5	1,045	937	25	-
Mr N Fulton Deputy Secretary	45 - 50	0 - 2.5	868	751	37	-
Mr R Huey Deputy Secretary	30 - 35 plus lump sum of 100 - 105	0 - 2.5 plus lump sum of 2.5 - 5	821	733	25	-
Mr D Reid Finance Director	15 - 20 plus lump sum of 35 - 40	0 - 2.5	278	231	8	-
Mr S McGrade Deputy Secretary	25 - 30 plus lump sum of 60 - 65	0 - 2.5 plus lump sum of 2.5 - 5	467	435	28	-
Mr B Doherty Director of Corporate Services until December 18 then January 19 - Director of Corporate Services & Contingency Planning	35 - 40 plus lump sum of 105 - 110	5 - 7.5 plus lump sum of 10 - 12.5	744	616	64	-
Mrs F McCandless Director of Corporate Services (from 1 June 18)	25 - 30 plus lump sum of 55 - 60	0 - 2.5	473	413	10	-

* Real increase in Cash Equivalent Transfer Value (CETV) and pension benefit accrued for the single total figure of remuneration can be negative due to period of pay restraint if higher than pay increases. Final salary pension, when no pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increases.

Northern Ireland Civil Service Pension Schemes

Pension benefits are provided through the NI Civil Service pension scheme 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

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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 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 rate is 2.32%.

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

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

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 - 31 March 2020 are as follows:

Scheme Year 1 April 2019 to 31 March 2020

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2019 to 31 March 2020
£0	£23,500.99	4.6%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		8.05%

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

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

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

Cash Equivalent Transfer Values

A 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.

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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 Information]

No compensation payments were made or due to any of the senior management for DAERA under Civil Service Compensation Scheme (NI) (CSCS (NI)) in the year ending 31 March 2019.

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2. Staff Report

DAERA has seen increased staffing levels in 2018-19 due in the main to the requirements of EU exit.

2.1 Staff costs comprise [Audited Information]:

	2018-19				2017-18
	Permanently employed staff* £'000	Others £'000	Ministers** £'000	Total £'000	Total £'000
Wages and salaries	88,198	4,323	-	92,521	89,158
Social security costs	9,189	1	-	9,190	8,818
Other pension costs	20,078	2	-	20,080	19,294
Sub total	117,465	4,326	-	121,791	117,270
Recoveries from outward secondments	(72)	-	-	(72)	(113)
Total net costs	117,393	4,326	-	121,719	117,157

Of which:

	Charged to Administration £'000	Charged to Programme £'000	Total £'000
Core Department	31,384	59,019	90,403
Agencies	-	31,388	31,388
Total net costs	31,384	90,407	121,791

Core department

*There were no Special Advisers costs in both years.

**There were no Ministers costs in both years.

The NICS main pension schemes are unfunded multi-employer defined benefit schemes but DAERA is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

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For 2018-19, employers' contributions of £20,015k were payable to the NICS pension arrangements (2017-2018 £19,581k) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work was completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20. Employer contribution rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £65k (2017-2018 £63k) 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% (2017-2018, 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 £2k, 0.5% (2017-2018 £2k, 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.

9 persons (2017-18: 8 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £36k (2017-18: £33k).

2.2 Average number of persons employed [Audited information]

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the department as well as in agencies and other bodies included within the consolidated departmental Accounts:

					2018-19	2017-18
Departmental Strategic Objective	Permanent staff	Others	Ministers	Special advisers	Total Number	Total Number
RFR A	2,836	117	-	-	2,953	2,922
Staff engaged on capital projects	42	-	-	-	42	45
Total	2,878	117	-	-	2,995	2,967
Core Department	2,205	45	-	-	2,250	2,257
Agencies	673	72	-	-	745	710

In 2018-19 NIEA employed an additional 26 ftes as temporary workers to cover shortages in Scientific Officers which the Agency are currently recruiting for.

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2.3 Reporting of Civil Service and other compensation schemes - exit packages [Audited Information]

Comparative data is shown (in brackets) for previous year.

2018-19				
Exit package cost band	Core		Consolidated	
	Number of other departures agreed	Total number of exit packages by cost band	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	34/(-)	34/(-)	40/(-)	40/(-)
£10,000 - £25,000	-	-	-/(1)	-/(1)
£25,000 - £50,000	2/(3)	2/(3)	2/(4)	2/(4)
£50,000 - £100,000	1/(1)	1/(1)	1/(1)	1/(1)
Total number of exit packages	37/(4)	37/(4)	43/(6)	43/(6)
Total Resource Cost / £000	177,788/ (163,116)	177,788/ (163,116)	186,353/ (219,610)	186,353/ (219,610)

Redundancy and other departure costs have been paid in accordance with the provisions of the CSCS (NI), a statutory scheme made under the Superannuation (NI) Order 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Staff Composition

The following is an analysis of staff numbers at the 31 March 2019:

Group	Male	Female	Total
Board Members	7	1*	8
Senior Managers	32	12	44
Other Employees	1,661	1,327	2,988
Total	1,700	1,340	3,040

* This excludes 2 female non executive board members and one female executive NICS HR representative who is not a senior official.

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Departmental employees are eligible for pension benefits that are disclosed in Note 1.15 and Note 3 to the Accounts and the Remuneration Report.

There were no Equal Pay payments made to a member of DAERA staff in the 2018-19 financial year. There are 51 DAERA staff to sign agreements totalling £34,276.

Sickness absence rates for the Department for the period April 2018 to March 2019 were, provisionally, 10.3 working days lost per staff year equivalent. No Ministerial target was set for 2018-19. In the previous year, 2017-18, the Department achieved 10.5 working days lost per staff year equivalent.

The Department ensures that all staff are kept informed of plans and developments through meetings, team briefings, circulars and the publication of business and training plans.

Staff have access to welfare services and trade union membership. The Department uses the established Whitley process of staff consultation. The Whitley Council and Committees provide an agreed forum for discussion and they are attended by employer and employee (trade union) representatives.

Off Payroll engagements

There were no off payroll engagements at a cost of over £58,200 per annum in place during the financial year 2018-19.

Off Payroll engagements of Board Members and / or Senior Officials

The following tables discloses off payroll engagements of Board Members and / or Senior Officials with significant financial responsibility between 1 April 2018 and 31 March 2019:

	Main Department	Agencies
Number of off payroll engagements of Board Members, and or senior officials with significant financial responsibility, during the financial year.	-	-
Total number of individuals on payroll and off payroll that have been deemed "Board Members and / or Senior Officials with significant financial responsibility," during the financial year. This figure should include both on payroll and off payroll engagements.	12	-

Consultancy Costs

The following table is an analysis of consultancy and temporary staff costs for 2018-19:

	2018-19		2017-18	
	£'000 Core	£'000 Consolidated	£'000 Core	£'000 Consolidated
Consultancy	168	169	191	191
Temporary staff costs	1,249	4,326	937	3,991
Total	1,417	4,495	1,128	4,182

Employment, training and advancement of disabled persons

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for NI, 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 chairs of NICS recruitment panels. The NICS also has mandatory unconscious bias training for all staff.

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

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

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; and
- an inclusive NICS in which diversity is truly valued - a great place to work.



Being recognised by employees and leaders as an engaging organisation that is a great place to work is of critical importance to us and the People Survey results were encouraging, with a significant overall increase in the number of people completing the survey, an increase in the engagement score and good progress in most of our high level themes.

People Survey 2018 Areas of Success

The NICS People Survey looks at civil servants' attitudes to and experience of working in the Northern Ireland Civil Service.

There is much to be celebrated in DAERA's 2018 People Survey results, including:

- the engagement index was 55 percent, with an increase of five points on the previous year point;
- leadership and managing change results showed a significant increase of 4 points, to 47 percent; and
- all nine individual engagement theme scores for DAERA have increased since 2017.

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Throughout the year, DAERA will continue to increase opportunities for employee engagement by ensuring that employees can participate in the decisions that impact the department.

Equality, Diversity and Inclusion

The [NICS People Strategy 2018-21](#) places diversity and inclusion at its centre and includes a range of actions that will help accelerate the NICS' ambition to be a service that reflects the society we serve.

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

Employee Consultation and Trade Union Relationships

DoF is responsible for the NICS Industrial Relations Policy. The centralised human resource function, 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.

Learning and Development

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

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

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

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

Health and Safety

DAERA remains committed to ensuring, so far as reasonably practicable, the health, safety and welfare of its employees and others affected by its undertakings. This commitment is confirmed in the Health & Safety Policy Statement and TMT have Health & Safety as a standing agenda item at their weekly meeting.

The main Health & Safety focus for 2018-19 has been initial actions towards compliance with DAERA Health & Safety Management Framework, approved by the DAERA Board in June 2017:

- Health & Safety has been integrated into the Departments governance process, with inclusion in the DAERA Strategy, Risk Management process and senior management Stewardship Reports;

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- the DAERA Board review Health and Safety performance on a regular basis;
- a new Department wide “Health and Safety Organisation” document, establishing staff Health and Safety responsibilities, has been introduced;
- six new Department wide “Health and Safety Arrangements”, outlining how key Health and Safety issues should be managed, have been issued in 2018-19; and
- Health and Safety articles are now a regular feature in Team Brief, and Premises Officers are supported with quarterly Health and Safety Updates.

Staff consultation has been encouraged at Departmental level through the Whitley Sub-committee with various Health and Safety Committees are in place at a more local level.

The Department is also committed to the safety of farmers, families and their employees through significant input to the work of the Farm Safety Partnership (FSP). The plan has four key areas of work - information and promotion, training and research, children and young people and developing change. Each area has targeted objectives with measurable outcomes. The Action Plan is available on the Health and Safety Executive for NI (HSENI) website at:

<https://www.hseni.gov.uk/sites/hseni.gov.uk/files/farm-safety-action-plan-2017-2020.pdf>.

The Department continues to provide funding for the ongoing, high profile and often hard hitting farm safety campaign, ‘Stop and Think SAFE’.

Department officials also sit on a North South Farm Safety Group which allows sharing of information relating to farm safety from both Northern and Southern Ireland.

Estate Transformation

In line with a previous PfG target the DAERA Ballykelly relocation project was completed by the end of April 2018 with over 250 posts relocated to the new building. Since then a further 40 posts have been relocated and as at March 2019 the total number of posts based at Ballykelly now stands at 293. The Department’s overall objective, agreed in 2016 with the then Minister, remains to have at least 320 posts in Ballykelly by 2021.

In the incoming year the Department, will be undertaking a review to inform the transition of further DAERA and / or NICS posts to Ballykelly House.

Additionally in recognition of the diverse nature and aged condition of some of the DAERA estate and the need to ensure we use the estate in a strategic way which supports broader government objectives, the Department has established an Estate Transformation Division during the 2018-19 year. In addition to ensuring the ongoing maintenance of the estate the Division has been working with stakeholders to agree a Departmental Estate Transformation Programme. The delivery of the Programme will be overseen by an Estate Transformation Oversight Board.

The development of a DAERA Estate Transformation Programme will help provide a more detailed strategic and long term planning approach to estate transformation across the Department. The Programme will provide a holistic overview of estate related activities and requirements including opportunities for improvements, increased efficiencies, rationalisation and di-vestment. It will also inform the prioritisation and allocation of departmental capital funding for estate projects.

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Assembly Accountability and Audit Report

Statement of Assembly Supply [Audited Information]

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government FReM requires DAERA to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each Request for Resources.

Summary of Resource Outturn 2018-19

								2018-19	2017-18
Request for Resources	Note	Estimate			Outturn			Net total outturn compared with estimate: saving/ (excess)	Outturn Net Total
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Request for Resources A	SOAS 1	692,132	(387,262)	304,870	629,858	(369,453)	260,405	44,465	208,870
Total resources		692,132	(387,262)	304,870	629,858	(369,453)	260,405	44,465	208,870
Non-operating cost Accruing Resources		-	(1,020)	(1,020)	-	(820)	(820)	(200)	(116)

Net Cash Requirement 2018-19

					2018-19	2017-18
	Note	Estimate	Outturn	Net total outturn compared with Estimate: saving/ (excess)	Outturn	
		£'000	£'000	£'000	£'000	
Net cash requirement	SOAS3	274,776	251,708	23,068	242,377	

Annual Report and Accounts for the year ended 31 March 2019

Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	2018-19 Forecast			2018-19 Outturn	
	Note	Income £'000	<i>Receipts</i> £'000	Income £'000	<i>Receipts</i> £'000
Total	SOAS4	-	-	-	-

Explanations of variances between Estimate and outturn are given in Note SOAS1 and in the Performance Report.

The notes on pages 96 - 100 form part of these accounts.

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for the year ended 31 March 2019

SOAS1: Analysis of net resource outturn by function

	2018-19 Outturn						2018-19 Estimate			2017-18 Outturn
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	Net Total outturn compared with Estimate	Net Total outturn compared with Estimate adjusted for virements	Prior- year Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Request for Resources A - Promoting sustainable development of the agri-food industry and the countryside; stimulate the economic and social revitalisation of rural areas; protect and enhance the natural environment; promote sustainable development of the sea fishing and aquaculture industries; and manage protect, develop and expand forests in a sustainable way.

Departmental Expenditure in DEL:

1. Food and Farming Group	22,987	36,243	31,115	90,345	(10,318)	80,027	80,005	(22)	(968)	48,296
2. Veterinary Service and Animal Health Group	4,565	66,662	558	71,785	(16,431)	55,354	57,151	1,797	98	53,272
3. Rural Affairs Group	7,596	8,825	3,889	20,310	(258)	20,052	20,089	37	818	12,766
4. Environment, Marine and Fisheries Group	9,968	44,885	8,421	63,274	(16,911)	46,363	45,462	(901)	115	43,981
5. Forest Service Agency	1,826	15,016	468	17,310	(10,387)	6,923	5,772	(1,151)	(305)	6,437
6. Common Agricultural Policy (CAP)	-	292,678	18,895	311,573	(311,573)	-	-	-	-	-
7. EU Community Initiatives	-	-	4,206	4,206	(3,575)	631	629	(2)	-	281

Annually Managed Expenditure:

8. Forest Service Timber	-	(16,437)	-	(16,437)	-	(16,437)	5,000	21,437	21,437	(9,125)
9. Provisions	-	339	-	339	-	339	12,500	12,161	12,161	(110)
10. Revaluations due to changes in market values	-	(478)	-	(478)	-	(478)	3,050	3,528	3,528	(515)
11. Fisheries	-	92	-	92	-	92	100	8	8	93

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	2018-19 Outturn						2018-19 Estimate			2017-18 Outturn
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	Net Total compared with Estimate	Net Total compared with Estimate adjusted for virements	Prior- year Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-Budget:										
12. Agri-Food and Biosciences Institute	-	-	47,249	47,249	-	47,249	47,325	76	76	34,614
13. The Loughs Agency of the Foyle, Carlingford and Irish Lights Commission	-	-	2,258	2,258	-	2,258	2,686	428	428	1,504
14. Notional Charges	18,032	-	-	18,032	-	18,032	25,101	7,069	7,069	17,376
Total	64,974	447,825	117,059	629,858	(369,453)	260,405	304,870	44,465	44,465	208,870

Explanation of variance between Estimate and Outturn

The main reasons for the underspend of £44.5m are as follows:

- Within AME, the Forest Service Timber underspend of £21.4m is as a result of a revaluation of Forest Service Timber in line with International Accounting Standards (IAS) 41. Growing Timber is valued on a fair value basis by applying the present value of future revenues based on the sale of Mature Timber and deducting the costs to sell. A key requirement of IAS 41 is that all in year movements in the timber valuation must be charged directly to the CSoCNE. The potential for large movements in the timber value is high given the number of variables outside of the control of Forest Service such as the volatility of timber sales prices due to world timber market conditions.
- Provision had been made in the estimates for CAP disallowance however these amounts were not required and led to an underspend of £12.2m in AME.
- Within Non Budget, notional costs across a range of categories were less than estimated at the January Monitoring Round resulting in an underspend of £8m.
- Within AME revaluations to the Department's assets were higher than anticipated leading to an underspend of £3.5m. A full revaluation of the Department's estate is due in 2020-21.

Annual Report and Accounts for the year ended 31 March 2019

SOAS2: Reconciliation of outturn to net operating cost

		2018-19			2017-18
	Note	Outturn £'000	Supply Estimate £'000	Outturn compared with Estimate £'000	Outturn £'000
Net Resource outturn (Note a)	SOAS1	260,405	304,870	44,465	208,870
Unrealised exchange (gain)/loss (Note b)		109	-	(109)	(131)
Non-supply income (CFERs)	SOAS4	-	-	-	-
Net Operating Cost in Consolidated Statement of Comprehensive Net Expenditure (Note a)		260,514	304,870	44,356	208,739

Note a - Net operating cost is the total of expenditure and income appearing in the CSoCNE. Net resource outturn is the total of those elements of expenditure and income that are subject to Assembly approval and included in the Department's Supply Estimate.

Note b - This adjustment was required to take account of a change in budgeting rules which classified unrealised exchange losses or gains as 'outside the vote'.

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SOAS3: Reconciliation of net resource outturn to net cash requirement for 2018-19

2018-19				
	Note	Estimate £'000	Outturn £'000	Net Total outturn compared with Estimate: saving / (excess) £'000
Resource Outturn	SOAS1	304,870	260,405	44,466
Capital:				
Acquisition of property, plant and equipment	7,8	22,152	21,803	349
Non-operating Accruing Resources				
Net Book value of asset disposals	4,5	(1,020)	(820)	(200)
Accruals to cash adjustments				
<i>Adjustments to remove non-cash items</i>	4,5			
Depreciation		(26,695)	(17,789)	(8,906)
New provisions, and adjustments to previous provisions		(12,500)	(74)	(12,426)
Other non-cash items		(25,101)	(2,056)	(23,046)
Changes in working capital other than cash				
- Increase / (Decrease) in inventories			78	
- Increase / (Decrease) in receivables			878	
- (Increase) / Decrease payables falling due within one year			(11,305)	
Total changes in working capital other than cash		12,500	(10,349)	22,849
Use of provision	18	570	588	(18)
Net cash requirement		274,776	251,708	23,068

Explanation of variance between Estimate and Outturn

A prudent estimate was made in December 2018 when forecasting the cash requirements of the Department to 31 March 2019. The variance of £23m mainly related to the year end when there were larger than expected grant accruals.

Annual Report and Accounts

for the year ended 31 March 2019

SOAS4: Income Payable to the Consolidated Fund

The Department had no income or receipts in 2018-19 (2017-18 income nil and receipts £14,529) which were payable to the Consolidated Fund.

SOAS5: Reconciliation of income recorded within the CSoCNE to operating income payable to the Consolidated Fund

		2018-19	2017-18
	Note	£'000	£'000
Operating income	6	369,453	363,406
Gross income		369,453	363,406
Income authorised to be Accruing Resources	SOAS1	(369,453)	(363,406)
Operating income payable to the Consolidated Fund	SOAS4	-	-

SOAS6: Non-Operating Income - Excess Accruing Resources

The Department had no non-operating income in 2018-19 (2017-18:nil).

Assembly Accountability Disclosure

Business activities attracting fees and charges [Audited Information]

This note is for fees and charges purposes and not for IFRS 8 Operating Segments purposes.

The table on page 101 summarises the range of activities undertaken by the Department against which it receives income, in excess of £5m. It is important to note that in a vast majority of cases the price for the goods and services is established by market rates. Where appropriate, the Department aims to secure full cost recovery.

Annual Report and Accounts for the year ended 31 March 2019

Income Source	2018-19 Income	2018-19 Full Cost	2018-19 Surplus/ (Deficit)	Financial Objective
	£'000	£'000	£'000	
Timber and Other forest products	8,727	1,261	7,466	Recover full cost plus rate of return in line with comparable businesses - achieved.
NIEA - Resource Efficiency Pollution	8,288	8,504	(216)	Full cost recovery* - achieved with marginal under recovery.
Food Standards Agency	6,992	6,674	318	Full cost recovery - achieved with marginal over recovery.
Total	24,007	16,439	7,568	

*Small portion of over / under recovery

Income Source #	2017-18 Income	2017-18 Full Cost	2017-18 Surplus/ (Deficit)	Financial Objective
	£'000	£'000	£'000	
Timber and Other forest products	9,072	1,015	8,057	Recover full cost plus rate of return in line with comparable businesses - achieved.
NIEA - Resource Efficiency Pollution	8,089	7,833	256	Full cost recovery - achieved.
Food Standards Agency	6,894	6,879	15	Full cost recovery - achieved.
Total	24,055	15,727	8,328	

2017-18 figures have been restated from prior year published accounts

Remote Contingent Liabilities [Audited Information]

In addition to contingent liabilities reported within the meaning of IAS 37, the Department 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 2018-19, in addition to the items covered in the Provisions Note 18 and the contingent liabilities Note 19, one of the Department's agencies is currently considering various options that may be required in relation to an illegal landfill site (2017-18: nil).

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for the year ended 31 March 2019

Departure of the UK from the EU

In July 2018, the UK Government announced an extension of its guarantee of EU-funded projects after the UK has left the EU. The guarantee was originally announced in 2016. The guarantee now covers the following:

- the full Multiannual Financial Framework allocation for structural and investment funds over the 2014-20 funding period, with payments to beneficiaries made up to the end of 2023;
- the payment of awards where UK organisations successfully bid directly to the EC on a competitive basis for EU funding projects while we remain in the EU (e.g. before Exit day), for the lifetime of the project;
- the payment of awards where UK organisations successfully bid to the EC on a competitive basis to participate as a 3rd country after Exit, and until the end of 2020, for the lifetime of the project; and
- the current level of agricultural funding under CAP Pillar 1 until 31 December 2020.

The financial settlement was agreed in principle by both the UK and EU, as set out in the draft Withdrawal Agreement of 25 November 2018. The guarantee will therefore only be called in the event that the Withdrawal Agreement is not ratified in the case of no deal, and UK organisations are unable to access EU funding. As a result, and due to the EU funding DAERA provides, an unquantifiable contingent liability is disclosed in note 19.

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

Any subsequent changes in legislation, regulation and funding arrangements are subject to the outcome of the negotiations. As a result, an unquantifiable contingent liability is disclosed, relating to technical assistance and animal disease control. In accordance with accounting standards, no contingent assets can be recognised.

Regularity of Expenditure [Audited Information]

The Department has established monitoring systems to identify potential or actual irregular expenditure.

A Stewardship Reporting exercise is undertaken three times a year and Finance Division has a role in reviewing Economic Appraisals to ensure the regularity and propriety of proposals.

Business Areas are asked on a monthly basis to confirm that the information held on the Losses and Special Payments Register is correct.

Annual Report and Accounts for the year ended 31 March 2019

Losses and special payments [Audited Information]

Losses Statement

	2018-19	2017-18
	Core Dept & Agency	Core Dept & Agency
Total number of losses / cases	131	68
Total value of losses £'000	545	5,224

These claims include abandoned claims, constructive losses, other losses, malicious damage, theft, cash losses, accidental damage, fruitless payments, forest fires and unvouched or incompletely vouched expenditure.

Special Payments

	2018-19	2017-18
	Core Dept & Agency	Core Dept & Agency
Total number of special payments	8	15
Total value of special payments £'000	7	479

These cases include Ex Gratia payments, compensation payments, and Extra Statutory payments.

North / South Bodies

In the absence of a DAERA Minister it was not possible to secure NSMC approval of 2017, 2018 and 2019 Business Plans for the Loughs Agency. While arrangements have been made with DoF to ensure legality of payments in the absence of business plans, expenditure will be irregular until NMSC approves Business Plans.

There were no gifts made by the Department where the total value exceeds £300,000.



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

25 June 2019

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 Department of Agriculture, Environment and Rural Affairs for the year ended 31 March 2019 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. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Assembly Supply, and the related notes, and 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 Department's affairs as at 31 March 2019 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 Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2019 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

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

Other Information

The Accounting Officer is responsible for the 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 the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

Opinion on other matters

In my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Annual Report and Accounts

for the year ended 31 March 2019

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also 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 Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

2 July 2019

Annual Report and Accounts for the year ended 31 March 2019

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2018-19	2017-18
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Revenue from contracts with customers	6	(47,456)	(48,692)
Other Operating Income	6	(321,997)	(314,714)
Total Operating Income		(369,453)	(363,406)
Staff costs	3	121,791	117,270
EU expenditure	4,5	317,801	308,751
National grant expenditure and disallowance	4,5	94,608	38,693
Purchase of goods and services	4,5	32,161	36,818
Depreciation and impairment charges	4,5	18,264	14,734
Provision expense	4,5	599	5,665
Other operating expenditure	4,5	61,180	59,339
Growing Timber Revaluation	4,5	(16,437)	(9,125)
Total Operating Expenditure		629,967	572,145
Net Operating Expenditure		260,514	208,739
Net Expenditure for the year		260,514	208,739
Other Comprehensive Net Expenditure Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	7	(12,813)	(8,623)
Net (gain)/loss on revaluation of Intangible Assets	8	(985)	(1,283)
Comprehensive Net Expenditure for the year ended 31 March 2019		246,716	198,833

All income and expenditure are derived from continuing operations.

The notes on pages 113 to 146 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2019

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Financial Position as at 31 March 2019

This statement presents the financial position of the Department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		2018-19	2017-18
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Non-current assets			
Property, plant and equipment	7.1	347,151	336,188
Biological assets	7.2	213,420	197,445
Heritage assets	7.3	2,735	2,735
Intangible assets	8	42,976	37,410
Financial assets		26	26
Total non-current assets		606,308	573,804
Current assets			
Assets classified as held for sale	13	1,198	736
Inventories	14	2,282	2,204
Trade and other receivables	16	35,629	36,592
Cash and cash equivalents	15	629	331
Total current assets		39,738	39,863
Total assets		646,046	613,667
Current liabilities			
Trade and other payables	17	(72,646)	(61,232)
Cash and cash equivalents	15	(1,480)	(3,023)
Provisions	18	(553)	(1,064)
Total current liabilities		(74,679)	(65,319)
Total assets less current liabilities		571,367	548,348

The notes on pages 113 to 146 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2019

		2018-19	2017-18
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Non-current liabilities			
Provisions	18	(149)	(152)
Total non-current liabilities		(149)	(152)
Total assets less total liabilities		571,218	548,196
Taxpayers' equity & other reserves:			
General fund		410,874	397,188
Revaluation reserve		160,344	151,008
Total equity		571,218	548,196



Dr Denis McMahon
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
25 June 2019

The notes on pages 113 to 146 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2019

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Cash Flows for the year ended 31 March 2019

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting year. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

		2018-19	2017-18
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Cash flows from operating activities			
Net operating cost	CSoCNE	(260,514)	(208,739)
Adjustments for non-cash transactions		20,666	23,606
(Increase)/Decrease in trade and other receivables <i>less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>	16	963	23,155
		(1,841)	(25,539)
(Increase)/Decrease in inventories	14	(78)	(43)
Increase/(Decrease) in trade and other payables <i>less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>	17	11,414	(62,470)
		(5,042)	41,485
Use of Provisions	18	(588)	(516)
Net cash outflow from operating activities		(235,020)	(209,061)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,979)	(4,997)
Purchase of intangible assets	8.1	(12,795)	(13,921)
Proceeds of disposal of property, plant and equipment		86	131
Net cash outflow from investing activities		(16,688)	(18,787)

The notes on pages 113 to 146 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2019

		2018-19	2017-18
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year	CSoCITE	250,857	239,685
From the Consolidated Fund (Supply) - prior year	CSoCITE	2,692	28,231
Net financing		253,549	267,916
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to the Consolidated Fund	15	1,841	40,068
Payments of amounts due to the Consolidated Fund		-	(40,102)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		1,841	(34)
Cash and cash equivalents at the beginning of the year	15	(2,692)	(2,658)
Cash and cash equivalents at the end of the year	15	(851)	(2,692)

The notes on pages 113 to 146 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2019

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

This statement shows the movement in the year on the different reserves held by the Department, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. Other earmarked reserves are shown separately where there are statutory restrictions of their use.

	Notes	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2017		342,850	144,422	487,272
Net Assembly Funding - drawn down		239,685	-	239,685
Supply receivable adjustment	16	2,692	-	2,692
Comprehensive Net Expenditure for the year	CSoCNE	(208,739)	9,906	(198,833)
Transfer of Asset		6	-	6
Non-Cash Adjustments				
Accommodation and other charges	4	17,247	-	17,247
Auditor's remuneration	4	127	-	127
Transfers between reserves		3,320	(3,320)	-
Balance at 31 March 2018		397,188	151,008	548,196
Net Assembly Funding - drawn down		250,857	-	250,857
Supply receivable adjustment	15	851	-	851
Comprehensive Net Expenditure for the year	CSoCNE	(260,514)	13,798	(246,716)
Non-Cash Adjustments				
Accommodation and other charges	4,5	17,905	-	17,905
Auditor's remuneration	4	125	-	125
Movements in Reserves				
Transfers between reserves		4,462	(4,462)	-
Balance at 31 March 2019		410,874	160,344	571,218

The notes on pages 113 to 146 form part of these accounts

Department of Agriculture, Environment and Rural Affairs

Resource Accounts at 31 March 2019

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2018-19 *Government Financial Reporting Manual* (FReM) issued by the DoF. 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 DAERA for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare one additional primary statement. The *Statement of Assembly Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement which are included in the Accountability and Audit Report.

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, intangible assets and certain financial assets and liabilities.

1.2 Basis of consolidation

These accounts comprise a consolidation of the non-agency parts of the department (the core department), and those entities which fall within the departmental boundary as defined in the FReM, interpreted for NI.

1.3 Property, plant & equipment and biological assets

Capitalisation

Expenditure on property, plant and equipment of over £5,000 is capitalised. Within the Department the grouping of computer equipment, in respect of items falling below this threshold, has also been undertaken.

On initial recognition property, plant and equipment and intangible Assets are 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 (SoFP) to the extent that money has been paid or a liability has been incurred.

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Subsequent expenditure on an asset, that meets the criteria in compliance with IAS 16, is capitalised, otherwise it is written off to revenue.

Valuation

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 Revenue Rating and Valuation (IRRV).

Professional revaluations of land and buildings (with the exception of Forest Land) are undertaken every five years by LPS Division of DoF. LPS practices comply with RICS Valuation Standards (The Red Book) which provides a regulated framework and practice guidance and standards, including compliance with International Valuation Standards. LPS revalued all Core Land and Buildings at 1 April 2015 and Forest Service was revalued at 1 April 2014.

NIEA Buildings were revalued as at 1 April 2016. 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.

From 1 April 2012, land and buildings are revalued annually, between professional valuations, using the Building Cost Information Service index provided by LPS. Properties surplus to requirements are valued on the basis of open market value less any material, directly attributable, selling costs.

Forest Land now forms part of the Combined Asset Valuation (CAV) of forestry land and timber thereon and is valued annually by LPS. The fair value for the land is calculated by deducting the fair value of the timber from the CAV. All valuations have been carried out by LPS in accordance with the current edition of the Appraisal and Valuation Manual produced jointly by the RICS, the ISVA and the IRRV.

The value of trees grown for commercial purposes is included in non-current assets at a fair value basis less estimated selling costs. The fair value is determined by applying the present value of expected net cash flows from the asset (future revenues based on the sale of mature timber), discounted at a current market determined pre-tax rate to calculate the fair value of the timber asset at any point in time. Revaluations are directly charged to the CSocNE.

The Department's Heritage Assets comprise the Peace Maze at Castlewellan Forest Park and Glenariff Walkway and lands that have been declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific interest. These are shown separately on the face of the SoFP and also in Note 7.3. Heritage Assets are valued at historical cost.

Assets under Construction are carried at cost.

With the exception of the Forestry Land and Timber above and items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

Other property, plant and equipment were re-valued using the latest available indices.

Depreciation

Land at Baronscourt is being handed back to its owner in stages up to the year 2024. Depreciation is being charged over that period. There is no depreciation charge on the Department's own land.

Heritage Assets will be maintained in perpetuity and consequently have not been depreciated.

Assets under Construction are not depreciated until they are commissioned.

For all other categories of property, plant and equipment, depreciation is charged on a straight line basis, to write off the cost or valuation, less estimated residual value, where relevant, of each asset over its estimated useful life. Depreciation is charged in full in the month of acquisition, with no charge in the month of disposal. The useful lives, which are reviewed regularly and where necessary revised, are:

• Freehold & Long Leasehold Land	Not depreciated
• Other Land	Terms of lease
• Buildings	10 - 75 years
• Plant, Machinery, Information Technology	3 - 40 years
• Transport & Equipment	5 - 15 years

1.4 Intangible Assets

Software Licences

Purchased computer software and associated licences are capitalised as intangible assets where expenditure of £5,000 or more is incurred. In addition similar licences falling below this threshold, which when grouped exceed the threshold, are also capitalised. The value of the capitalised licences is restated at current value at the balance sheet date in accordance with the movement in the Retail Price Index (RPI). The licences are amortised over their expected useful life, which can be from 1 to 15 years depending on the licence.

Land Rights

Other intangibles relate to Forest Service land rights (shooting and turbarry rights). The forest land rights, being land based, are as a consequence revalued every 5 years by a professional valuer. The valuation of land rights used in these accounts was provided by LPS as at 1 April 2014. There is no in year amortisation charge as the life span is land-based and therefore assumed to be infinite.

Developed Software

Developed software is the Forest Service Geographic Information System (FSGIS) which is used in the management and monitoring of Forest Service forests and grant aided woodlands. This software is amortised over the expected useful life of the asset, which can be from 1 to 7 years.

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Sporting and Fishing Rights

Sporting and fishing rights are valued at modified historical cost, as this is considered a proxy for fair value in the absence of value in use, or the fair value attributed at the time of acquisition subsequently indexed. Sporting and fishing rights are not amortised. This is supported by annual impairment reviews using the latest available indices published in 'Retail Price Indices CHAW' which are the indices applied to internally developed software, externally developed software, software licences and licences, trademarks and artistic originals as prepared by the ONS to ensure that the carrying value of the intangible asset does not exceed its recoverable amount.

1.5 Financial Assets

Financial interests, in bodies that are outside the departmental boundary, are treated as fixed asset investments as they are held for the long term. These comprise non-tradeable shares, at historic cost, in United Dairy Farmers Limited, a dairy farmer co-operative registered in NI.

1.6 Current Assets Held for Sale

The Department classifies a non-current asset as held for sale where its value is expected to be realised principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Current assets held for sale are valued on the basis of open market value less any material directly attributable selling costs.

1.7 Inventories

Livestock

Livestock are valued at market value.

Fish stock

Fish stock is valued by allocating costs to salmon and trout stock based on the cost of production process.

Other inventories are valued at the lower of cost and net realisable value.

1.8 Income

In 2018-19 DAERA implemented IFRS 15 changing the disclosure of income as either Revenue from contracts with customers or Other Operating Income. There was no material impact on the income that the Department recognises. Revenue from contracts with customers is income that relates directly to operating activities of the Department and comprises fees and charges, to be recovered for services provided to external customers,

sale of timber, and public repayment work. It includes the Department's accruing resources and any income payable to the Consolidated Fund. Other Operating Income is income received from the EU under CAP for Peace and Reconciliation, and other EU initiatives.

1.9 Foreign Exchange

Transactions, which are denominated in a foreign currency, are translated into sterling at the exchange rate ruling on the date of each transaction. Balances at year end are restated using the exchange rate at the year end and any exchange gain or loss is treated as income or expenditure.

1.10 Grants

The Department recognises grant expenditure in the year in which the recipient carries out the activity that creates an entitlement to the grant support, in so far as it is practicable to do so. EU income due to the Department is accrued in line with the relevant expenditure.

1.11 Provisions

The Department provides for legal or constructive obligations, which are of uncertain timing, or amount at the SoFP date, on the basis of the best estimate of the expenditure required to settle the obligation.

Legal claims and other provisions are provided for at the full assessed amount in each case.

1.12 Value Added Tax (VAT)

VAT is recovered on an accruals basis. The CSocNE and SoFP are stated net of VAT. Any amounts of Irrecoverable VAT are charged to the CSocNE when incurred.

1.13 Third-Party Assets

The Department holds a number of bank accounts on behalf of third parties. These third parties include student trust funds, college club and society accounts, other trust funds and statutory accounts. In addition, a number of these trusts hold Treasury Stock and shares in the NI Central Investment Fund for Charities.

1.14 Administration and Programme Expenditure

An analysis of the split between administration and programme is included at note 4b. The classification of expenditure as administration or as programme follows the definition of administration costs set out in the Consolidated Budgeting Guidance issued by HM Treasury and adopted by DoF for NI. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Department, as well as certain staff costs where they relate directly to service delivery. All of the Forest Service and NIEA income and expenditure relates directly to service delivery and as such are designated as programme.

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1.15 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. Expenditure is based on a specific report run from the Personnel system which calculates the year-end balance using leave balances on the system.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI) (PCSPS (NI)). The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the year 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 Department recognises the contributions payable for the year. See Remuneration note.

Further details of the civil service pension arrangements can be found at the website: www.civilservicepensions-ni.gov.uk

1.16 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department 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 MPMNI.

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 are separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.17 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 de-recognised 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 de-recognition. A financial liability is de-recognised when, and only when, it is extinguished.

The Department has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with “IFRS 9 *Financial Instruments*” 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 less any expected loss.

The Department assesses at each SoFP date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. With the adoption of IFRS 9 the Department has moved to an expected credit loss model based on historical write off projected forward.

The Department 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 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 CSoCNE 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 CSoCNE 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 less any expected loss.

1.18 Related Party Transactions

The Department has had a number of transactions with other government departments and other central government bodies. Most of these transactions have been with NI departments and their executive agencies.

In terms of related party interests of the Department's officials, in the interests of transparency the Department considers it necessary that its top managerial officials and members of the Departmental Board declare all of the following:

- any interests in DAERA other than through the normal relationship of employee / employer, for example receipt of grants / subsidies for family farms;
- any interest in anybody with which DAERA has dealings including membership of Boards of those bodies even when such membership is part of the officer's job; and
- any such interest held by a close family member.

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1.19 Functional Currency and Rounding

The functional currency is Sterling and, except where otherwise stated, figures have been rounded to the nearest thousand pounds.

1.20 Critical Accounting Estimates and Key Adjustments

As a result of the uncertainties inherent in all business activities, many items in financial statements 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.

1.21 Accounting Standards

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

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 2010.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 1 April 2020, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

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2. Statement of Operating Costs by Operating Segment

The Department has used the factors identified in IFRS 8 Operating Segments to identify the reportable segments. The Department's reporting structure is based on clearly defined business units.

The individual business units engage in separate business activities in line with the Department's aims and objectives incurring expenditure and earning revenue. The performance of the business units are reported to the Departmental Board, chaired by the Accounting Officer, on a monthly basis against clearly defined targets. The accounting system design and reporting structure has been based on this organisational structure to enable discrete financial information to be readily available. Each division is funded through the NI Estimate and Budget process to promote sustainable development of the agri-food industry and the countryside, stimulate the economic and social revitalisation of rural areas, protect and enhance the natural environment, promote sustainable development of the sea fishing and aquaculture industries and manage, protect and expand forests in a sustainable way. Details of the activities of each segment are disclosed below.

The information provided is disclosed at Consolidated level with intra Departmental transactions being eliminated on consolidation. A large proportion of the Department's activities are based on the distribution of EU CAP funding to the local community.

	2018-19			2017-18		
	Gross Expenditure £'000	Income £'000	Net Expenditure/ (Income) £'000	Gross Expenditure £'000	Income £'000	Net Expenditure/ (Income) £'000
Veterinary Services & Animal Health	66,104	16,357	49,747	65,895	18,189	47,706
Food & Farming	437,742	321,746	115,996	385,372	315,262	70,110
Environment, Marine & Fisheries	62,559	20,389	42,170	58,939	17,912	41,027
Forest Service Agency	(1,520)	10,357	(11,877)	7,193	11,353	(4,160)
Central Services & Rural Affairs	65,082	604	64,478	54,746	690	54,056
Total	629,967	369,453	260,514	572,145	363,406	208,739

In accordance with IFRS 8, as total assets, net assets or additional information are not reported separately to the Departmental Board, no disclosure in respect of assets and liabilities has been made.

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Description of segments

Veterinary Service and Animal Health

Provision of veterinary services and veterinary public health services, payments of compensation to farmers for animals culled in disease control programmes, prevention and eradication of animal diseases and protection of animal welfare. Enforcement of marketing/classification standards, primary production hygiene and animal feeding stuffs legislation, support for the equine industry.

Food and Farming group

Expenditure on the CAFRE, provision of advice, support and guidance to farmers and the rural community by specialist advisors and frontline office staff. Measures associated with the provision of scientific services (by AFBI in the fields of agriculture, animal health and welfare, food, fisheries, the natural environment, rural development, enterprise and by other scientific bodies) and research grants to rural businesses. Delivery of food strategy and policy support to the agri-food industry, collection, collation and dissemination of agricultural and related statistics. Implementation of and payments in relation to CAP and EAFRD.

Environment, Marine and Fisheries (including NIEA)

Protection of the Environment through regulation, enforcement, research, monitoring and raising public awareness. Provision of environmental policy and legislation relating to waste and greenhouse gas emissions. Promotion, protection, enhancement and sustainable use of fish stocks, aquaculture and marine health. Payments under the EFF. Support for the operation of the Loughs Agency of the FCILC and NIFHA.

Forest Service Agency

Protection and conservation of forests, extension of woodland area, promotion of recreational use of forest areas and exploitation of forests for wood and non-wood products. Protection of plant health and bee health.

Central Services and Rural Affairs

Rural development (including tackling poverty and social isolation) and payments under the EAFRD, Digital Services Division and Brexit Division.

2.1 Reconciliation between Operating Segments and CSoCNE

There is no reconciliation between operating segments and the CSoCNE as there are no reconciling items.

2.2 Reconciliation between Operating Segments and CSoFP

There is no requirement to disclose CSoFP information by operating segment.

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3. Staff Costs

	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Wages and salaries	92,521	89,158
Social security costs	9,190	8,818
Other pension costs	20,080	19,294
Sub Total	121,791	117,270
Less recoveries in respect of outward secondments	(72)	(113)
Total Net Costs	121,719	117,157

of which:

Charged to Administration	31,384	30,022
Charged to Programme	90,407	87,248
	121,791	117,270

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4. Other Administration Costs

4 (a) Administration Costs

	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Purchase of Goods & Services		
Office services	2,073	1,975
Contracted out services	2,908	2,663
Professional costs	763	660
Consultancy costs	34	109
Other expenses	283	1,629
Total purchases of goods & services	6,061	7,036
Depreciation & impairment charges		
Non - cash costs:		
Depreciation - property, plant and equipment	276	270
Amortisation of intangible assets	7,033	5,142
Impairment / revaluation of asset	-	-
Total	7,309	5,412
Other operating expenditure		
Rentals under operating leases	143	101
Staff related costs	1,739	1,849
Accommodation costs	305	53
Loss on disposal of assets	1	-
Sub-Total Other operating expenditure	2,188	2,003
Notional Charges		
Notional auditor's remuneration	127	127
Notional accommodation	6,790	6,821
Other notional costs	11,115	10,428
Sub-Total Notional Charges	18,032	17,376
Total Administration Costs	33,590	31,827

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4 (b) Total Operating Expenditure Reconciliation

			2018-19
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Staff costs	31,384	90,407	121,791
EU expenditure	-	317,801	317,801
National grant expenditure and disallowance	-	94,608	94,608
Purchase of goods & services	6,061	26,100	32,161
Depreciation & impairment	7,309	10,955	18,264
Provision expenses	-	599	599
Other operating expenditure	20,220	40,960	61,180
Growing timber revaluation	-	(16,437)	(16,437)
Total	64,974	564,993	629,967

Total Operating Expenditure Reconciliation

			2017-18
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Staff costs	30,022	87,248	117,270
EU expenditure	-	308,751	308,751
National grant expenditure and disallowance	-	38,693	38,693
Purchase of goods & services	7,036	29,782	36,818
Depreciation & impairment	5,412	9,322	14,734
Provision expenses	-	5,665	5,665
Other operating expenditure	19,379	39,960	59,339
Growing timber revaluation	-	(9,125)	(9,125)
Total	61,849	510,296	572,145

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5. Programme Costs

5 (a) Programme Costs

	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Grant Expenditure		
EU Grants & Subsidies:		
Capital grants & subsidies	18,384	6,207
Current grants & subsidies - Area Aids Basic Payment Scheme	290,438	287,091
Current grants & subsidies - other	8,979	15,453
	317,801	308,751
National Grants & Subsidies:		
Grant in aid	49,507	36,118
Capital grants & subsidies	31,594	15,722
Current grants & subsidies	13,356	13,230
	94,457	65,070
CAP Disallowance	151	(26,377)
Total	412,409	347,444
Purchase of Goods & Services		
Office services	1,874	2,454
Contracted out services	5,293	5,528
Private veterinary practitioners fees & expenses	8,403	8,248
Professional & legal costs	4,481	4,951
Consultancy costs	165	135
Consumables & materials	2,830	2,922
Other goods and services	3,054	5,544
Total	26,100	29,782
Depreciation & Impairment Charges Non Cash Costs:		
Depreciation - property, plant & equipment	9,410	8,922
Amortisation of intangible assets	1,070	915
Impairment/revaluation of assets	475	(515)
Total	10,955	9,322

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	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Bad Debts	525	5,025
Provision expense	74	640
Provisions Total	599	5,665
Other Operating Expenditure		
Rentals under operating lease	609	583
Staff related costs	3,245	2,944
Accommodation costs	8,309	9,783
Exchange rate losses / (gains) - realised	(471)	988
Exchange rate losses / (gains) - unrealised	109	(131)
Diseased animals compensation	23,678	23,120
Non-capital plant and equipment purchases	1,899	1,072
Vehicle and plant costs	2,592	2,247
Sub Total	39,970	40,606
Non cash items		
Loss (gain) on disposal of assets	733	(16)
Provision for doubtful debt	257	(630)
Non Cash Total	990	(646)
Total	40,960	39,960
Growing timber revaluation	(16,437)	(9,125)
Total Programme Expenditure	474,586	423,048

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5 (b) Non Cash Costs

			2018-19
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Depreciation & impairment	7,309	10,955	18,264
Provision expenses	-	599	599
Other operating expenditure	18,032	990	19,022
Growing Timber Revaluation	-	(16,437)	(16,437)
Total	25,341	(3,893)	21,448

Non Cash Costs

			2017-18
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Depreciation & impairment	5,412	9,322	14,734
Provision expenses	-	5,665	5,665
Other operating expenditure	17,373	(646)	16,727
Growing Timber Revaluation	-	(9,125)	(9,125)
Total	22,785	5,216	28,001

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6. Income

	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Income from contracts with customers		
Timber and other forest produce	8,774	9,095
Inspection & testing	7,924	7,862
Rent & recreation income	8,089	8,522
Resource efficiency pollution costs	8,288	8,089
Diseased animal salvage	4,476	4,636
Carrier bag levy	4,574	4,819
Education	2,129	1,972
Farm sales	1,061	1,143
Seconded staff	72	113
Other	2,069	2,441
Total	47,456	48,692
Other Operating income		
Area Aids and Basic Payment Scheme	290,438	287,091
Other EU programme income	27,399	21,676
Veterinary fund receipts	4,160	5,947
	321,997	314,714
Total Income	369,453	363,406

Due to the introduction of IFRS 15 the income categories have been reanalysed with the 2017-18 figures restated. This adoption has not resulted in any change to the revenue recognised.

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7.1 (a) Property, Plant and Equipment 2018-19

	Land & Buildings	Plant & Machinery	Transport & Equipment	Information Technology	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2018	340,791	23,769	11,512	3,802	4,528	384,402
Additions	854	2,136	728	768	4,522	9,008
Disposals	(1,887)	(686)	(502)	(127)	-	(3,202)
Reclassifications	2,556	500	(114)	70	(3,012)	-
Transfers	8	-	(17)	5	-	(4)
Revaluations to CSoCNE	602	13	6	-	-	621
Revaluations through revaluation reserve	12,821	359	169	38	-	13,387
At 31 March 2019	355,745	26,091	11,782	4,556	6,038	404,212
Depreciation						
At 1 April 2018	23,726	14,887	7,118	2,483	-	48,214
Charged in year	7,066	1,291	860	470	-	9,687
Disposals	(1,153)	(660)	(455)	(125)	-	(2,393)
Reclassifications	(9)	233	(233)	9	-	-
Transfers	-	-	(17)	-	-	(17)
Impairment	948	3	-	-	-	951
Revaluations to CSoCNE	26	5	12	2	-	45
Revaluations through revaluation reserve	309	220	71	(26)	-	574
At 31 March 2019	30,913	15,979	7,356	2,813	-	57,061
Carrying amount at 31 March 2018	317,065	8,882	4,394	1,319	4,528	336,188
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151
Asset financing:						
Owned	324,363	10,112	4,426	1,743	6,038	346,682
Land at Baronscourt	469	-	-	-	-	469
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151

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	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Of the total:						
Core Department	183,764	6,511	3,219	1,412	4,228	199,134
Agencies	141,068	3,601	1,207	331	1,810	148,017
Carrying Amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151

Land and Buildings includes land with a net book value of £157.6m.

During the year the Department donated the Colin Glen & Colin Park assets worth £670k to the Colin Glen Trust. (2017-18 Nil)

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7.1 (b) Property, Plant and Equipment 2017-18

	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or valuation						
At 1 April 2017	322,603	22,843	11,409	3,795	11,260	371,910
Additions	710	768	518	248	1,370	3,614
Disposals	(501)	(739)	(552)	(503)	-	(2,295)
Reclassifications	7,256	695	-	145	(8,096)	-
Transfers	-	(7)	(17)	12	(6)	(18)
Revaluations to CSoCNE	616	(6)	2	-	-	612
Revaluations through revaluation reserve	10,107	215	152	105	-	10,579
At 31 March 2018	340,791	23,769	11,512	3,802	4,528	384,402
Depreciation						
At 1 April 2017	15,927	14,176	6,694	2,396	-	39,193
Charged in year	6,502	1,303	869	518	-	9,192
Disposals	(501)	(677)	(512)	(495)	-	(2,185)
Transfers	-	(7)	(17)	-	-	(24)
Revaluations to CSoCNE	72	4	6	-	-	82
Revaluations through revaluation reserve	1,726	88	78	64	-	1,956
At 31 March 2018	23,726	14,887	7,118	2,483	-	48,214
Carrying amount at 31 March 2017	306,676	8,667	4,715	1,399	11,260	332,717
Carrying amount at 31 March 2018	317,065	8,882	4,394	1,319	4,528	336,188
Asset financing						
Owned	316,651	8,882	4,394	1,319	4,528	335,774
Land at Baronscourt	414	-	-	-	-	414
Carrying amount at 31 March 2018	317,065	8,882	4,394	1,319	4,528	336,188
Of the Total:						
Core department	183,125	5,470	3,383	945	4,155	197,078
Agencies	133,940	3,412	1,011	374	373	139,110
Carrying amount at 31 March 2018	317,065	8,882	4,394	1,319	4,528	336,188

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7.2 Biological Assets

	2018-19	2017-18
Growing Timber	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Value at 1 April	197,445	187,886
Revaluation adjustment		
Transfer to assets held for sale	(1,198)	(736)
Timber removals	(7,728)	(7,824)
Timber lost to fire	(22)	(24)
Price/growth increment	24,923	18,143
Value at 31 March	213,420	197,445
<i>Revaluation adjustment:</i>		
Credit / (charge) to Consolidated Statement of Comprehensive Net Expenditure	16,437	9,126
In year movement in assets held for sale	(462)	433
Movement in timber valuation	15,975	9,559

Growing timber is valued in line with the accounting policy (see note 1.3). Timber lost to fire and disease is also valued on the same basis.

Timber identified as having been allocated under contract and removed from the estate database being available for sale in 2019-20 is valued at the expected sales price. Timber removals in year are valued at the sales price achieved. The revaluation movement, except for the movement in the asset held for sale is taken directly to the CSocNE. Timber felled and contracted for sale is removed from the valuation model and transferred to Assets Held for Sale.

7.3 Heritage Assets

	2018-19	2017-18
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Value at 31 March	2,735	2,735

Heritage assets are valued at historical cost. Heritage assets are maintained in perpetuity, and consequently are not depreciated.

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8.1 Intangible Assets

2018-19	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2018	1,399	58,070	3,775	2,881	66,125
Additions	-	11,786	381	628	12,795
Disposals	-	(65)	(204)	-	(269)
Revaluations to CSoCNE	-	82	24	-	106
Revaluations through Revaluation Reserve	24	1,733	67	-	1,824
Total Cost	1,423	71,606	4,043	3,509	80,581
Amortisation					
At 1 April 2018	-	25,768	2,947	-	28,715
Charged in year	-	7,533	569	-	8,102
Disposal depreciation	-	(63)	(195)	-	(258)
Revaluation to CSoCNE	-	146	61	-	207
Revaluations through Revaluation Reserve	-	788	51	-	839
At 31 March 2018	-	34,172	3,433	-	37,605
Carrying Amount at 31 March 2018	1,399	32,302	828	2,881	37,410
Carrying Amount at 31 March 2019	1,423	37,434	610	3,509	42,976

2017-18	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2017	1,364	42,971	3,624	3,103	51,062
Additions	-	11,751	348	1,822	13,921
Disposals	-	(902)	(344)	-	(1,246)
Reclassifications	-	2,044	-	(2,044)	-
Revaluations to CSoCNE	-	22	-	-	22
Revaluations through Revaluation Reserve	35	2,184	147	-	2,366
Total Cost	1,399	58,070	3,775	2,881	66,126

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	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Amortisation					
At 1 April 2017	-	20,232	2,547	-	22,779
Charged in year	-	5,432	625	-	6,057
Disposal depreciation	-	(902)	(338)	-	(1,240)
Revaluations to CSocNE	-	36	-	-	36
Revaluations through Revaluation Reserve	-	970	113	-	1,083
Total Depreciation at 31 March 2018	-	25,768	2,947	-	28,715
Carrying Amount at 31 March 2018	1,399	32,302	828	2,881	37,410

9. Impairments

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Charged to statement of comprehensive net expenditure	951	-
Charged to Revaluation Reserve	306	-
	1,257	-

These costs relate to impairment losses which arise from a clear consumption of economic benefit as opposed to losses arising from the movement in indices used for the revaluation of non-current assets.

10. Capital and other commitments

10.1 Capital Commitments

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Intangible	52,868	18,141
Plant, Property & Equipment	1,091	-
	53,959	18,141

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10.2 Commitments under leases

10.2.1 Operating leases

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

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Land		
Not later than one year	46	42
Later than one year and not later than five years	109	121
Later than five years	500	513
	655	676
Buildings		
Not later than one year	86	93
Later than one year and not later than five years	140	119
Later than five years	137	152
	363	364
Other		
Not later than one year	127	128
Later than one year and not later than five years	106	231
Later than five years	50	47
	283	406

10.2.2 Finance leases

The Department had no finance leases during 2018-19 or 2017-18.

10.3 Commitments under Private Finance Initiative (PFI) and Other Service Concession Arrangements

The Department had no PFI commitments at 31 March 2019.

10.4 Other Financial Commitments

The Department and its agency have entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) to give assistance to farmers and others who meet appropriate criteria. A commitment is deemed to arise for the balance of the total possible payment unpaid, unclaimed and not yet due to be claimed at 31 March 2019.

The payments to which the Department is committed are as follows:

Other financial commitments	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Total Grant Commitments		
Not later than one year	50,696	33,834
Later than one year and not later than five years	33,533	33,552
Later than five years	1,797	1,972
	86,026	69,358

Grant commitments includes both the EU and the National share. The EU and National shares vary from scheme to scheme. The split of the total commitment of £86m is EU £49.1m (57%) and National £36.9m (43%).

In 2017-18 the split of the total commitment of £69.3m was EU £34.6m (50%) and National £34.7m (50%).

11. Financial Instruments

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

11.1 Foreign Currency risk

Under the Basic Payment Scheme, farmers can opt to receive their subsidy payments in Euro. The Department is protected from exposure to significant currency risk in relation to these payments as the funding for them is received in Euro at the same time as the payments are made.

The Department also incurs expenditure in sterling on schemes for which it seeks reimbursement from the EU Structural Funds and the EU Veterinary Fund. Claims for

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funding are submitted to the EU in Euro. The Department is therefore exposed to currency exchange fluctuations that reflect currency movements between the date it makes a claim and the date it is reimbursed. Exchange rate gains and losses are shown in note 5.

12. Investment in other public sector bodies

The Department does not hold investments in any other public sector bodies.

13. Assets held for sale

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Forestry - Timber		
Opening Balance as at 1 April	736	1,169
Additions	1,198	736
Disposals	(736)	(1,169)
Total balance at 31 March	1,198	736

Assets held for sale include timber allocated for sale under contract which has been removed from the estate database and therefore not valued as part of the non-current timber asset per note 7.2. This timber held for sale at year end will be sold in the following financial year and therefore is disclosed as a current asset held for sale valued at the expected sale price.

14. Inventories

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Livestock	1,270	1,327
Consumable materials and supplies	1,012	877
Total Inventories	2,282	2,204

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15. Cash and cash equivalents

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
At 1 April 2018	(2,692)	(2,658)
Net change in cash and cash equivalent balances	1,841	(34)
At 31 March 2019	(851)	(2,692)
The following balances at 31 March were held at:		
Government Banking Service	(970)	(2,740)
Commercial banks and cash in hand	119	48
At 31 March 2019	(851)	(2,692)
The balance comprises:		
Cash & bank	629	331
Bank overdraft	(1,480)	(3,023)
	(851)	(2,692)

16. Trade Receivables, financial and other assets

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Amounts falling due within one year		
VAT	1,913	1,316
Trade receivables	3,857	5,129
Other receivables	209	300
Prepayments & accrued income	16,131	17,133
Amounts due from Rural Payments Agency in relation to Common Agricultural Policy (CAP)	12,668	10,022
	34,778	33,900
Amounts due from Consolidated Fund in respect of supply	851	2,692
Total at 31 March due within one year	35,629	36,592

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17. Trade Payables, financial and other current liabilities

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Amounts falling due within one year		
Taxation and social security	3	(17)
Trade payables	1,557	2,212
Other payables	5,095	6,678
Accruals and deferred income	31,876	30,122
CAP Disallowance	1,407	1,146
EU grant creditors - Common Agricultural Policy	10,426	7,286
Other grant creditors	22,282	13,805
Total at 31 March 2019 due within one year	72,646	61,232

CAP DISALLOWANCE

The total CAP Disallowance liability and resulting charge to the CSoCNE are as follows:

	2017-18	Charged to CSoCNE	2018-19
Scheme	£m	£m	£m
NIRDP	1.1	0.1*	1.2
EAF 2018 Accounts	-	0.2	0.2
TOTAL	1.1	0.3	1.4

* Included within the amounts credited to CSoCNE is £109k of exchange rate loss. This is included within exchange rate movements in note 5.

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18. Provisions for liabilities and charges

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Balance at 1 April 2018	1,216	1,092
Provided in the year	194	919
Provisions not required written back	(120)	(279)
Provisions utilised in the year	(588)	(516)
Balance at 31 March 2019	702	1,216

Analysis of expected timing of discounted flows

	2018-19	2017-18
	Core Department & Agencies £'000	Core Department & Agencies £'000
Not later than one year	553	1,064
Later than one year and not later than five years	149	152
Balance at 31 March 2019	702	1,216

	2018-19 Core Department & Agencies		
	Litigation Claims	Other Provisions	Total
	£'000	£'000	£'000
Not later than one year	513	40	553
Later than one year and not later than five years	149	-	149
Balance at 31 March 2019	662	40	702

A discount rate has not been applied to any of the provisions as the time value of money is not significant.

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18.1 Litigation and Other

Provisions above relate to compensation and associated legal costs relating to personal injury claims by employees and the public as well as commercial legal claims.

19. Contingent liabilities disclosed under IAS 37

The Department and its agencies have the following quantifiable contingent liabilities.

2015, 2016, 2017 and 2018 Area Aids cases not yet processed

The Department has not provided for or accrued any amounts in respect of the 2015, 2016, 2017 and 2018 Area Aids schemes for applications that have not yet been deemed eligible. The Department does not yet have sufficient information to reliably estimate what the liability in these cases will be. These comprise of outstanding Review of Decision cases and businesses that are still to have their eligibility determined. Based on a broad average entitlement value award and their claimed areas these businesses could be due payment if found to be eligible, in the region of £2.7m. However, given the historic success percentage of determining eligibility under the various outstanding groups, this liability is more likely to be £1.3m. As this is a scheme that is fully funded by the EU, the amount due to farmers may be fully recoupable by the Department from the EU.

Legacy Agri-environment Agreements

The Department has a number of Legacy Agri-environment Agreements, for which, while the Agreements are no longer live, claims for payment of grant could still be submitted. There are a variety of reasons why these claims have not been submitted, including for example unresolved probate cases where it has not been possible to submit a claim. These claims if received have an EU and a National element. While the total value will not exceed £413k, it is not possible for the Department to estimate the value of the claims that might still arise or their timing.

The Department has entered into the following unquantifiable contingent liabilities.

Unpaid Single Farm Payment applications

The Department had assessed a number of cases from 2005 to 2014 in respect of Single Farm Payment for which no payment has ever been made. There are a variety of reasons why a claim may not have been paid; for example, cases subject to appeal or incorrect details being provided which prevented the payment from processing, plus outstanding probate and no bank details provided. The Department has recently assigned resource to this area and has identified all cases which are potentially due a payment. Following receipt of Departmental Solicitors Office advice the Department is in the process of writing to the majority of these businesses giving them one last chance to provide the Department with the required information to permit payment or their outstanding claim will

be closed off. At this stage it is not possible for the Department to estimate the payments that could result annually from these historic claims until we complete this exercise. However, it is likely that as these cases are worked through further payments will be released.

Legal Cases

The Department has a small number of legal cases which have not sufficiently progressed for further disclosure to be made.

Court of Appeal judgment on backdated PSNI Holiday Pay

On 17th June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

UK leaving the EU (as above)

The Department has disclosed an unquantifiable contingent liability, further information is provided in the Assembly Accountability Disclosures.

20. Related-party transactions

DAERA is the parent Department of the Forest Service Agency, the NIEA and sponsors AFBI; AWB for NI; LMC for NI; NIFHA; and the Loughs Agency of the FCILC. These bodies are regarded as related parties with which the Department has had various transactions during the year.

The Department receives EU funding through Defra and the Rural Payments Agency, an agency of Defra, both of which are UK government bodies.

In addition the Department has had various material transactions with other government departments and other central government bodies.

The members of staff asked to declare any such interest include top managerial officials as well as DB. The following interests were declared:

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Six officers were members of bodies that have had dealings with DAERA. These bodies included:

- North of Ireland Veterinary Association;
- Royal College of Veterinary Surgeons;
- British Veterinary Association;
- Veterinary Public Health Association;
- Royal Ulster Agricultural Society;
- NI Horse Board; and
- Irish Draught Horse Society (NI).

Thirteen officers, or their spouses, or other family members have an interest in small parcels of agricultural land. Some of these persons have received grants from DAERA. The process for these individuals who applied and received grants are in line with those for all grant recipients.

One officer has a family member that works in the Forest Service; one officer has a family member that works in DAERA and one officer has a family member that is employed by a private veterinary practice which conducts animal testing on behalf of the Department. The departmental officer had no role in the procurement of the contract award.

One officer's spouse is the Chief Executive of an organisation that has received grants payments from DAERA. The Officer is not involved in the administration of grant schemes.

All the above interests are regarded as not material.

21 Third-party assets

The Department held third-party assets at 31 March including bank accounts, Consolidated Fund investments, shares in the NI Central Investment Fund for Charities, and Government Stocks. These are not departmental assets and are not included in the SoFP. The assets held at the reporting year date to which it was practical to ascribe monetary values as at 31 March 2019 are set out in the table below.

Consolidated

Northern Ireland Central Investment Fund for Charities	No. of Shares	2018-19 £	2017-18 £
Description			
DAERA Moore Memorial Fund	96	1,263	1,191
DAERA Thomson Memorial Account	990	13,028	12,284
DAERA Thompson Bequest Account	10,973	144,397	136,158
Vaughan's Charity	181,395	2,387,031	2,250,840
Vaughan's Charity - Fermanagh Pig Project	1,099	14,462	13,637
Total	194,553	2,560,181	2,414,110

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Third-party account balances	Bank Accounts		Consolidated Fund	
	2018-19 £	2017-18 £	2018-19 £	2017-18 £
DAERA Horse Racing Business Investment Account	158	8,488	16,172	9,772
DAERA Horse Racing Account	-	534	-	-
Enniskillen College of Agriculture (ECA) Sport and Tuck Shop	30,104	23,206	-	-
ECA Vaughan Charity – current account	5,000	5,000		
ECA Vaughan Charity – deposit account	68,758	70,101		
Greenmount College Floristry Club	23	23	-	-
Greenmount College Sports Fund	18,875	17,552	-	-
Greenmount College Sports and Recreation Club	2,244	2,241	-	-
Greenmount College Enterprise Management	5,761	3,870	-	-
Greenmount Travel – Current	21,979	35,889	-	-
Greenmount Travel – Business Reserve	8,722	8,711	-	-
Greenmount – Projects	990	1,022	-	-
Greenmount – Cream Advisory	26,525	26,472	-	-
Greenmount College Football Club	12	12	-	-
Greenmount Horse Riding Club	-	193	-	-
Greenmount Bursaries	14,836	20,778	-	-
Greenmount Erasmus Euro account	54,002	25,475	-	-
Greenmount Erasmus Sterling account	1,974	2,124	-	-
Loughry Student Affiliation Account	15,746	11,072	-	-
DAERA Moore Memorial Fund	38	40	1,470	1,470
DAERA Thomson Memorial Account	32	957	12,320	12,320
DAERA Thompson Bequest Account	114	5,183	1,485	1,485
Educational Trust Fund	11,261	-		
Totals	287,152	268,944	31,447	25,047

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22. Entities within the departmental boundary

The entities within the boundary during 2018-19 were as follows:

Supply-financed agencies: Forest Service Agency
NI Environment Agency

The annual reports and accounts of Forest Service Agency and NI Environment Agency are published separately.

23. Events after the reporting period

There are no events to be disclosed which occurred after the reporting date.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 2 July 2019.

List of Abbreviations

AFBI	Agri-Food and Biosciences Institute
AI	Avian Influenza
ALB	Arm's Length Body
AME	Annually Managed Expenditure
AMR	Antimicrobial Resistance
ANC	Areas of Natural Constraint
APHIS	Animal and Public Health Information System
ARAC	Audit and Risk Assurance Committee
AVI	Authorised Veterinary Inspectors
AWB	Agricultural Wages Board
AWP	Assigned Work Programme
BCP	Business Continuity Plans
BDG	Business Development Groups
BEIS	Business, Energy and Industrial Strategy
BMW	Biodegradable municipal waste
BSE	Bovine Spongiform Encephalopathy
bTB	Bovine TB
BVD	Bovine Viral Diarrhoea
CABB	Co-operation Across Borders for Biodiversity
CAFRE	College of Agriculture, Food and Rural Enterprise
CAL	Centre for Applied Learning
CAP	Common Agricultural Policy
CARE	Career Average Revalued Earnings
CAV	Combined Asset Valuation
CBRN	Chemical, Biological, Radiological and Nuclear
CCRA	Climate Change Risk Assessment
CETV	Cash Equivalent Transfer Value
CFF	Counter Fraud Forum
CLLD	Community-led Local Development
CNCC	Council for Nature Conservation and the Countryside (CNCC)
CPI	Consumer Prices Index
CAG	Comptroller and Auditor General

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CRC	Carbon Reduction Commitment
CRR	Departmental Corporate Risk Register
CSCS(NI)	Civil Service Compensation Scheme (NI)
CSoCNE	Consolidated Statement of Comprehensive Net Expenditure
CSP	Civil Service Pensions
DAC	Direct Award Contract
DA	Devolved Administration
DAERA	Department of Agriculture, Environment and Rural Affairs
DAFM	Department of Agriculture, Food and the Marine
DAO	Dear Accounting Officer
DARD	Department of Agriculture and Rural Development
DB	Departmental Board
DCCAE	Department of Communications, Climate Action and Environment
Defra	Department for Environment, Food and Rural Affairs
DEL	Departmental Expenditure Limits
DfC	Department for Communities
DFI	Department for Infrastructure
DOC	Departmental Operations Centre
DoF	Department of Finance
DoH	Department of Health
EAA	Exceptional Adjustment Aid
EAFRD	European Agricultural Fund for Rural Development
ECA	Enniskillen College of Agriculture
EC	European Commission
EFS	Environmental Farming Scheme
EHC	Export Health Certificate
EMFF	European Maritime and Fisheries Fund
EMFG	Environment, Marine and Fisheries Group
ENRD	European Network for Rural Development
EPD	Environmental Policy Division
ETS	Emissions Trading Scheme
EU	European Union
FBIS	Farm Business Improvement Scheme
FCILC	Foyle, Carlingford and Irish Lights Commission

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FD	Finance Director
FFKS	Farm Family Key Skills
FIV	Farm Innovation Visit
FReM	Government Financial Reporting Manual
FSA	Food Standards Agency
FSGIS	Forest Service Geographic Information System
FSP	Farm Safety Partnership
FYE	Full Year Equivalent
GB	Great Britain
GDPR	General Data Protection Regulations
GHG	Greenhouse Gas Emission
GHGIP	Greenhouse Gas Implementation Partnership's
GIAFIS	Group Internal Audit and Fraud Investigation Service
GLAA	Gangmasters and Labour Abuse Authority
GPS	Global Positioning System
Ha	Hectares
HM	Her Majesty's
HOCS	Head of the Civil Service
HSCB	Health and Social Care Board
HSENI	Health and Safety Executive for NI
IAB	Internal Audit Branch
IAO	Information Asset Owners
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFNG	Interferon Gamma
IFRS	International Financial Reporting Standards
IRM	Identification, Registration and Movement
IRRV	Institute of Revenue Rating and Valuation
IST	Integrated Supply Team
ISVA	Incorporated Society of Valuers and Auctioneers
ITED	Innovation Technology Evaluation Demonstration
IT	Information Technology
KAS	Knowledge Advisory Service
KTM	Key Target Measures

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LAG	Local Action Groups
LGD	Lead Government Department
LMC	Livestock and Meat Commission
LPIS	Land Parcel Identification System
LPS	Land & Property Services
METS	Manure Efficiency Technology Scheme
MOSS	Management of Sensitive Sites
MPMNI	Managing Public Money NI
MSFD	Marine Strategy Framework Directive
MSFM	Management Statement and Financial Memorandum
MSY	Maximum Sustainable Yield
NAP	Nitrates Action Programme
NDPB	Non-Departmental Public Bodies
NEM's	Non Executive Members
NGO	Non-Governmental Organisations
NIAO	NI Audit Office
NICS	Northern Ireland Civil Service
NICTS	NI Courts and Tribunal Service
NIEA	Northern Ireland Environment Agency
NIFAIS	NI Food and Animal Information System
NIFA	National Institute of Food and Agriculture
NIFHA	NI Fishery Harbour Authority
NI	Northern Ireland
NIRDP	NI Rural Development Programme
NIRFP	NI Regional Food Programme
NISRA	Northern Ireland Statistics and Research Agency
NR	Negligible Risk
NSMC	North South Ministerial Council
OIE	Organisation for Animal Health
ONS	Office of National Statistics
OTSC	On the Spot Checks
PAAC	Paying Agency Accreditation Committee
PAC	Public Accounts Committee
PCSPS(NI)	Principal Civil Service Pension Scheme (NI)

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PfG	Programme for Government
PFI	Private Finance Initiative
PHA	Public Health Agency
PMB	Programme Management Boards
PMO	Programme Management Office
PoAO	Products of Animal Origin
PO	Provisional Outturn
PPSNI	Public Prosecution Service NI
PSIAS	Public Sector Internal Audit Standards
PSNI	Police Service of NI
PVP	Private Veterinary Practitioners
QUB	Queens University Belfast
R&D	Research and Development
RDP	Rural Development Programme
RICS	Royal Institute of Chartered Surveyors
RNRPD	Regulatory and Natural Resources Policy Division
RoI	Republic of Ireland
RPI	Retail Price Index
SAF	Single Application Form
SALMS	Sustainable Agricultural Land Management Strategy
SCS	Senior Civil Servants
SDG	Sustainable Development Goals
SDMF	Senior Decision Making Forum
SECR	Streamlined carbon reporting UK scheme
SIRO	Senior Information Risk Owner
SLA	Service Level Agreement
SNCB	Statutory Nature Conservation Body
SOAS	Statement of Assembly Supply
SOFP	Statement of Financial Position
SPS	Sanitary & Phytosanitary
SRO	Senior Responsible Officer
SUSE+	Step Up to Sustainable Employment+
TBEP	TB Eradication Partnership
TBSPG	TB Strategic Partnership Group's

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TEO	The Executive Office
TIFF	Total Income from Farming
TMT	Top Management Team
TRPSI	Tackling Rural Poverty and Social Isolation
TVR	Test and Vaccinate or Remove
UK	United Kingdom
UN	United Nations
UU	Ulster University
VAT	Value Added Tax
VfM	Value for Money
VSAHG	Veterinary Service Animal Health Group
WFD	Water Framework Directive
WRAP	Waste and Resources Action Programme

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