

# **NORTHERN IRELAND ENVIRONMENT AGENCY**

## **FRAMEWORK DOCUMENT**

**The relationship between Department of Agriculture, Environment and Rural Affairs and the Northern Ireland Environment Agency, an Agency of the Department.**

Revised: May 2024

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## Glossary

|         |  |
|---------|--|
| AO      | Accounting Officer                                       |
| ARAC    | Audit and Risk Assurance Committee                       |
| BST     | Business Support Team                                    |
| CEO     | Chief Executive Officer / Chief Executive                |
| DAERA   | Department of Agriculture, Environment and Rural Affairs |
| DoF     | Department of Finance                                    |
| MPMNI   | Managing Public Money Northern Ireland.                  |
| MLA     | Members of the Legislative Assembly                      |
| MP      | Members of Parliament                                    |
| NEBM    | Non-Executive Board Member                               |
| NICS HR | Northern Ireland Civil Service Human Resources           |
| NIEA    | Northern Ireland Environment Agency                      |
| PAO     | Principal Accounting Officer                             |

## **INTRODUCTION**

1. The Northern Ireland Environment Agency (NIEA) is an Executive Agency within the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland. The Agency was originally established on 1 July 2008, within the previous Department of the Environment, and reconfirmed as an agency of DAERA following the creation of DAERA in May 2016.
2. The Agency is subject to the overall direction and control of the DAERA Minister, who determines the policy framework within which the Agency must operate, the scope of the Agency's activities and the resources available for the Agency's work.
3. This framework document has been drawn up by the Department of Agriculture, Environment and Rural Affairs (DAERA) in consultation with the NIEA to set out the broad framework within which NIEA will operate. This document does not convey any legal powers or responsibilities. It is signed and dated by DAERA and NIEA. It is available to members of the public via the DAERA website.
4. The document describes the relationship between an Executive Agency (NIEA) and its parent department (DAERA) and reflects the requirements of para 7.4.2 and box 7.2 (page 56) in Managing Public Money Northern Ireland (MPMNI).

## **PURPOSES AIMS & DUTIES**

5. The NIEA operates within the context of the Department's overall vision and strategic objectives and policies. The Agency's primary purpose is to protect and enhance Northern Ireland's environment, and in doing so, deliver health and well-being benefits and support economic growth.

## **Strategic context**

6. The Agency operates under the direction and control of the DAERA Minister, who sets objectives and priorities through annually agreed business plans.
7. NIEA is committed to ensuring that it organises and delivers its functions in a way that reflects the priorities set by the DAERA Minister for the Agency and also supports the delivery of the priorities and objectives of DAERA.

## **GOVERNANCE & ACCOUNTABILITY**

8. This Framework Document describes how the NIEA operates within the Department. It articulates the governance and accountability arrangements and defines how human resources and financial arrangements operate along with appropriate control mechanisms.

### **Agency Accounting Officer (AO) Responsibilities**

9. The Permanent Secretary delegates the day-to-day responsibility for the management and operations of the Agency to its Chief Executive who is also accountable for the financial management of the Agency and for performance against key targets.
10. The Chief Executive exercises the accounting officer role within the terms of the letter of appointment and this Agency Framework.
11. The Agency AO main responsibilities include:
  - Signing the Agency's Annual Report & Accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Department of Finance (DoF);

- Preparing and signing a Governance statement covering corporate governance and risk management issues, particularly those discussed formally at the NIEA Audit and Risk Assurance Committee, for inclusion in the Agency's Annual Report and Accounts;
- Ensuring that effective procedures for handling concerns raised about NIEA are established in line with the NICS [Raising a Concern Policy Framework](#). Supplementary [DAERA Raising a Concern Guidance](#) is also available on the internet;
- Ensuring that effective procedures for handling complaints are established in line with [DAERA Complaints leaflet](#);
- Acting in accordance with the terms of this document, [Managing Public Money Northern Ireland](#) and other instructions and guidance issued from time to time by DAERA and DoF; and
- When required, giving evidence, normally with the DAERA Principal Accounting Officer (PAO), when summoned before the Public Accounts Committee (PAC) on NIEA stewardship of public funds, or to the Agriculture, Environment and Rural Affairs Committee should it wish to take evidence on matters assigned to NIEA. In giving evidence to PAC, the Agency AO will be guided as appropriate by the PAO.

12. As Agency Accounting Officer, the Chief Executive's particular responsibilities to DAERA include:

- *regularity and propriety*, including seeking DoF approval for any expenditure outside the normal delegations or outside the subheads of Estimates, and carried through with appropriate disclosures in the Annual Report and Accounts;

- *selection and appraisal* of programmes and projects: using the guidance laid out in Better Business Cases NI (or the superseded Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) for projects already initiated under that guidance) and relevant supporting guidance to evaluate alternatives, and good quality project and programme management techniques, such as Gateway Reviews, to track and where necessary adjust progress;
- *value for money*: ensuring that the organisation's procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste, judged for the public sector as a whole, not just for the Accounting Officer's organisation;
- management of *opportunity and risk* to achieve the right balance commensurate with the institution's business and risk appetite;
- *learning from experience*, both using internal feedback, and from right across the public sector; and
- accounting accurately for the organisation's *financial position* and *transactions*: to ensure that the government published financial information is transparent and up to date, and that the organisation's efficiency in the use of resources is tracked and recorded.

13. As Chief Executive, the Agency Accounting Officer's, responsibilities also include the following:

- Ensuring the Agency Board fulfils its responsibilities for the efficient and effective conduct of meetings, and making final decisions;

- Ensuring that material financial appraisal techniques are followed and associated financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions;
  - Achieving the targets in the Agency’s Business Plan, particularly those agreed by the Minister as Key Performance Targets;
  - Ensuring a sound system of internal control is maintained in the Agency to support the achievement of its policies and objectives, and that the effectiveness of the system is reviewed regularly and considered at the NIEAARAC meetings; and
  - Ensuring public funds and assets assigned to the Agency are managed with propriety and duly safeguarded.
14. The Chief Executive or other NIEA staff may correspond with Members of the Legislative Assembly (MLAs), Members of Parliament (MPs); other public representatives; and members of the general public who write directly to them on matters which have been delegated to the Agency. The Minister will normally respond to letters addressed to him/her on NIEA matters, after consulting the Chief Executive. The Minister will also decide the most appropriate way to respond to Assembly Questions and will reply to MLAs who ask Assembly Questions about matters delegated to the NIEA. Replies will be published in the Official Report.

## **GOVERNANCE STRUCTURE**

### **The Chief Executive Officer**

15. The CEO is responsible for the stewardship of NIEA resources and assets, and for keeping under continuous review the structures, staffing levels, business processes and other specialist services of the NIEA. In consultation with the CEO, the Department may arrange for reviews of these areas and has the right of access to the NIEA for this purpose, consistent with the Permanent Secretary’s responsibilities as PAO.



16. The CEO will be a Senior Civil Service member of DAERA (Grade 3), appointed in line with the NICS recruitment policy and processes pertaining at the time of appointment. The line manager of the CEO will be the DAERA Permanent Secretary.
17. The CEO is accountable to the DAERA Minister for the day-to-day operation of NIEA. The CEO should formally report NIEA's progress in delivering the agency business plan and targets on a 6 monthly basis (end September and March) to the Permanent Secretary and the Minister following scrutiny by the NIEA Management Board. The CEO will also provide stewardship reports when requested by DAERA.

### **NIEA Management Board**

18. The executive members of the NIEA Management Board are the CEO and the Directors of the Natural Environment Division and the Resource Efficiency Division. The Board includes two independent Non-Executive Board Members (NEBM), appointed by the CEO to ensure that executive members are supported and constructively challenged in their role. It is normally chaired by the CEO and will normally meet up to 6 times per year to provide strategic leadership on operational matters for the Agency. A Board meeting will be considered quorate when CEO, Directors, members of the Business Support Team or appointed representatives along 1 NEBM are present.
19. The Head of Business Support Unit (BST), the Agency's Head of Finance and the Department's NICS HR Business Partner or appointed representative will attend each Board meeting. The terms of reference of the NIEA Board can be found at **Appendix B**.
20. Following the principles set out in the [DAO 06/13 Corporate governance in central government departments: Code of good practice NI 2013](#) (the code), the Board should have a balance of skills and experience appropriate to fulfilling its responsibilities.

21. The NIEA will be responsible for payment arrangements for all NEBMs.
22. Subject to the overriding responsibility of the Agency AO, the core purpose of the NIEA Board is to provide corporate strategic direction and leadership to the organisation's staff. The Board leads the Agency's strategic planning process and assists the CEO, as AO, in meeting their corporate governance and financial responsibilities. Its primary function is therefore to set the corporate business agenda and ensure that the organisation delivers its strategic goals. The Board is also responsible for the assessment and management of the opportunities and risks associated with delivery of the Agency's functions.

23. The Board shall provide:

Strategic Clarity – setting the vision and/or mission and ensuring all activities, either directly or indirectly, contribute towards it; long-term capability and horizon scanning, ensuring strategic decisions are based on a collective understanding of policy issues; using outside perspective to ensure that departments are challenged on the outcomes;

Commercial Sense – approving the distribution of responsibilities; advising on sign-off of large operational projects or programmes; ensuring sound financial management; scrutinising the allocation of financial and human resources to achieve the plan; ensuring organisational design supports attaining strategic objectives; setting the department's risk appetite and ensuring controls are in place to manage risk; evaluation of the Board and its members, and succession planning;

Talented People – ensuring the Agency has the capability to deliver and to plan to meet current and future needs;

Results Focus – agreeing the operational business plan, including strategic aims and objectives; monitoring and steering performance against plan;

scrutinising performance of sponsored bodies; and setting the department's standards and values; and

Management Information – ensuring clear, consistent, comparable performance information is used to drive improvements.

24. The Board monitors resource requirements and determines bids made to DAERA for additional resources and easements declared through an annual budget process and In Year monitoring rounds. It also allocates the budget and monitors expenditure to ensure the most effective deployment of resources.
25. The Board operates within the parameters of policy set by the Minister and in consultation with the Minister, as necessary. The CEO is the Minister's principal source of advice on operational environmental functions and the Executive Directors can also offer advice, individually and jointly, on behalf of the CEO.
26. The Board sets the direction of organisational change management issues and monitors progress and targets associated with this. It leads and oversees the process of change, encouraging innovation and where appropriate enterprise, to enhance the NIEA capacity to deliver.
27. Individual board members and those in attendance should:
  - comply at all times with the [Code of Conduct for Board Members of Public Bodies](#) and with the rules relating to the use of public funds and to conflicts of interest;
  - not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
  - comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments; and

- act in good faith and in the best interests of NIEA and the Department.
28. The Head of the BST, supported by the Head of Finance and the Head of Corporate Governance, provides the Board with Financial Management and Corporate Governance information. This information will support decisions on the allocation of resources across the Agency and ensure an appropriate awareness of key governance issues, including the review of progress in achieving Business Plan targets, and regular monitoring of risk and opportunity.
  29. The NICS HR Business Partner provides HR information which includes, interalia, staff in post, recruitment, promotions, managing attendance and performance management.

### **Board Committees**

30. There is one formal Committee of the Board, the NIEA Audit and Risk Assurance Committee.
31. The current NIEA ARAC Terms of Reference can be found at **Appendix C**.
32. From time to time, the Board may establish additional committees to consider specific matters. In such circumstances, the Committee chair will report back to the Board for final decisions.

## **MANAGEMENT & FINANCIAL RESPONSIBILITIES & CONTROLS**

### **Delegations/Spending Authorities**

33. Unless agreed otherwise by the Department and, as necessary, DoF, NIEA shall follow the principles, rules, guidance and advice in MPMNI, referring any difficulties or potential bids for exceptions to officials within the BST, in the first instance. A list of guidance and instructions with which NIEA should comply is provided in **Appendix D**.

34. Once the NIEA's budget has been approved by the Department, NIEA shall have the authority to incur expenditure approved in its budget on the following conditions:

- NIEA shall comply with the delegations set out in [DAO \(DoF\) 08/21 - Delegated Limits/requirements for DoF approval](#) and associated [DAERA specific Annex](#).
- These delegations shall not be altered without the prior agreement of the Department and DoF if necessary;
- inclusions of any planned and approved expenditure in the budget shall not remove the need to seek formal DAERA approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- NIEA shall provide DAERA with such information about its operations, performance, individual projects or other expenditure as DAERA may reasonably require.

### **Banking & Managing Cash**

35. NIEA shall comply will all NICS banking and management of cash procedures.

### **Procurement**

36. NIEA shall administer procurement in line with Northern Ireland Public Procurement Policy and the advice and guidance issued as Procurement Guidance Notes by DoF Construction and Procurement Delivery (CPD). Any additional DAERA procurement protocols appropriate to agencies will also be adhered to, as advised by the DAERA's Programme and Project Support Branch (P&PSB).

### **Risk Management Governance Statement**

37. As part of the Annual Report and Accounts the CEO (as AO) is required to prepare a Governance Statement for the Agency's Accounts. An effective

governance framework including a risk management process involving a systematic approach to the evaluation and control of risk is required to support this.

38. The Agency has established a framework of responsibilities for risk which is contained in the NIEA Risk Management Process document.
39. The BST is responsible for co-ordinating the risk management process for the Agency. This responsibility includes acting as a liaison point for risk management for business areas and ensuring quarterly updates and reviews of the Agency Corporate Risk Register.
40. The NIEA ARAC reviews the Agency risk register and concentrates on progressing actions to avoid and mitigate identified key risks.

### **Stewardship Reporting**

41. Another key element which supports the governance arrangements in the Agency is the 'Stewardship Report' process. This process requires the executive Agency Board members to sign off statements to support the CEO in preparing the end year Governance Statement for the Agency and as part of the wider DAERA reporting framework. The Stewardship Reports highlight any areas where there might be significant weaknesses in control or accounting practice. The following indicators, which are not exhaustive, are used to determine whether an issue is significant enough to be reported in the statement and potentially therefore, in the Governance Statement:

- it may prejudice or prevent achievement of an Objective/ Key Commitment;
- it may result in a need to seek additional funding from the Department/ DoF or to seek the significant diversion of resources from another business area;

- the NIAO or Internal Audit would regard it as having a material impact on the audit opinion; and
- the ARAC advise it should be considered.

### **Counter Fraud & Theft**

42. The CEO will adopt and implement policies and practices to safeguard NIEA against fraud and theft in line with [DAERA Anti-Fraud Policy and Fraud Response Plan](#) and [DoF anti-fraud guidance](#).
43. The NIEA Divisions shall report immediately to the Department's Finance Division and the NIEA BST all frauds (proven or suspected), including attempted fraud. The Department's Finance Division shall then report the frauds immediately to DoF and the C&AG. In addition, the NIEA divisions shall provide input, through the BST, to the annual fraud return commissioned by DoF and the NIEA ARAC.

### **GOVERNANCE & COMPLAINTS UNIT**

44. NIEA has a dedicated unit which handles the coordination of customer service complaints, ombudsman cases, 'raising a concern' cases and the coordination of Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests in line with DAERA and wider NICS procedures and statutory obligations.

### **Raising a Concern**

45. NIEA is committed to deal appropriately with any concerns raised about potential wrongdoing in line with the NICS [Raising a Concern Policy Framework](#) and the Department's [Raising a Concern Guidance](#) on the procedures for reporting and investigating such concerns.

## **BUSINESS PLANS, FINANCIAL REPORTING & MANAGEMENT INFORMATION**

### **Corporate & Business Plans**

46. The Agency CEO will submit, for consideration and approval by the Minister, an annual Business Plan to a timescale agreed with the Department. The Plan sits alongside the framework document and articulates how NIEA operates and is resourced and what NIEA aims to achieve in the short and medium term. The approved annual business plan will take account of the approved funding provision and any forecast receipts.
47. The Business Plan, which is developed and agreed by the NIEA Board as part of the overall process to identify targets for inclusion in the Departmental Plan, is the key document against which the performance of the NIEA and the CEO will be assessed. The targets in the plan show the link to any departmental targets and Programme for Government outcomes as well as those targets agreed by the Minister as 'Key Performance Targets' which can only be revised by agreement with the Minister, Permanent Secretary and the CEO.
48. The latest version of the NIEA Business Plan is available each year on the DAERA website. Progress on NIEA Business Plan targets is reported to the NIEA Board quarterly.

### **Other Governance Reporting**

49. The Head of BST will provide regular reports to the Agency Management Board on a wide range of governance issues which includes updates on:
  - Internal Audit progress;
  - Post project evaluations (PPE);
  - Direct award contracts (DAC);
  - Stewardship reporting; and
  - Other governance issues and reports that the Accounting Officer and Board deem necessary to support the Agency Management Board in fulfilling its responsibilities.



## Budgeting Procedures

50. The Department's Finance Division will take the advice of NIEA in any Budget discussions with DoF, mainly or wholly concerning NIEA. At the conclusion of the Budget process, Finance Division will inform NIEA of allocations agreed for the forward period. Management and spending of the funding allocation will be the responsibility of the Agency in line with the principles laid down in MPMNI.
51. The Agency's primary source of funding in terms of Departmental Resource and Capital expenditure comes from within DAERA's overall budget allocation as agreed by the Executive and approved by the Assembly (or, in the absence of ministers, determined by the Secretary of State and announced in Parliament).
52. The Agency also aims to fund over one third of its gross expenditure on running costs and programmes through income from charges for regulatory services. Reflecting the requirements of MPMNI, regulatory fees must be reviewed annually and set at a level that the market will bear with a view to recovering as much of the full cost of providing the service as possible and in compliance with legislation. The Agency also receives an allocation from the carrier bag levy.
53. The Head of Finance will present Financial Management to NIEA Board meetings. This will include details on actual spend against budget (resource and capital DEL), In-Year monitoring bids and additional allocations and forward years' Budget bids and allocations. The report will also bring to the Board's attention, any significant risks or concerns in relation to the financial position of the Agency.
54. Following Board approval, the BST submits the Agency's input to the financial exercises required by the Department's Finance Division, primarily the In- Year monitoring rounds and the Budget exercises commissioned by DoF.

## Annual Report & Accounts

55. NIEA must lay an annual report of its activities with its audited accounts before the Northern Ireland Assembly (NIA) after the end of each financial year and publish these on the DAERA website. NIEA shall provide DAERA with its finalised accounts each year in accordance with the DAERA accounting timetable in order for NIEA accounts to be consolidated within the DAERA accounts. In addition, NIEA will produce interim financial accounts for the 9 months to 31 December of each year. These accounts will be audited by the NIAO.
56. The annual report must:
- comply with the DoF Accounts Directions and Financial Reporting Manual (FReM) and the requirements of MPMNI; and
  - outline the main activities and performance during the previous financial year including information on performance against the targets included in the NIEA Business Plan, which are validated by the Department's Internal Auditor.<sup>1</sup>

## Reporting Performance to the Department

57. The CEO should formally report NIEA's progress in delivering the agency business plan and targets on a 6 monthly basis (end September and March) to Permanent Secretary and the Minister following scrutiny by the NIEA Management Board.
58. NIEA shall inform DAERA of any changes that have an impact on the delivery of objectives. NIEA will report financial and non-financial performance.
59. BST will liaise regularly with departmental and NIEA officials to review:
- performance against any NIEA targets in the DAERA Business Plan; and

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<sup>1</sup> (The NIEA's Internal Audit service is provided by the Government Internal Audit and Fraud Investigation and Service (GIAFIS) in the Department of Finance. GIAFIS provides a dedicated resource for internal audit services in DAERA and this departmental resource also provides audit services to NIEA).

- expenditure against its Resource and Capital DEL allocations.

## AUDIT

### Internal

60. The Department's Internal Auditor has the right of access to all NIEA records and staff for any purpose including, for example, sponsorship audits and operational investigations. NIEA shall:

- establish and maintain arrangements for internal audit in accordance with DoF's Public Sector Internal Audit Standards (PSIAS) using Government Internal Audit & Fraud Investigation

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Service, and ensure that the internal audit and performance assessment teams have complete access to all relevant records, including where the service is contracted out; and

- keep records of, and prepare and forward to DAERA, regular reports on fraud and theft suffered by NIEA and notify DAERA of any unusual or major incidents as soon as possible.

### External

61. The Comptroller & Auditor General (C&AG) has a statutory right of access to relevant documents, including those held by another party in receipt of payments or grants from NIEA. The C&AG will:

- inform DAERA and NIEA on whether the C&AG or an appointed commercial auditor shall undertake the audit(s);
- share with DAERA information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in

particular on issues impacting on DAERA's responsibilities in relation to financial systems within NIEA; and

- where asked, provide DAERA and other relevant bodies with Regulatory Compliance Reports and other similar reports which DAERA may request at the commencement of the audit, and which are compatible with the independent auditor's role.

62. The C&AG may carry out value for money examinations into the economy, efficiency and effectiveness with which NIEA has used its resources in discharging its functions. For the purpose of these examinations, the C&AG has statutory access rights to documents. In addition, NIEA shall provide, by way of conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

## **REVIEW**

63. This framework document should be reviewed and updated at least every 3 years. NIEA may be reviewed as part of any wider Public Body Review Programme.

## **ROLE OF THE DEPARTMENT**

### **Ministerial Responsibility**

64. The functions of the Department are at all times exercised subject to the direction and control of the Minister of Agriculture, Environment and Rural Affairs (Article 4(1) of [The Departments \(Northern Ireland\) Order 1999](#) and the [Departments Act \(Northern Ireland\) 2016](#)).

65. The Minister sets the policy framework within which the Agency operates and the scope of its activities. The Minister approves the resources to be made available to the Agency, approves its Business Plan, sets key performance targets and will be advised on Agency performance.
66. The DAERA Minister will account for NIEA business in the NI Assembly. The Minister must be consulted by the Chief Executive and by other staff as appropriate on the handling of operational matters which could give rise to significant public concern, or on other matters that may be novel or contentious or matters that might reasonably attract Ministerial attention.

### **DAERA's Principal Accounting Officer's responsibilities**

67. As the Principal Accounting Officer (PAO), the Department's Permanent Secretary designates the Chief Executive Officer (CEO) as the Agency's Accounting Officer (AO). The PAO issues a letter appointing the AO, setting out their responsibilities and delegated authorities. The PAO is accountable to the Assembly for the issue of any budget allocation to NIEA.
68. The PAO is also responsible for advising the Minister:
- On an appropriate framework of objectives and targets for NIEA in light of the Department's wider strategic aims and priorities;
  - On an appropriate budget for NIEA in light of DAERA's overall public expenditure priorities; and
  - How well NIEA is achieving its strategic objectives and whether it is delivering value for money.
69. The PAO is responsible for ensuring arrangements are in place in order to:
- Monitor NIEA activities and performance
  - Address any significant issues in NIEA as they arise, making such interventions as are judged necessary;

- Periodically carry out an assessment of the risks both to DAERA and NIEA objectives and activities in line with the wider departmental risk assessment process; and
- Inform NIEA of relevant Executive and Ministerial policy in a timely manner.

## Oversight Arrangements

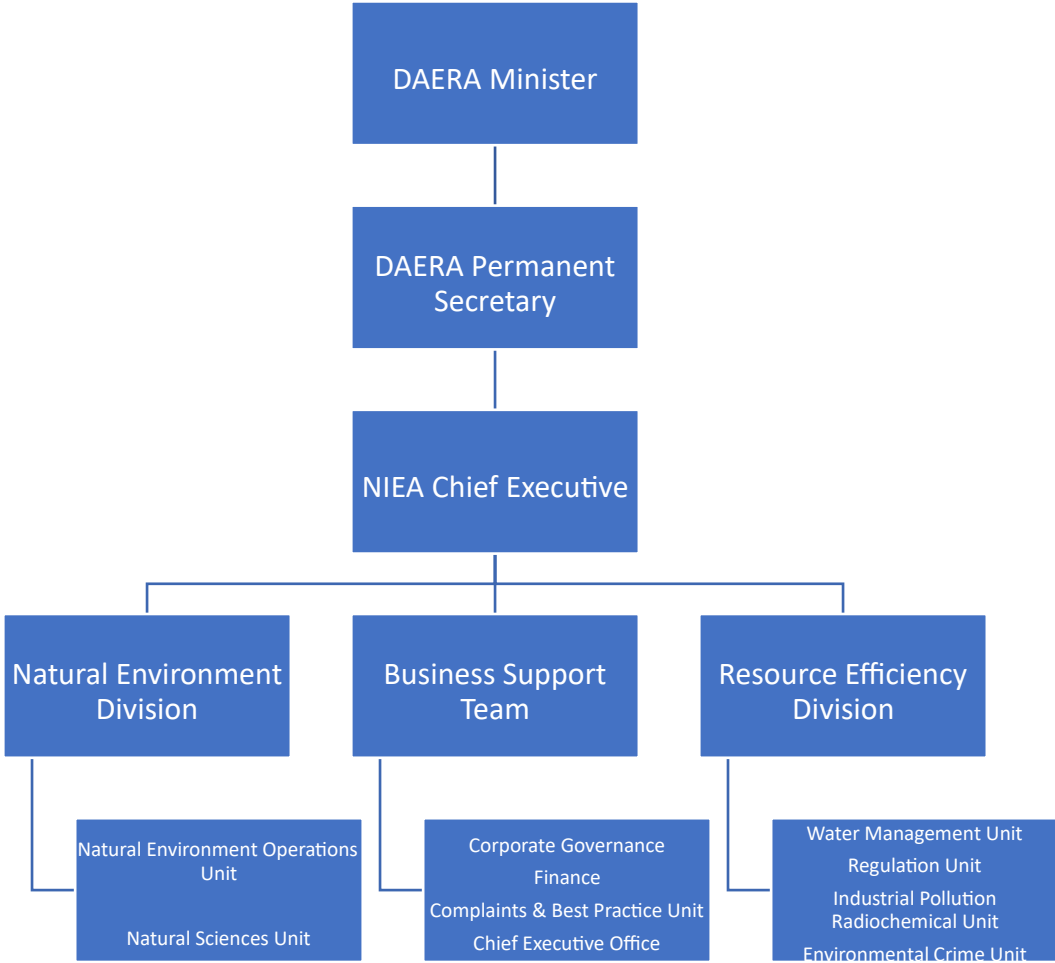
70. In supporting the Principal Accounting Officer, the DAERA Departmental Board has a role in ensuring that there are effective arrangements for governance, risk management and internal control for the whole departmental family. The Departmental Board will therefore from time to time review and scrutinise the effectiveness of the governance and risk management processes in place in the NIEA.
71. Additionally, and recognising the specific role of the Departmental Audit Risk and Assurance Committee, its Chair will meet with the Chair of the Audit and Risk Assurance Committee of NIEA, along with the other agency and ALB ARAC chairs, on a regular basis. The PAO may attend these meetings.

## Support Services

72. Many support services are provided to NIEA by the core Department. The key services provided by DAERA to support the NIEA Accounting Officer and the PAO are:
- IT (Digital Services Division);
  - Review of business cases (Resource Economics Branch);
  - Financial policy and advice (Finance Division); and
  - Media services (Press Office).

73. There are also other shared services provided by other Departments, mainly DoF (NICS HR, Properties Division, Account NI and Construction & Procurement Delivery).

**Appendix A: Organisation of the Northern Ireland Environment Agency**



NIEA headquarters is located in Lisburn. The address is:

NIEA Lisburn  
17 Antrim Road  
Lisburn  
BT28 3AL

Telephone: 0300 200 7856

E-mail: [nieainfo@daera-ni.gov.uk](mailto:nieainfo@daera-ni.gov.uk)

Website: <http://www.daera-ni.gov.uk>



## Appendix B: Terms of Reference for the NIEA Board

These terms of reference were approved by the Board of the Northern Ireland Environment Agency (NIEA Board) and fully reflect the requirements of [DAO \(DoF\) 06/13 Corporate Governance in central government departments: code of good practice NI 2013](#) and the [DAO \(DFP\) 06/13 \(attachment\)](#).

### Context

1. The Northern Ireland Environment Agency (NIEA) is an Executive Agency within the Department of Agriculture, Environment & Rural Affairs (DAERA). The Agency's primary purpose is to protect and enhance Northern Ireland's environment, and in doing so, deliver health and well-being benefits and support economic growth.
2. The statutory framework under which the Agency operates includes a wide range of environmental legislation including international agreements. NIEA advises the Minister of Agriculture, Environment & Rural Affairs and works within DAERA and across other Departments on operational environmental issues.
3. The Chief Executive of the Agency is also the Agency Accounting Officer with the responsibilities and delegations outlined in the Agency's Framework Document.

### Board Objectives

4. The role of the Agency Management Board (AMB) is to provide collective leadership on strategic and operational matters for the Agency and to:
  - take forward the Agency's strategic aims and objectives;

- determine the strategic allocation of the Agency's financial and human resources to achieve those aims and objectives;
  - strategically manage overall Agency resources, and monitor and take action to ensure the achievement of objectives;
  - set the Agency's standards and values;
  - maintain an effective system of internal control;
  - assess and manage strategic risk; and
  - lead and oversee organisational development, encouraging innovation and, where appropriate enterprise, to enhance the Agency's capacity and capability to discharge its functions efficiently and effectively.
5. In order to achieve these objectives, a formal schedule of matters reserved for Board decision – that is, those which should not be delegated within the Agency – is set out below and covers decision-making in relation to the following matters:
- setting the strategic direction for the Agency through the corporate business planning process to achieve Ministerial objectives;
  - financial planning and management, including allocation of resources to match delivery requirements and in-year monitoring and management of expenditure;
  - monitoring Agency performance against objectives and targets and assessing the risks to delivery;
  - risk management policies and plans, including the identification and management of strategic risks to the achievement of objectives and priorities;
  - the effective organisation and use of staff to achieve Ministerial objectives and priorities, including managing attendance;
  - Agency change and improvement programmes; and
  - Corporate Governance arrangements within the Agency.
6. The Board will seek to give collective advice on matters referred to it by, or on behalf of, the Chief Executive, acting in keeping with the Nolan principles of

public life and, for its executive members, the NICS Code of Ethics. If a consensus cannot be reached the Chief Executive will make final decisions.

7. The Board acts collectively as the Chief Executive's primary source of advice within the Agency on issues which concern either:
  - the Agency as a whole; or
  - major issues within the scope of the Agency's remit.

### **Board composition**

8. The Board consists of the Chief Executive and the Executive Directors of the Resource Efficiency and Natural Environment Divisions. The Chief Executive will normally act as the Chair of meetings.
9. The head of the BST, the Head of Finance, the Department's NICS HR Business Partner and the appointed 2 Non-Executive Board Member (NEBM) are also formal attendees.

### **Attendance**

10. Where members are not able to attend a meeting, they should send their apologies in advance to the Secretariat. Members should not be absent from more than two consecutive meetings without the prior agreement of the Chair.
11. NIEA Executive Directors who are unable to attend may, subject to the Chief Executive's approval, nominate a representative.
12. All attendances and absences will be recorded in the minutes.

### **Roles and Responsibilities**

13. The role of Board Members is to:
  - Oversee NIEA performance and risk management;

- Ensure sound financial management is in place and scrutinise the allocation of financial and human resources to achieve strategic objectives;
- Ensure transparent and effective controls are in place to manage risk;
- Ensure that NIEA has the capability to plan and deliver to meet current and future needs; and
- Take responsibility for propriety, regularity and value for money of public finances and safeguarding NIEA assets.

14. The role of the Non-Executive Board Members is to:

- Use their experience to challenge and support the Board;
- Ensure the Board obtains and considers all appropriate information; and -  
Chair the Audit and Risk Assurance Committee.

### **Board schedule**

15. The board will meet up to 6 times per year. Meetings are not open to the public.

### **Agenda and papers for meetings**

16. The final agenda and any associated papers will be collated by the NIEA Board Secretariat and circulated to Board members 5 working days prior to meeting and posted on the DAERA website. The Board agenda includes a number of standing items – Human Resources report from NICS HR, Finance and Corporate Governance, Health and Safety, plus a range of topics as agreed by the Board.

17. If papers are not available for dispatch 5 working days prior to the meeting, the Secretariat may, after consultation with the Chief Executive, make a late posting or table the paper(s) at the meeting or withdraw the item(s) from the agenda at the meeting.

18. Papers will be in a form that facilitates Board discussion. They must be sponsored by the relevant Director and be accompanied by a covering note summarising the issues and putting forward recommendations.
19. There may be occasions, by exception, where it is necessary for the Agency Management Board to consider papers via correspondence. This can be for a variety of reasons, including for example:
  - Where an urgent decision is required between scheduled meetings;
  - Where a meeting has had to be cancelled or rescheduled;
  - To prevent a future meeting from being overwhelmed;
  - Where a paper is a routine update and does not require formal discussion; or
  - Where an emergency protocol has been activated.

When a contributor wishes to submit a paper to be considered by correspondence, they should contact the Board Secretariat to confirm that this process would be appropriate for the topic / circumstances.

Papers to be circulated for consideration by correspondence can be submitted at any time. The paper will be circulated by the Board Secretariat to Board Members under cover of an email which will highlight the action required from Members.

Members will be given one calendar week to respond. A reminder will be sent to any Members who have not responded by the deadline. Should responses remain outstanding after that extended period, it will be recorded that the Member did not provide a comment.

Where there are questions raised in the comments, the Secretariat will liaise with the originating Member to seek a response. Responses to the questions should be copied to the Member raising the question and will then be included in the final collated document considered by the Chief Executive as Chair of the Board.

On receipt of the Chair's comments, all comments are provided to the originating Member, copied to all Board Members for information, and the process is closed.

20. The Agency Management Board Secretariat is provided by the Chief Executive's Office and/or Business Support Team.

## **Minutes of meetings**

21. Minutes (and associated action points) of each meeting will be produced in draft for clearance by Board members. These minutes will be agreed at the following meeting and published on the DAERA website.

## **Conduct and approval of business**

22. The Chief Executive will, if present, chair all meetings of the Agency Management Board. In the absence of the Chief Executive, a member of the Board who is an Agency Executive Director may chair the meeting.
23. The Chair is responsible for ensuring that business is conducted cordially, fairly, effectively and efficiently. The Chair will ensure that all members have sufficient opportunity to express their views on matters under discussion.
24. Where there is an agenda item requiring the approval of the Board, the Chair will seek the views of members and wherever possible reach a consensus. If a consensus cannot be reached, the Chief Executive will make a final decision on approval. Individual Board members may request their views be recorded in the formal minutes of the meeting.

## **Conflicts of Interest**

25. If a member of the Board has any actual or potential interest, whether direct or indirect and whether pecuniary or not, that in the opinion of a fair-minded and informed observer would suggest a real possibility of bias in relation to any matter that is brought up for consideration at a meeting of the Board, that member must disclose the nature of the interest to the meeting. The declaration

of interest must be made prior to the start of the discussion of the item to which it relates. If an interest has been declared in advance of the meeting this will be made known by the Chair of the meeting prior to the discussion of the relevant agenda item. In the event of the member not appreciating at the beginning of the discussion that an interest exists, that member should declare their interest immediately they become aware of it.

26. Where a member of the Board has acted in accordance with the provisions of paragraph 25 and has fully explained the nature of their interest, the Chair of the Board will decide whether the declared interest is such that the member should be excluded from participating in the discussion and determination of the relevant item. If the Chair decides that the member should be so excluded the member shall withdraw from the meeting for the duration of the item. However, having considered the potential for bias, the Chair may conclude that the member can be allowed to participate to an extent considered appropriate in the discussion and determination of the issue. If it is decided that the member with the interest should leave the meeting the Chair may first allow them to make a statement on the item under discussion.
27. If it is decided that the Chair of the Board should leave the meeting because of a conflict of interest, another Executive Board member will be asked to chair the discussion of the relevant agenda item.
28. In addition to the above provisions, a Board member's 'Declaration of Interests Register' is maintained by the Board Secretariat and members are required, at least annually, to register any company directorships or other significant interests held.

### **Revision of Terms of Reference**

29. These terms of reference shall be reviewed regularly and not less than every three years.

### **Board effectiveness review**

30. A review of board effectiveness should aim to be completed on annual basis.

### **Terms of Reference Approval Date**

31. This Terms of Reference was approved by the Agency Management Board on  
22/04/2024



## Appendix C: NIEA Audit & Risk Assurance Committee – Terms of Reference

### PURPOSE AND ROLE

The Agency's Accounting Officer (AO) has established the NIEA Audit and Risk Assurance Committee (ARAC) as a Committee of the Agency Management Board (AMB) to support the Accounting Officer in their responsibilities for issues of governance, risk management and internal controls by reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board and AO's assurance needs.

The committee contributes to and supports a number of AMB roles, principally ensuring clear, consistent, comparable performance information is used to drive improvements and monitoring and steering performance against plans.

As well as providing assurance to the AO, the Committee will ensure that high level information on risk and control is brought to the AO's attention, in order to assist them in identifying their priorities for action and providing strategic clarity as outlined in the NIEA Framework Document.

Although it has no express remit to do so, the Committee may also from time to time help the AO prepare for being held to public account by subjecting their executive decisions to constructive challenge in the sense of encouraging them to ensure that they can demonstrate that they have made the best possible decisions in the light of all the available evidence.

It is **not** the task of the Committee to substitute for the executive function in the management of Internal Audit, risk management, corporate governance, stewardship reporting, internal control or any other review or assurance function. The Committee is supported by the reports received from Internal Audit and the Northern Ireland Audit Office (NIAO).

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

Members of the Committee are bound by the normal Civil Service rules relating to disclosure of information and must respect their privileged position without which the Committee cannot have free and frank discussion.

### **1.1. Responsibilities**

The Committee is authorised by the AMB to carry out any activity within the scope of its Terms of Reference. The main objective of the Committee is to contribute independently to AMB's process for ensuring that governance, risk management and internal control processes operate effectively. The Committee will do this by forming a consolidated view of all assurance activity within the Agency.

The Committee is advisory in nature and its primary role is to oversee, promote and provide input to all activities associated with business risk, corporate governance and audit.

The Committee will advise the AO and AMB on:

- the strategic processes for risk, control and governance and the Annual Governance Statement and associated supporting reporting;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the Northern Ireland Audit Office (NIAO);
- the planned activity and results of work undertaken by both Internal Audit and NIAO;
- adequacy of management response to issues identified by audit activity, including progress reports on the implementation of audit recommendations;
- assurance relating to the risk, control and governance requirements for the Agency focussing specifically on the Agency Risk Register and the actions to improve controls;
- anti-fraud policies, whistle-blowing processes, arrangements for special investigations and other ad-hoc reporting (e.g. PPEs, DACs); and

- the performance and effectiveness of the Committee.

## MEMBERSHIP

The Committee will comprise at least three members, appointed by AO. Membership will consist of at least two Agency Non-Executive Board Members (NEBM) and at least one Independent External Member drawn from the wider Northern Ireland public service. Membership will normally be for an initial period of 3 years, which may be extended in further defined periods by agreement of AMB. The maximum total term of appointment is six years.

The Committee will be chaired by an Agency NEBM. The Committee requires a range and balance of competencies to allow it to be effective in its functions. Whilst it is not necessary for every member to be a finance specialist, it is important that the Committee has an expertise in financial matters. At least one member will have recent and relevant financial experience.

Those appointed to the Committee will be provided with suitable induction training to allow them to understand and contribute effectively to the achievement of the Committee's Terms of Reference. The Chair of the Committee will discuss induction training needs with newly appointed members of the Committee.

Current Membership is as listed below:

- Stephen Welch, Chairperson and Non-Executive Board Member of NIEA;
- Paul Douglas, Non-Executive Board Member of NIEA;
- Anthony Carleton, Independent Committee Member (ICM); • Deirdre Ward, Independent Committee Member (ICM); and
- Colin Jack, Independent Committee Member (ICM).

The Committee will be provided with a secretariat function by the Agency's Business Support Team. If the Chairperson is unavailable, then another Non- Executive Member can/will chair the meeting with agreement. The role of Chairperson may be taken by the other Non-Executive Member of NIEA if the current Chairperson is not available.

## **ATTENDEES**

While not members of the ARAC, the AO and the heads of BST, Governance and Finance will attend ARAC. Meetings will also be attended by Internal Audit and NIAO.

## **MEETINGS**

The Committee will meet at least three times a year. The Chair of the Committee may convene additional meetings, as deemed necessary.

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- a minimum of 2 members of the Committee will be present for the meeting to be deemed quorate (the Chair and one ICM);
- Committee meetings will normally be attended by members of the Committee, representatives from the Agency's BST, the Head of Internal Audit, and a representative of NIAO. The Audit Committee may ask Agency officials to attend or provide written reports to assist it with its discussions on any particular matter;
- the Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters; and
- the Chief Executive may ask the Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

## **Papers Considered by Correspondence**

There may be occasions, by exception, where it is necessary for ARAC Members to consider papers via correspondence. This can be for a variety of reasons, including for example:

- where an urgent decision is needed, between normal scheduled meetings;
- where meetings have been cancelled or rescheduled, to prevent future meetings being overwhelmed;

- where a paper is a routine update and does not require formal discussion or consideration at ARAC level; or
- when an emergency protocol has been activated.

When a contributor wishes to submit a paper to be considered by correspondence, they should contact the ARAC Secretariat to confirm that this process would be appropriate for the topic / circumstances.

Papers to be circulated for consideration by correspondence can be submitted at any time. The paper will be circulated by the ARAC Secretariat to ARAC Members under cover of an email which will highlight the action required from Members.

Members will be given one calendar week to respond. A reminder will be sent to any Members who have not responded by the deadline. Should responses remain outstanding after that extended period, it will be recorded that the Member did not provide a comment.

Where there are questions raised in the comments, ARAC Secretariat will liaise with the originating ARAC Member to seek a response. Responses to the questions should be copied to the Member raising the question and will then be included in the final collated document considered by the Chair.

On receipt of the Chair's comments, all comments are provided to the originating ARAC Member, copied to all ARAC Members for information, and the process is closed.

## **REPORTING**

The Committee will formally report back to the Chief Executive and the Agency Management Board following each meeting. This will be a short update, which will include the minutes and will be presented by the Chair of the ARAC at the relevant Agency Management Board meeting.

Draft minutes (and associated action points) of the Committee meetings will be circulated to attendees in a timely manner to allow sufficient time for resulting action points to be considered and dealt with.

The Committee will also provide the Chief Executive with an Annual Report which will include a summary of conclusions drawn from the work of the Committee during the year and also the Committee's view of its own performance and effectiveness. The Report should be timed to support finalisation of the Agency Annual Accounts and specifically the Governance Statement.

The Committee may also provide the Chief Executive with ad-hoc reports during the year on issues which they consider the Chief Executive should be aware of or on which they consider action should be taken.

## **RIGHTS**

The Audit Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
- procure specialist ad-hoc advice at the expense of the Agency, subject to budgets agreed by the Board.

## **ACCESS**

The Head of Internal Audit and NIAO representatives will have free and confidential access to the Chair of the Audit Committee.

## **INFORMATION REQUIREMENTS**

At each meeting the Committee will be provided with the draft minutes and updates on action points from the previous ARAC meeting. At the commencement of each ARAC meeting, the Chair will request that any Conflict of Interest be declared. For

each meeting (depending on the issues scheduled for consideration) the Committee will be provided with:

For each meeting:

- a progress report from the Head of Internal Audit summarising:
  - work performed (and a comparison with work planned);
  - key issues emerging from Internal Audit work;
  - Limited opinion reports (draft and final);
  - Changes to the Audit Strategy and Annual Assurance Plan;
  - management progress on the implementation of audit recommendations; and
  - any resourcing issues affecting the delivery of Internal Audit objectives.
- progress reports from NIAO representatives summarising work done and emerging findings;
- a report summarising any significant changes to the Agency's Risk Management processes including the content of the Agency's Risk Register;
- a report summarising progress on the implementation of audit recommendations;
- Progress reports on the implementation of the Annual Business Plan;
- a report covering fraud issues, i.e. cases discovered and/or guidance issued; and
- reports providing updates on other governance issues (e.g. PPEs, DACs).

As appropriate:

- revisions to Terms of Reference and Service Level Agreements with Internal Audit;
- the Internal Audit Strategy and associated audit plans;
- the Head of Internal Audit's Annual Opinion and Report;
- Quality Assurance reports on the Internal Audit function;

- Internal Audit performance reports;
- the Agency's draft accounts;
- the draft Agency Stewardship Reports;
- a report on any changes to accounting policies;
- NIAO 'Report to those charged with Governance' – Audit Results;
- a report on co-operation between Internal Audit and NIAO; and
- a report summarising the response from the Committee members about the performance and effectiveness of the Committee (normally annually).

## **CONFLICTS OF INTEREST**

The Committee shall apply the same approach to actual or potential Conflicts of Interest as is set out in the Agency's Management Board Terms of Reference.

## **DISPUTES**

Disputes between operational managers and Internal Audit should be channelled in the first instance to the relevant Director and then if required to the Chair of the Audit Committee.

## **REVIEW**

This Terms of Reference will be subject to annual review which should be timed to follow the annual assessment of the Committee's performance and effectiveness.

## **NIEA Audit Committee Competency Framework**

All members of the Audit Committee should have, or acquire as soon as possible after appointment:

- Understanding of the objectives of the organisation and current significant issues for the organisation;
- Understanding of the organisation's structure;



- Understanding of the organisation's culture;
- Understanding of any relevant legislation or other rules governing the organisation; and
- Broad understanding of the government environment, particularly governance and accountability and current major initiatives.

The Audit Committee will seek corporately to possess:

- Knowledge / skills / experience (as appropriate and required) in:
  - Accounting;
  - Risk Management;
  - Audit; and
  - Technical or specialist issues pertinent to the organisation's business.
- Experience of managing similar sized organisations;
- Understanding of the wider relevant environments in which the organisation operates; and
- Detailed understanding of the government environment and accountability structures.

## Appendix D: General Guidance and Instructions

NIEA shall comply with the following:

- This Framework Document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice NI 2013  
<https://www.financeni.gov.uk/sites/default/files/publications/dfp/daodfp0613att.pdf>  
;
- Managing Public Money (MPMNI)  
<https://www.financeni.gov.uk/articles/managing-public-money-ni-mpmni> ;
- Relevant Freedom of Information Act and Environmental Information Regulations guidance and instructions (Ministry of Justice)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/16868/foiguideance\\_may08.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/16868/foiguideance_may08.pdf) ;
- Public Sector Internal Audit Standards  
[https://www.financeni.gov.uk/sites/default/files/publications/dfp/daodfp0616att\\_0.pdf](https://www.financeni.gov.uk/sites/default/files/publications/dfp/daodfp0616att_0.pdf) ;
- Management of Risk: Principles and Concepts  
<https://www.financeni.gov.uk/sites/default/files/publications/dfp/orange-book.pdf> ;
- DoF Managing Fraud Risk in a Changing Environment A Good Practice Guide  
<https://www.financeni.gov.uk/sites/default/files/publications/dfp/fddfp0915att.pdf> ;
- Government Financial Reporting Manual (FReM), <https://www.financeni.gov.uk/publications/201516-government-financialreporting-manual-frem-and-accounts-proformas>
- Regularity, Propriety and Value for Money,  
[https://www.financeni.gov.uk/sites/default/files/publications/dfp/reg\\_prop\\_vfm\\_nov04.pdf](https://www.financeni.gov.uk/sites/default/files/publications/dfp/reg_prop_vfm_nov04.pdf) ;
- The Principles of Good Administration  
<https://www.financeni.gov.uk/sites/default/files/publications/dfp/a.4.3-principles-of-goodadministration.pdf>
- Relevant Dear Accounting Officer letters  
<https://www.financeni.gov.uk/articles/dear-accounting-officer-letters-daos>

- Relevant Finance Director letters <https://www.financeni.gov.uk/articles/finance-director-letters-fds>
- Consolidation Officer Memorandum, and relevant DCO letters <https://www.finance-ni.gov.uk/publications/whole-government-accounts-wga>
- Other relevant guidance and instructions issued by DoF in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by the sponsor Department (DAERA);
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the Agency.

## **Appendix E – Delegated Authorities: Limits of Delegated Authority**

Areas requiring DoF approval, must be obtained through DAERA, are set out in [DAO \(DoF\) 08/21](#) and associated [DAERA specific Annex](#).

Subject to legislative requirements and compliance with Departmental and DoF guidelines, the Chief Executive has delegated financial authority from the Principal Accounting Officer to authorise expenditure and disposals within the limits of the NIEA annual budget allocation.