



Sustainability at the heart of a living, working, active landscape valued by everyone.

**Northern Ireland Environment Agency
Annual Report and Accounts
For the year ended 31 March 2022**

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

on

30 June 2022



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ANNUAL REPORT

Chief Executive's Perspective on Performance

I took up the post as Interim Chief Executive and Accounting Officer of the Northern Ireland Environment Agency on 28 June 2021.

I am pleased to present the Northern Ireland Environment Agency's (NIEA, the Agency) 2021-22 Annual Report and Accounts. The Major Emergency Response Plan (MERP), which was activated on 22 October 2020 by the Department of Agriculture, Environment and Rural Affairs (DAERA) in response to the concurrent challenges of COVID-19 and EU transition, was stood down by DAERA's Top Management Team on 27 April 2021, however the implications of transitioning were felt throughout the reporting period. The NIEA has continued operating to protect and enhance the environment for the benefit of all the people in Northern Ireland whilst supporting economic activity and delivering health and well-being benefits.

During the reporting period, managing the impact of leaving the EU continued to be a top priority for the Agency. Work still continues on many fronts including aspects of operationalising policy frameworks, relevant legislation amendments and refreshes. As well as Waste and Water compliance and regulation, leaving the EU also had implications on the regulatory environment. In addition, the Agency is a key enabler in support of DAERA's role in progressing the Executive's Green Growth Strategy and Climate Action Planning. This initiative and support will drive the Northern Ireland Executive commitment to tackle climate change within a strategy that fundamentally incorporates environmental protection and green jobs.

It is in this context I am pleased to report that we met nine of the total 14 targets including three of the four 'key performance targets' (KPT's) as set out in our Business Plan for 2021-22.

The Agency achieved 5,000 hectares of terrestrial protected areas under favourable management. In addition, integrated environmental advice continued to be delivered for planning to support effective and informed planning decisions, a fundamental for Green Growth. Our Country Parks and Nature Reserves have, when circumstances allowed, continued to provide important opportunities for nature inspired outdoor recreation, as well as both appreciation and engagement with nature and our natural environment. This has been more important than ever during the pandemic. NIEA sites saw an estimated 3.2 million visits over the course of 2021, seeing a marked increase of 15% on 2020 figures.

The Agency's Enforcement Branch continues to tackle offending within Northern Ireland's waste industry. During the financial year, the team's Assessment Unit processed 1,493 incidents of suspected waste criminality and carried out 40 criminal investigations.

A key focus continues to be monitoring of Northern Ireland's water bodies to explain impacts and inform solutions to water quality problems. We consulted on the draft 3rd cycle River Basin Management Plan including the Programme of Measures to improve and protect our water resources. Upon receipt of Ministerial and the Executive approval, the 3rd cycle plan will be published and, once approved, will cover a six-year period between 1 January 2022 and ending on 31 December 2027. However, in support of the plan and in the interim period the Agency continues to chair a number of thematic focus groups that bring together a range of stakeholders to facilitate the implementation of the Programme of Measures and realisation of multiple benefits emanating from the investment.

We continue to value our strong partnerships with our customers and stakeholders. NIEA staff adapted to the challenges of 2021-22 and continued to engage with customers and stakeholders utilising virtual platforms. During the reporting period over £9.3m was committed by the Agency under the Environment Fund to deliver projects supporting habitats and species, improved water quality, engagement with nature and access to the countryside. Looking to the future it is essential that we target the Agency's limited resources on our key business priorities, specifically our statutory obligations and Programme for Government commitments. EU Exit and specifically the outworking's of the Northern Ireland Protocol continue to impact on the operational environment. We continue dealing with the effects of the COVID-19 pandemic and the implementation of a hybrid operating environment will also prove to be a significant challenge. However, I believe that as we emerge from the recent disruptive period there will be opportunities which could help to improve and stimulate investment in our natural environment and therefore the lives of our fellow citizens. The NIEA alongside other key stakeholders will need to ensure that during the post pandemic recovery period that the environment continues to be a priority, thus ensuring that any "green growth" dividend is available for us all to enjoy.

I am grateful for the continued support of the many environmental and other organisations, from the voluntary, business, law enforcement and community sectors, for their valuable support during 2021-22.

I would like to place on record my continued gratitude to the staff in the Agency for their professionalism, commitment and dedication in supporting me to deliver the Agency's aims and objectives, particularly during what has been another very challenging year.

We are now entering a recovery phase after recent disruptions when we must consolidate delivery of our core business during 2022-23 and plan for the next 5-10 years as our operating environment evolves in a busy policy space. Our aim is to provide us all with opportunities to protect and enhance our collective environment, support economic development and provide health and wellbeing benefits.



Paul Donnelly
Chief Executive
27 June 2022

Non-Executive Board Member Report

The year to 31 March 2022 has been another challenging period for the Northern Ireland Environment Agency (NIEA) given the global pandemic. As a complex and diverse operational organisation, the Agency continues to meet competing demands in this evolving environment, as it fulfils its regulatory, enforcement and operational duties to ensure compliance with current environmental legislation and standards. As a Non-Executive Member of the Agency Board I've strategically inputted and supported the NIEA's activities through contributing at the Board meetings and undertaking regular scrutiny reviews of progress and risks at each Audit Risk and Assurance Committee meeting, which I chair. I wish to record thanks to all the Agency staff for their effort and assistance throughout the last year as we emerge into a period of renewal.

NIEA Board

The Management Board met 12 times in 2021-22. In line with other statutory functions responding and emerging from the ongoing pandemic all meetings were conducted via videoconference, with some planned external activity which had to be managed in accordance with the evolving restrictions in place to protect staff and the general public. In addition to considering papers on operational issues the NIEA Board agenda included issues linked to the EU Exit, monthly finance and corporate governance updates, HR / Staff, and Health & Safety updates.

Board Effectiveness

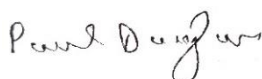
The Agency undertook a Review of Board Effectiveness 2021-22 that was delayed from 2019-20 as a result of other priorities. Members completed a self-assessment questionnaire of mandatory statements which rates their views on the relative strengths, and perceived weaknesses of the Board's effectiveness.

Audit and Risk Assurance Committee

The Audit Risk and Assurance Committee, under my chairmanship met on three occasions in 2021-22 and continued to support the Accounting Officer and Management Board in their responsibilities for issues of risk, control and governance. All meetings this year were held remotely via video conference, however this did not impact on the effectiveness or work of the committee.

At each meeting the committee reviewed progress on audit recommendations, considered fraud and whistleblowing cases, the NIEA Risk Register and other governance related issues such as Post Project Evaluations (PPEs), and any Direct Award Contracts awarded.

The committee welcomed the unqualified audit opinion on the 2021-22 accounts and the satisfactory audit opinion presented by Internal Audit in their 2021-22 Annual Opinion and Report. The committee continued to reflect upon the recommendations in relation to risk management within the Agency, and reaffirmed the position that Internal Audit should continue with a flexible three year audit strategy to provide reasonable assurance to the Accounting Officer.



Paul Douglas
27 June 2022

1. PERFORMANCE REPORT

1.1 Overview

Introduction

This commentary sets out the Agency's main objectives, comments upon the organisational context within which the Agency operated, and provides a detailed report on performance during 2021-22.

History and Statutory Background

The Northern Ireland Environment Agency (NIEA, the Agency) hereby presents its Annual Report and Accounts for the year ended 31 March 2022.

The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (*FReM*) and under an Accounts Direction given by the Department of Finance (DoF) in accordance with Section 11(1) and (2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

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

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

Structure

The Agency is headed by a Chief Executive and three Directors of three Divisions – two operational Divisions, Natural Environment and Resource Efficiency, and Strategic Planning and Change Division¹. A Non-Executive Director was appointed on 1 September 2018 for a three year period which has been extended for a further three year period with annual review. The Business Support Team assists the Chief Executive and Directors in the delivery of key corporate functions such as strategic planning, governance, and financial and budget management.

Business Priorities for 2021-22

For 2021-22, NIEA's primary purpose was 'to protect and enhance Northern Ireland's environment, and in doing so, to deliver health and well-being benefits and support economic growth'. This purpose underpinned and contributed to DAERA's 2021-22 vision of 'Sustainability at the heart of a living, working, active landscape valued by everyone'.

Of the 14 targets in the latest version of the NIEA 2021-22 Business Plan, three are included in the DAERA 2021-22 Business Plan. The main activities relating to these targets are the protection of the environment and public health through regulation and enforcement; statutory designations;

¹ Subject to review in 2022

research and monitoring; raising public awareness of the environment and their role in protecting it.

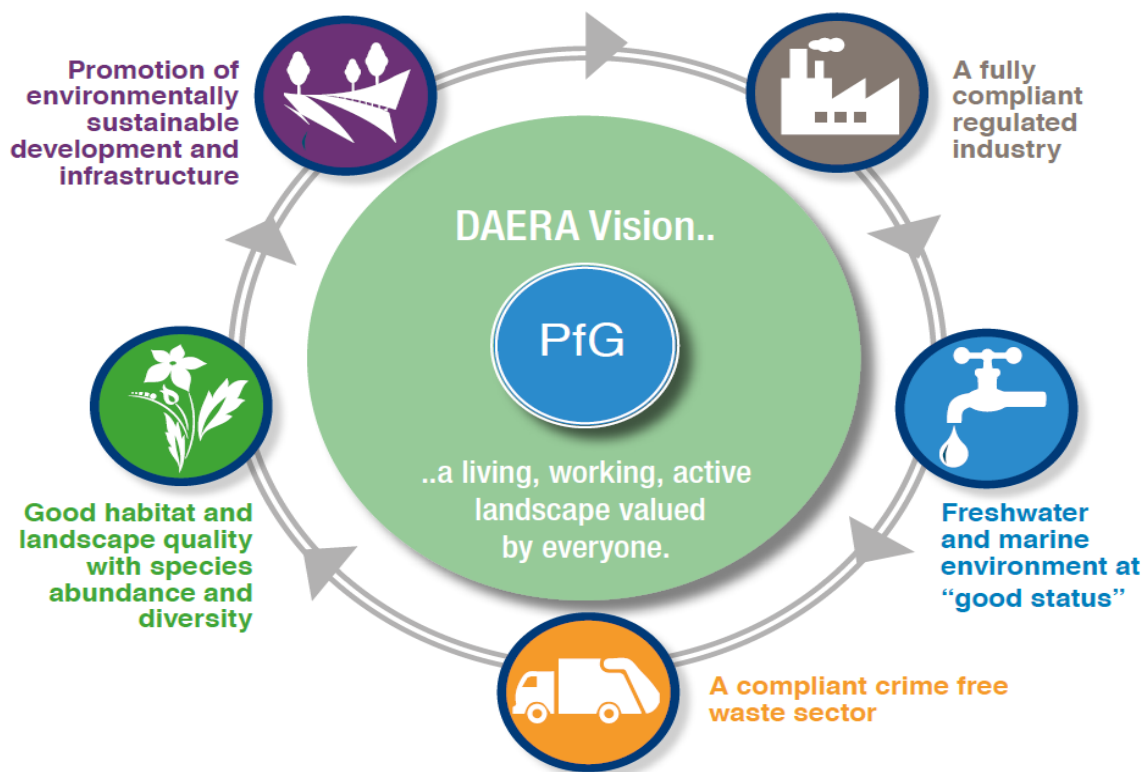
Additionally there's an ongoing programme of work to ensure that the Agency is appropriately implementing key changes after the UK's departure from the European Union in terms of agreed policy frameworks, relevant legislative amendments, and transition planning.

Principal Activities

There were 14 targets included in the draft 2021-22 NIEA Business Plan setting out the Agency's priorities for the year. These targets set the direction of the Agency and provided a delivery framework for our staff, our customers and stakeholders. The targets represented the Agency's public contribution outlining what we intended to deliver throughout the financial year.

One of DAERA's four strategic outcomes for 2021-22 was a "clean, healthy environment, benefitting people, nature and the economy", which underpins the draft Programme for Government (PfG) Outcome 2, "We live and work sustainably – protecting the environment".

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



What We Do & How We Performed During 2021-22

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

What we do:

A Fully Compliant Regulated Industry

To help achieve this key priority NIEA:

- Promotes a sustainable approach to managing waste and land resources in Northern Ireland to protect our shared environment. This encourages resource efficiency and economic growth in a coordinated and sustainable manner.
- Monitors, audits and regulates authorised and exempt waste facilities, waste carriers, certain waste movements and those organisations falling under the Producer Responsibility Regulations in order to protect and minimise impacts to the environment and human health.
- Monitors and regulates discharges to the aquatic environment. This key activity is underpinned by an extensive compliance sampling and reporting programme. The Agency provides advice and guidance to Northern Ireland Water to enhance its operational asset performance.
- Undertakes a wide ranging programme of visits to industrial, agricultural, construction, demolition, and other industrial sites providing prevention advice, carrying out risk assessments with the aim of minimising the impact of these activities on the environment. Although during the ongoing period impacted by COVID-19 restrictions, the Agency delivered a reduced, but targeted programme of sampling and site inspections, at waste water treatment works and sites of regulated discharges to monitor compliance and performance.
- Undertakes cross-compliance farm inspections throughout Northern Ireland under three Environmental Statutory Management Requirements, and three Good Agricultural and Environmental Conditions. These requirements cover a range of environmental conditions relating to protected Habitats, Birds, Groundwater, Buffer Strips, Irrigation Authorisations and the Nitrates Directive.

Freshwater and marine environment at 'good status'

DAERA is the lead Department responsible for coordinating programmes of measures across government and industry aimed at improving water body status under Outcome 2 of the draft Programme for Government (PfG).

The majority of statutory river and lake water quality monitoring was undertaken as planned in 2021, although the impacts of COVID-19 restrictions limited some activities, such as working in small boats. During the 2021-22 year the Water Quality Monitoring Programme exceeded the 75% completion target, by achieving 86% delivery overall. The Water Chemistry laboratories continued to deliver an effective quality assured analytical service throughout 2021-22, and throughout the year 84% of the water quality analytical service was delivered. The Water Assessment Data and Evidence group successfully delivered 90% of the freshwater ecology programme for Northern Ireland, completing over 500 samples and surveys. Investigations highlighted that there were no

significant short or long-term impacts on water quality that could be attributed to the periods of lockdown.

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

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

Protection of Public Health through Effective Drinking Water Regulation

NIEA's Drinking Water Inspectorate (DWI) continued in its role to protect public health by safeguarding private supply drinking water quality and sufficiency, through effective regulation. Throughout the 2021-22 year DWI continued to deliver its regulatory duty to risk assess and monitor drinking water quality from private water supplies. This was delivered through collaboration with local councils, with DWI providing training and guidance to enable council staff to collect samples and conduct risk assessments of private water supply sites on its behalf. This ongoing management of risk to drinking water quality, with identification and implementation of remedial measures, continued at private water supply sites throughout the year. In 2021 – a total of 14,461 tests were completed on samples collected by DWI from registered private water supplies in Northern Ireland to monitor compliance with regulatory requirements.

Northern Ireland Water's regulatory duty to provide safe, clean water is assessed by DWI from water quality data, risk assessments, water quality investigations and event investigations submitted by NI Water, with appropriate action being taken as necessary. On average approximately 50 water quality events are investigated annually. During the recovery phase of COVID-19, DWI continued to work closely with NI Water to ensure its Contingency Plans were effectively implemented to deliver a safe public drinking water supply. Also in 2021, NI Water was successfully held to account by DWI for the supply of water that was unfit for human consumption, submitting a guilty plea in the first drinking water prosecution in Northern Ireland. Work also commenced on a major upgrade to Derg Water Treatment Works to improve drinking water quality as the result of a Statutory Notice issued by DWI. This will achieve higher quality drinking water for over 40,000 people in the area.

A compliant crime free waste sector

The Agency seeks to protect and improve the environment through risk based regulation, compliance monitoring and enforcement so that statutory targets and outcomes are achieved. This supports the legitimate and regulated industries while curtailing illegal activity.

NIEA's Regulation Unit monitors and regulates the licenced and permitted waste industry operations through its regulatory programme of site visits, inspections and audits which applies risk based compliance assessment models to support and direct regulatory activity. The Regulation Unit also monitors waste operators, waste carriers and brokers, waste processors, waste importers, exporters and businesses who fall within the Producer Responsibility Regulations. Where operators are non-compliant the Regulation Unit staff work with the Operator to ensure that they undertake and implement appropriate actions to quickly come back into compliance. The Agency will, where and when necessary, undertake proportionate enforcement action in accordance with the Department's Enforcement Policy in order to protect land, waterways, groundwater and drinking water. Environmental offenders can inflict large-scale and long term damage on our environment and deprive the local economy of legitimate and sustainable revenue, whilst impacting upon legitimate businesses' ability to compete. Waste and environmentally damaging crimes can occur in a broad range of settings and circumstances, both within and external to the regulated waste sector. This can range from fly-tipping to very large scale organised criminality such as illegal landfills, unlicensed end of life vehicle yards, and misdescription of waste materials. Such activity is frequently lucrative and blights our environment. It often has very significant impacts on surrounding land, air and water within the local district.

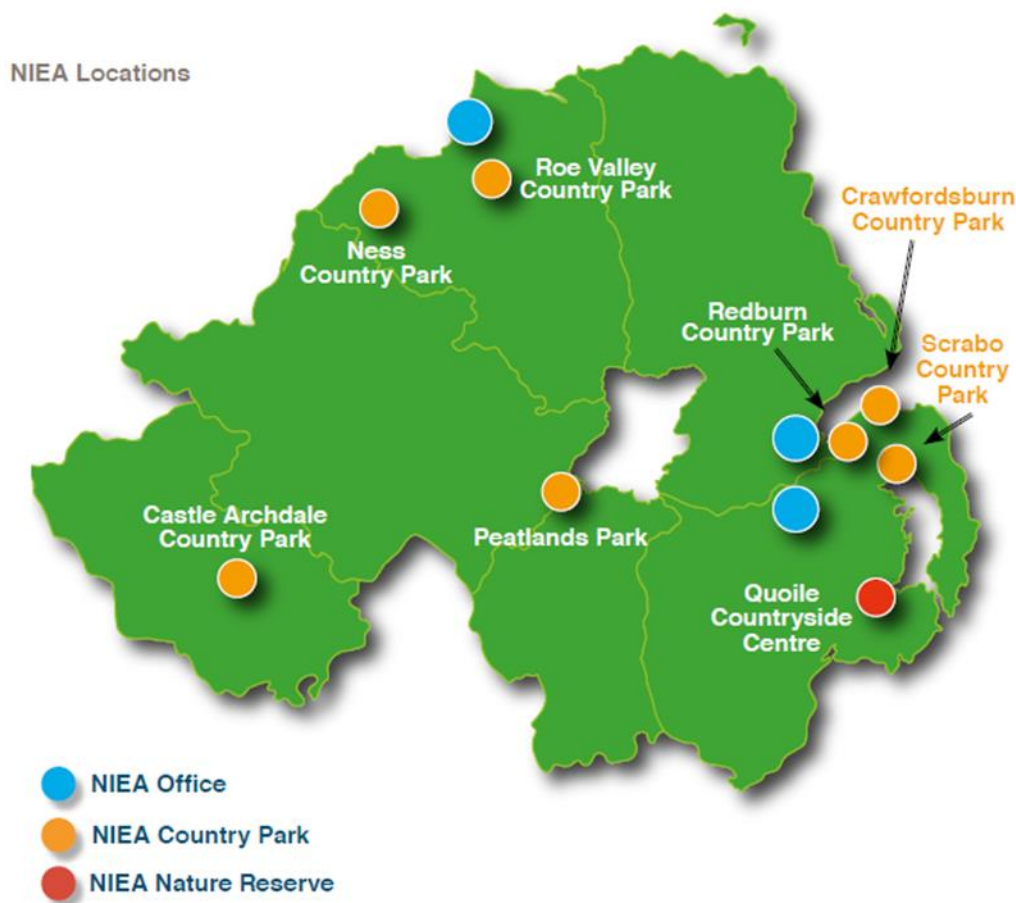
NIEA's enforcement activities, which aim to tackle criminality, range from education and prevention to deterrence, disruption and detection. Enforcement options available depend on individual circumstances and can escalate from issuing Article 27 'Clean-up' and fixed penalty notices through to formal prosecution proceedings. The Agency utilises powers under the Proceeds of Crime Act 2002 to deprive waste offenders of the proceeds of their criminal conduct, which allows the Agency to formally investigate and potentially recover any significant financial gains that criminals have obtained from waste crime. This approach impacts offenders' means to further offend and sends a clear message to others that waste and environmental crime will not pay.

Good habitat and landscape quality with species abundance and diversity

(a) Country Parks and Nature Reserves

NIEA manages 7 Country Parks and 65 Nature Reserve sites across Northern Ireland. These sites provide a unique value in terms of environmental heritage, wellbeing, conservation and connecting people to nature.

Sites are open for public access throughout the year and ongoing works are undertaken to maintain and improve access and associated facilities.



(b) Protection and Management of special biological and geological features

The key objective of nature and geo-conservation work is to achieve favourable condition of our priority habitats, species, and geological features. Such a situation reflects that features are healthy (for habitats and species – both in quality and extent/population) and with good prospects to continue to do so in the future.

NIEA recognises the importance of monitoring the condition of Northern Ireland's special biological and geological features, protected through our suite of Areas of Special Scientific Interest (ASSIs). This work both informs relevant authorities, agencies and landowners with respect to management and stewardship of those special features, but also enables reporting on how well Northern Ireland is doing in addressing the state of nature and supporting nature recovery.

Whilst in recent years our annual progress was hindered by the impact of the pandemic on field survey activity, we have been able to further develop reporting of ASSI feature condition for inclusion in future environmental statistics, through the annual NI Environmental Statistics Report, which will provide greater visibility for conservation management and policy development.

NIEA provides evidence, advice and grant aid to key stakeholders to support management and restoration of our priority habitats and species. There is an increasing need for more comprehensive monitoring and surveillance of the natural environment and our natural capital assets. The Agency continues to develop habitat mapping capabilities from satellite data through the Living Map of Northern Ireland project. This will enhance evidence on habitat extent, timely

monitoring of change, and targeting of monitoring activity and conservation action across Northern Ireland.

The Agency continued to work closely with DAERA colleagues to inform a strategy to manage the impacts of ammonia emissions and nitrogen deposition on our protected areas and biodiversity more generally across Northern Ireland. This includes ongoing monitoring and modelling of nitrogen deposition impacts to inform mitigation and management.

Promotion of environmentally sustainable development and infrastructure

NIEA staff work closely with the CAFRE Knowledge Advisory Service (KAS) to identify and agree key environmental issues, priorities and programmes, and provide specialist advice to ensure environmental outcomes are achieved. NIEA are represented on the KAS Oversight Board which identified and agreed issues that were taken forward via an action plan that promoted collaborative working between KAS advisors and NIEA staff in 2021-22. A new action plan for 2022-23 is in development.

DAERA has a statutory responsibility under The Planning (General Development Procedure) Order (Northern Ireland) 2015 (as amended) to respond to planning consultations from councils and the Department for Infrastructure in accordance with the provisions of the Planning Act (Northern Ireland) 2011. The Agency is also consulted on other non-statutory planning applications which may have an impact on the environment. The Planning Response Team provides a single point of contact for environmental advice on planning matters to councils, developers and the public; and provides a single, integrated response for each consultation. The Agency received a large number of consultations throughout 2021-22 and has implemented a range of initiatives to enhance performance and consultation response rates.

The NIEA Water Chemistry Group's laboratories provide a quality assured analytical service to various partners across the Agency and wider Department. The group facilitates analysis for a variety of regulatory activities, statutory and investigatory sampling programmes. Importantly NIEA's laboratories continue to maintain their sampling and analysis UKAS Quality Accreditation ensuring independent quality assurance of activities underpinning regulatory and enforcement processes. Whilst the laboratories were impacted by the COVID-19 restrictions, during the period 2021-22 they have now returned to previous output performance levels.

Further Information

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

Future Developments

The outworking's of EU Transition and managing the ongoing implications of the COVID-19 pandemic have been priorities for the Agency over the 2021-22 financial year and this will be reflected in the Agency's 2022-23 Business Plan that will reflect a return to core business fine-tuned to these and other wider issues.

The Agency shall continue working on EU Transition matters relating to policy frameworks, relevant legislative amendments and planning, specifically in regard to Waste, Water and Biodiversity law compliance and regulation.

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

The Agency continues to manage long term environmental challenges, for example in relation to water resources. We consulted on the draft 3rd cycle River Basin Management Plan including the Programme of Measures to improve and protect our water resources. When approved by the Minister and the Executive, the 3rd cycle plan will be published during the 2022-23 financial year and cover a six-year period between 1 January 2022 and ending on 31 December 2027. In the interim period the Agency continues to chair a number of thematic focus groups that bring together stakeholders to facilitate the implementation of the Programme of Measures and realisation of multiple benefits.

The Agency aims to always deliver on core business that reflects our ethos and upon core values and outcomes in the draft Programme for Government:

- Carrying out appropriate environmental regulatory compliance assessments, monitoring/surveillance, and enforcement that will ensure the protection and enhancement of the environment, and inform future evidence led policy, strategies and decisions to deliver improved environmental outcomes;
- Responding effectively and efficiently to issues that arose from the impact of COVID-19 on the environment, and develop and feed into any appropriate public sector COVID-19 recovery work;
- Taking appropriate enforcement action (where the offender can be identified) within 7 months on 90% of breaches in legislation which lead to significant environmental consequences;
- Digital transformation to on-line applications for Waste Management Licensing, Waste Management Exemptions, and Waste Carrier Registration regulatory applications;
- Under the Regulatory Transformation Programme (RTP), NIEA is undertaking a strategic review of its Regulatory Fees and Charges. The outcome of this project will be the publication of a new charging policy and scheme to align with the regulatory processes of the newly proposed Environmental Permitting Regulations (EPR).
- Completing cross compliance inspections on at least 1% of all farms (to include 5% of those operating under a Nutrients Action Programme (NAP) derogation) by 31 December 2022; and
- Achieving 6,000 hectares of terrestrial protected areas under favourable management.

Risk

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

- Failure to respond to the issues arising from the impact of COVID-19 and lack of data regarding the impact of COVID-19 on the environment, which could result in business targets not being achieved;
- Failure to properly manage and deploy appropriate staff resources leading to targets not being met;
- Failure to fully utilise funding, leading to an underspend or overspend, or funding not being allocated in line with corporate priorities;
- Failure to deliver on key targets as the Agency's focus and resources are directed towards the UK's departure from the EU, and the operation of the Northern Ireland Protocol;
- Failure to protect the environment through not undertaking our responsibilities to a sufficiently high standard leading to failing to meet DAERA's vision, statutory requirements and business targets; and
- Failure to engage effectively with staff and provide leadership, resulting in an adverse impact on the Agency's ability to deliver business objectives.

Performance against Targets

The Agency met three of the four Key Performance Targets set out in the 2021-22 NIEA Business Plan as shown in the table below. The achievements reported are subject to validation by the Department of Finance's Internal Auditors.

Number	TARGET	RESULT
1	Mobuoy Remediation Project 2021-22 Key Performance Indicators: <ul style="list-style-type: none"> • Develop Mobuoy Optimum Remediation Strategy • Develop Mobuoy Outline planning application 	Achieved
2	Help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry by carrying out 75% risk based environmental regulatory compliance inspections/audits aiming for 90% compliance with regulatory requirements using agreed compliance assessment methodology.	Not Achieved

Number	TARGET	RESULT
3	Help protect the environment and improve water quality by delivering 75% of the Water Monitoring Programme.	Achieved
4	Complete draft Conservation Management Plans for a further 15 Special Areas of Conservation (SAC) to continue the programme of defining the necessary conservation measures for European sites.	Achieved

Explanation for Key Targets Not Achieved

Key Performance Target Number 2 – Not Achieved.

The target had two distinct measures – an inspection measure and a compliance measure. The compliance measure was achieved, however the inspection measure was not. Therefore, the overall target was not achieved.

The scheduled monitoring inspections element of this target is based on the number of visits generated by the risk assessment model.

A number of consents planned inspections were affected by COVID-19 restrictions which were put in place. The impact was that some sites could not be inspected because of the strict PPE requirements and a number of inspections did not resume due to the nature of the visits (i.e. indoors in small rooms and often in hospitals) being considered still too high risk.

In addition, the risk due to avian flu on industrial agricultural installations prevented inspectors from going on site and as a result desk based inspections were initiated where possible.

1.2 How We Performed

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

As stated in the Overview Section, the Agency met three of its four Key Performance Targets. However, the Agency had a number of other targets as set out in the 2021-22 draft NIEA Business Plan, and these, along with the Key Performance Targets (KPTs), are shown in the Business Plan Targets table below.

Number	Division	Target (description)	Achieved / Not Achieved
1	Resource Efficiency	Help protect the Environment and improve water quality through delivering the 2021 Cross Compliance inspection programme at minimum inspection rate which will include at least 5% of farms operating under a derogation.	Achieved
2	Resource Efficiency	Protect public health and the environment by providing effective and efficient regulation and enforcement of drinking water supplies - 95% compliance with microbiological parameters at private drinking water supplies and 90% of events notified by NI Water categorised within 5 days.	Achieved
3 KPT	Resource Efficiency	Mobuoy Remediation Project 2021-22 Key Performance Indicators: <ul style="list-style-type: none"> • Develop Mobuoy Optimum Remediation Strategy; • Develop Mobuoy Outline planning application. 	Achieved
4	Resource Efficiency	Implement the plans for the Regulatory Change Programmes of Water Reform and the Regulatory Transformation Programme to include; 1) Water Reform: (a) The establishment of a programme to reform all aspects of our regulated water sector. The programme will contribute to the delivery of more sustainable use of our water resource, protecting the quality of our drinking water sources, bathing waters, sensitive areas, and contributing to improving water quality across Northern Ireland; and (b) Reform of the application process for Private Sewage consent applications to	Not Achieved

Number	Division	Target (description)	Achieved / Not Achieved
		<p>ensure sustainable wastewater options are implemented with clear links to NI Water's Enabling Development application process;</p> <p>2) Regulatory Transformation Programme:</p> <p>(a) Digital Transformation of services to achieve a minimum 75% of water and waste regulatory applications via online; and</p> <p>(b) Complete an independent strategic review of existing regulatory fees and charges schemes to inform future alignment with a new Environmental Permitting Regime.</p>	
<p>5</p> <p>DAERA target and KPT</p>	<p>Resource Efficiency</p>	<p>Help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry by;</p> <ul style="list-style-type: none"> • Carrying out at least 75% risk based environmental regulatory compliance inspections / audits* • Achieve 90% compliance with regulatory requirements using agreed compliance assessment methodology** <p><i>* Frequency of inspections is determined for each site annually using the agreed Risk Rating Model within the Business area. This Model identifies sites at risk and the number of inspections required during the year (e.g. high risk site may require 4 site inspections pa whilst low risk sites may require 1-2 site visits pa).</i></p> <p><i>** Each Business area has an agreed Regulatory Compliance Assessment methodology in place to determine site compliance. It is important to note that site inspections are part of the site compliance assessment but in addition, other relevant site information is considered such as; site analytical / monitoring data, site annual reports, site environmental assessments, complaints / incident reports, etc.</i></p>	<p>Not Achieved</p>
<p>6</p>	<p>Natural Environment</p>	<p>Support improvements in statutory planning responses through:</p> <ul style="list-style-type: none"> • Developing a streamlined more user friendly online framework for NIEA advice and guidance; • Establishing and maintain a client liaison officer for each council and hold at least 2 meetings with each; • Piloting 2 opportunities for better cross engagement with key sectors. 	<p>Not Achieved</p>

Number	Division	Target (description)	Achieved / Not Achieved
7 DAERA target and KPT	Resource Efficiency	Help protect the environment and improve water quality by delivering 75% of the Water Monitoring Programme	Achieved
8	Resource Efficiency	<p>Continue to deliver, as appropriate, the operational changes resulting from transition from the EU Exit, supporting customers and stakeholders. Deliver programmes on the following;</p> <p>1) Chemicals Compliance Team to focus on the delivery of effective chemicals regulation, working collaboratively with key partners such as HSENI, local councils and other UK environment agencies. Measures include:</p> <ul style="list-style-type: none"> a) Development of suite of new chemicals compliance procedures, taking account of changes due to EU Exit; b) Implement changes of Polychlorinated Biphenyls (PCBs) Regulations; c) Undertake at least 2 chemicals information campaigns. <p>2) Implementing the new Transfrontier Shipment Waste Regulations by;</p> <ul style="list-style-type: none"> a) Working collaboratively with other UK Environment Agencies and DEFRA to introduce streamlined processes for notifications for the shipments of wastes from GB to NI. b) Provide stakeholders with guidance/help on the new requirements to move waste from GB to NI. 	Achieved
9	Natural Environment	Develop and commence delivery of a nature engagement plan for UN conferences COP15 (Convention on Biological Diversity) and COP26 (Climate Change).	Achieved
10 DAERA target and KPT	Natural Environment	Complete draft Conservation Management Plans for a further 15 Special Areas of Conservation (SAC) to continue programme of defining the necessary conservation measures for European sites.	Achieved

Number	Division	Target (description)	Achieved / Not Achieved
11	Natural Environment	<p>Take forward action in relation to wildfire management:</p> <ul style="list-style-type: none"> • Complete biodiversity survey of Moumes wildfire area and work with other stakeholders in developing a wildfire prevention plan for the area. • Lead the Northern Ireland Strategic Wildfire Group and engage with key stakeholders to develop a draft Strategic Way Forward for addressing the risk of wildfires in relation to Land Management, Response, Protection and Engagement. 	Achieved
12	Resource Efficiency	Prepare and seek clearance for the final 3rd cycle River Basin Management Plan (RBMP) by 31 st March 2022 (ahead of publishing it by 9 th April 2022), which will outline the measures that will be undertaken to protect and improve our water over the next 6 years.	Not achieved
13	Natural Environment	Commission the Northern Ireland Countryside Survey to measure status and trends in the health of the countryside to inform policy development and evaluation.	Not achieved
14	Natural Environment	<p>Deliver strategic environmental outcomes through the Environment Fund and partnership working:</p> <ul style="list-style-type: none"> • Support at least £4.5m of environmental projects in 2021-22 • Deliver a Natural Heritage Green Recovery and Growth Challenge Fund to support COVID-19 Recovery and Green Growth • Issuing full payment on 90% of all delivery bodies' claims submitted by 15 March 2022 <p>Issue of 2022-23 Environment Fund Strategic Strand Letters of Offer.</p>	Achieved

Fully Compliant Regulated Industry

During the reporting period NIEA made good progress on a number of projects within the Agency's regulatory transformation programme. This ambitious programme, which restarted in October 2020, will take an estimated 4 years to deliver a new Environmental Permitting Regime and working in partnership with our regulated industries and stakeholders.

In 2021-22, NIEA has worked closely with its policy colleagues within the Department of Agriculture, Environment and Rural Affairs to develop the new environmental permitting policy and regulations. These new environmental permitting regulations will align five existing NIEA regimes for waste and water regulation into one streamlined regulatory system. These regimes are:

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

The expected timeline for public consultation on the new environmental permitting policy is autumn 2022.

The operational elements of the regulatory transformation programme, will deliver a simpler, more effective environmental regulation system, in which all regulated businesses will find it easier to apply for environmental permissions and understand their compliance obligations. During this reporting period, the focus of the programme was on the development of new digital platforms for on-line applications for a range of waste and wastewater regulatory applications. This work was done in conjunction with DAERA's Digital Services Division (DSD) and good progress was made in this regard.

In July 2021 the digital transformation of applications services for waste management exemptions, waste management licensing and Greenfield Soil registrations was successfully launched. This was followed by the release of online application services for waste carrier registrations in October 2021. These digital services have delivered significant benefits for both customers and NIEA staff. NIEA processes circa 1,200 waste management licenses, exemptions, Greenfield Soil Registrations and waste carrier registrations per annum, with the majority of these now being received digitally online replacing the previous manual and paper-based systems.

NIEA has also undertaken the digital transformation of services for waste management including a pilot for Operators reporting quarterly waste returns and who have waste exemptions. This pilot was initiated in April 2022. The outcome of this pilot will help to inform the next steps for the digital transformation for quarterly waste returns.

During 2021-22 NIEA further developed the mobile-based application for waste management licensing regulatory inspections. This allows officers to digitally capture inspection information offline in the field replacing the current manual and paper-based process.

NIEA has continued to progress its work towards operational readiness for the new environmental permitting policy and legislation throughout 2021-2022. This has included the commencement of the strategic review of regulatory fees and charges. This strategic review will allow the development of a new financially sustainable NIEA regulatory charging policy and scheme that provides greater transparency and accountability. This new charging regime will be delivered over a period of 16-20 months, including production of a charging policy and scheme which will align

to new proposed regulatory processes (EPR) and replace the current NIEA Regulatory Charging Policy.

Throughout 2021-22, NIEA has continued to regulate licensed and permitted waste management facilities. Direct engagement with Operators through the Department's Waste Sector Group is ongoing in addition to engaging directly with the Councils on waste related matters through the Government Waste Working Group and through the Strategic Waste Partnership Group.

NIEA continued to regulate new septic tanks, water abstractions and impoundments, discharges from waste water treatment works, and industrial effluent discharges through the assessment, determination and issue of over 3,200 consents and licences.

Due to ongoing restrictions on access and movement during the pandemic a reduced compliance sampling regime was in place for 2021-22 for Industrial consents, with around 40% of sample locations being tested during the year. Of those tested, the levels of compliance were good, with 89% meeting their consent standards.

In 2018, NIEA signed a Memorandum of Understanding with the Ulster Farmers Union (UFU) that aims to build a stronger and more effective working relationship between NIEA and the farming community, to support sustainable farming and deliver improved legislative compliance. Following a review of the initial implementation plan a more streamlined set of commitments has been developed. These commitments focus on three key areas namely improving awareness of agricultural and environmental issues; improved guidance and communication; and supporting new initiatives to achieve better environmental outcomes. A number of implementing actions involving NIEA, CAFRE (through the Knowledge Advisory Service) and the UFU were taken forward in 2021-22 such as the development of guidance on cross compliance inspections which was presented at the Balmoral show.

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

The Agency published its draft 3rd cycle RBMP for public six-month consultation period on 9 April 2021. The [2021 WFD statistic report](#) was published on 9 December 2021. The report shows that only 31% of surface water bodies (rivers, lakes, marine) are at good ecological status almost unchanged from 2015 (32%). However, this stagnation masks that the ecology of a number of surface water bodies did improve but this was offset by deteriorations. The chemical status of groundwater bodies improved slightly from 68% in 2015 to 71% in 2021. These results show that the objective to have 70% of all water bodies within Northern Ireland classified as achieving 'Good Status' or better by 2021 was not achieved. The 70% objective was set in 2015 as part of the 2nd cycle River Basin Management Plan (RBMP).

However, NIEA alone cannot deliver the necessary improvements to water quality to meet the 2027 target. It requires input and action from a wide range of organisations and behavioural changes from every sector and person living in Northern Ireland to implement the River Basin Management Plan and supporting Catchment Plans. The Department are involved in a number of collaborative catchments projects through the INTERREG Va funding stream. A number of these projects are aimed at improving water quality and achieving good ecological status.

In 2021-2022 the Agency held a Water Quality Improvement Strand (WQIS) of the Environmental Challenge Fund competition. The WQIS seeks to fund projects aiming to bring about improvements in water quality in our rivers, lakes, groundwater and coastal waters; or to raise public awareness of the value of good water quality and how to improve it. The fund supported up to 85% of the total project cost, with the maximum of grant aid awarded to a single project limited

to £30k or less. Eleven local communities and voluntary organisations were awarded a total of £220k in 2021-2022 to run small environmental water quality projects to bring about improvements in their local water environment.

During 2021-22 NIEA staff continued to engage and collaborate with colleagues in RoI and virtually attended both Border Regional Operational Committee meetings and the RoI Water Framework Directive Implementation and Coordination meetings.

During the 2021 reporting period NIEA conducted a reduced Cross Compliance programme as a result of the COVID-19 pandemic. A total of 133 planned cross compliance inspections were conducted during 2021 representing a 0.5% inspection rate. There were 29 breaches across 17 farm businesses. This represents an overall level of non-compliance at approximately 10.5%, which compares with 24% found in 2020. The most common breach identified was Nitrogen (N) loading above the allowable limit of 170kgN/ha/yr followed closely by pollution to waterways.

Creating a Compliant Crime Free Waste Sector

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

During this financial year, the Enforcement Branch's Assessment Unit processed 1,493 incidents of suspected waste criminality, 281 intelligence documents and carried out 1,729 research and development requests relating to criminal investigations and regulatory compliance. In addition, the Agency continued twice-yearly strategic assessments which continued to help drive strategy and priorities in terms of counteracting waste offending.

The Agency's enforcement activities saw Enforcement Branch's investigators carry out 40 criminal investigations.

NIEA have also continued to focus upon smaller scale waste dumping incidents, and those involving unauthorised deposits of hazardous waste such as asbestos. Agency staff continue to work alongside District Council colleagues to minimise the environmental impact of bonfires. A fly-tipping protocol has been agreed with the majority of district councils, which provides clarity on the roles and responsibilities of NIEA and councils in tackling fly-tipping.

The Financial Investigation Section continued to pursue investigations under the Proceeds of Crime Act 2002 (POCA). During the 2021-22 financial year, it secured one confiscation order to the value of £177,123 and administered two restraint orders against three entities, with an approximate value of £1.9 million, reinforcing the use of POCA powers as an effective tool in depriving those involved in waste criminality of any financial gain and providing a strong deterrent and crime prevention tool.

Creating Good Habitat and Landscape Quality with Species Abundance

(a) Country Parks and Nature Reserves

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

The number of visits to NIEA sites saw a marked increase over 2021 with an estimated 3.2 million visits, up some 15% on the 2.78 million visits over 2020, which themselves saw a 20% increase on 2019 figures.

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

(b) Protection and Management of Habitats and Species

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

Over £8m in grant aid committed by the Agency under the Environment Fund to help connect people to the environment and to manage priority habitats and species.

Promoting Environmentally Sustainable Development and Infrastructure

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

During the year, Agency teams provided customer support, technical advice and assessment for 5,280 planning consultations which were notified to the Planning Response Team through the Planning Portal.

NIEA continued to implement initiatives to seek to improve response rates; reduce the number of unnecessary applications, and to increase the quality of planning consultations being submitted to DAERA with customers being provided with the necessary support including online and published planning information to enable them to perform at that level. The actions implemented to drive forward continuous improvements in our service covered a range of areas including: Advice and Guidance, Case Management, Stakeholder Engagement, Monitoring and IT. Temporary measures were also employed to increase capacity in this work area and to enhance case officer time spent on processing case work and consultation responses.

Other Measures of NIEA's Performance

Managing Our Human Resources Effectively

Throughout the reporting period NIEA continued to invest time and effort into improving its workforce planning against a backdrop of high demand for staff by all Departments and Agencies, and by the employment market generally.

The 2021 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. As the 2020 survey related primarily to the impact of COVID-19 and did not include engagement themes, the latest year for which direct comparisons can be made is 2019. For the Department of Agriculture, Environment and Rural Affairs (DAERA) there were 3,442 (2019: 3,175) staff invited to complete the survey, of which 1,686 (2019: 1,837) participated, a response rate of 49% (2019: 58%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DAERA responses indicated an Employee Engagement Index of 62% (2019: 58%), compared to the NICS average of 57% (2019: 51%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>

Managing Our Financial Resources Effectively Within a Strong Corporate Governance Framework

The NIEA 2021-22 Provisional Resource DEL overspend of £88K represents 0.26% of the closing net Resource budget (£33.93m), following the final in year monitoring round.

The Capital DEL overspend of £134K represents 2.42% of the closing Capital budget (£5.5m).

The overspends relating to Resource DEL and Capital DEL were managed overspends and were accommodated by planned underspends elsewhere within the parent Department.

Funding

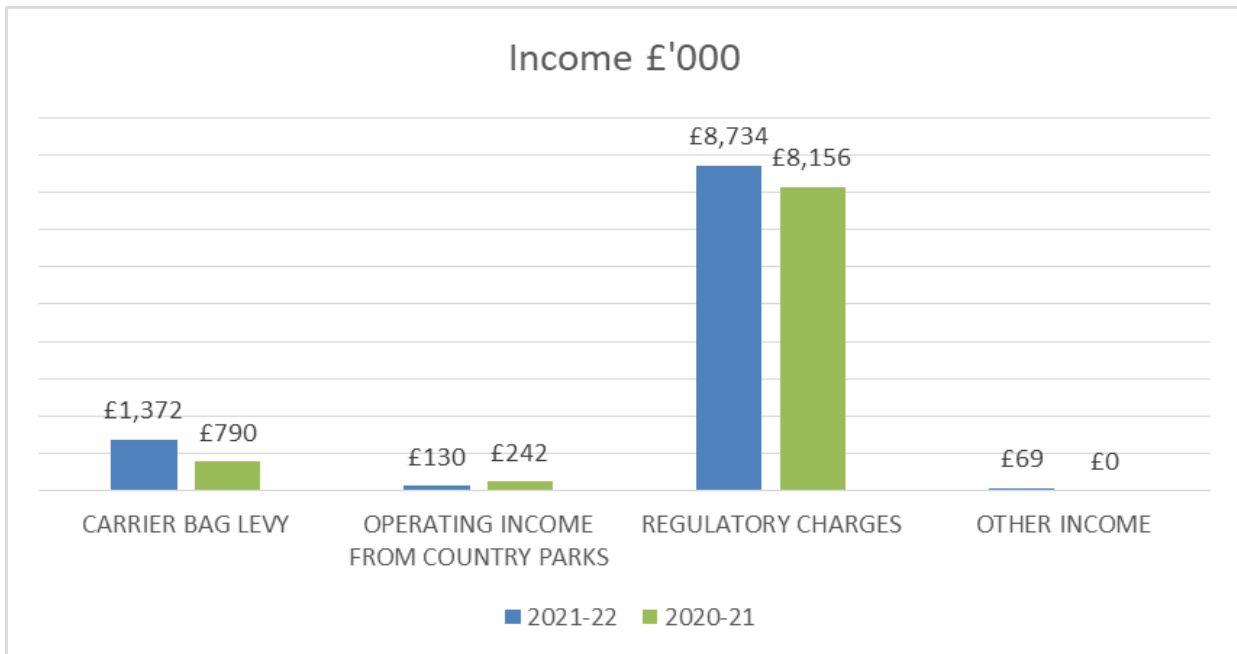
Our primary source of funding in terms of Resource and Capital Expenditure comes from Central Government however, around a fifth of expenditure is funded from external income (Regulatory Charges and the Carrier Bag Levy). The total net assets held by the Agency at 31 March 2022 was £19,748K (2020-21: £18,346K).

Results for the Year

The Statement of Comprehensive Net Expenditure is set out on page 67 and shows the net cost of operations as £44,267K (2020-21: £36,421K) representing an increase in net costs amounting to £7,846K (21.54%). The overall movement was primarily due to a significant increase in the Environmental Challenge Fund grant scheme; an increase in the number of staff employed during the year; an uplift in Inter-Departmental notional charges, and inflationary price increases.

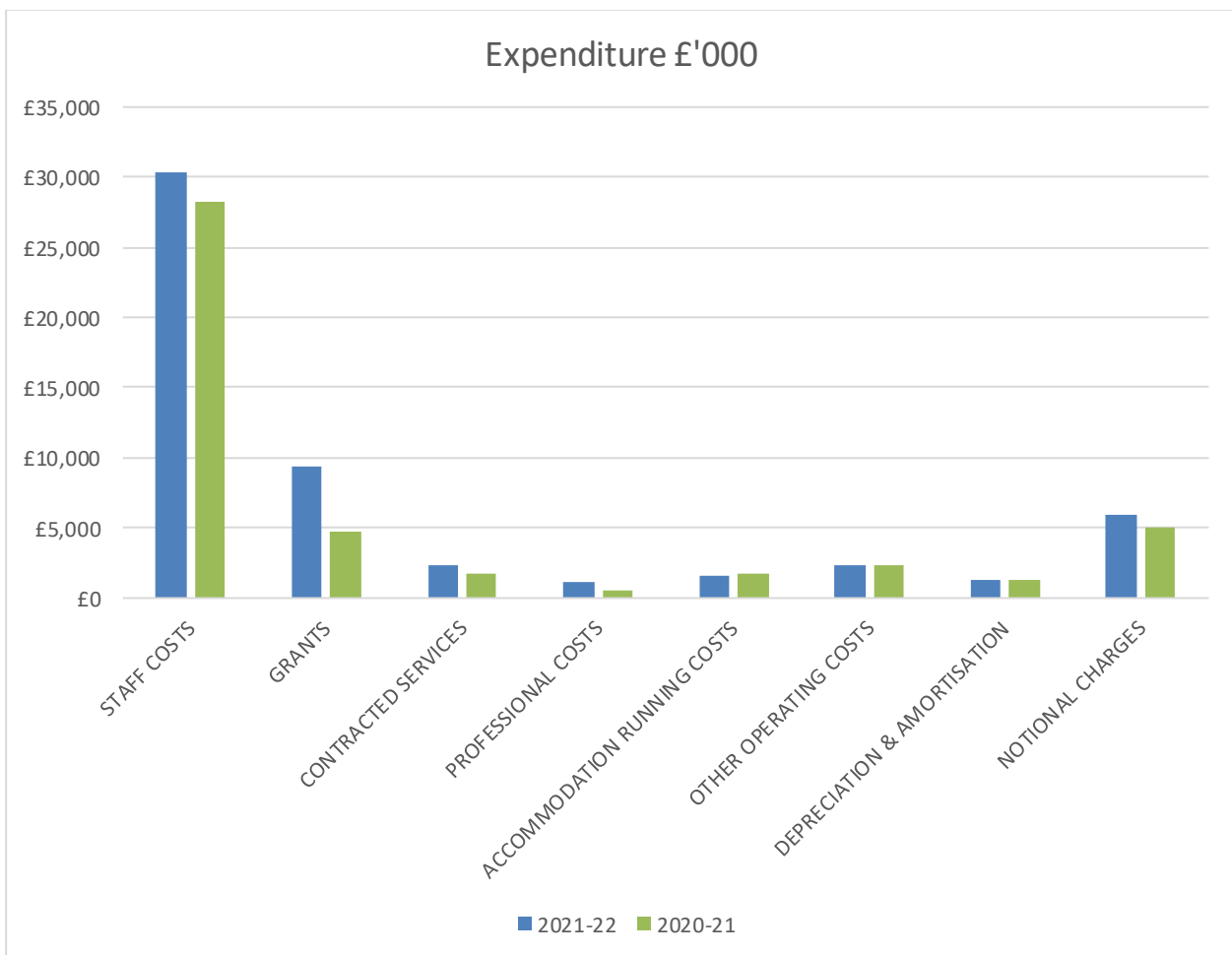
Income

Income increased during the year from £9,188K in 2020-21 to £10,305K in 2021-22. Income from Carrier Bag Levy increased from £790k in 2020-21 to £1,372K in 2021-22, an increase of 74%. Income from Regulatory Charges increased by 7% from £8,156k in 2020-21 to £8,734k in 2021-22. Income from Country Parks decreased by 46% from £242k in 2020-21 to £130k in 2021-22. The chart below provides a breakdown of the income figure.

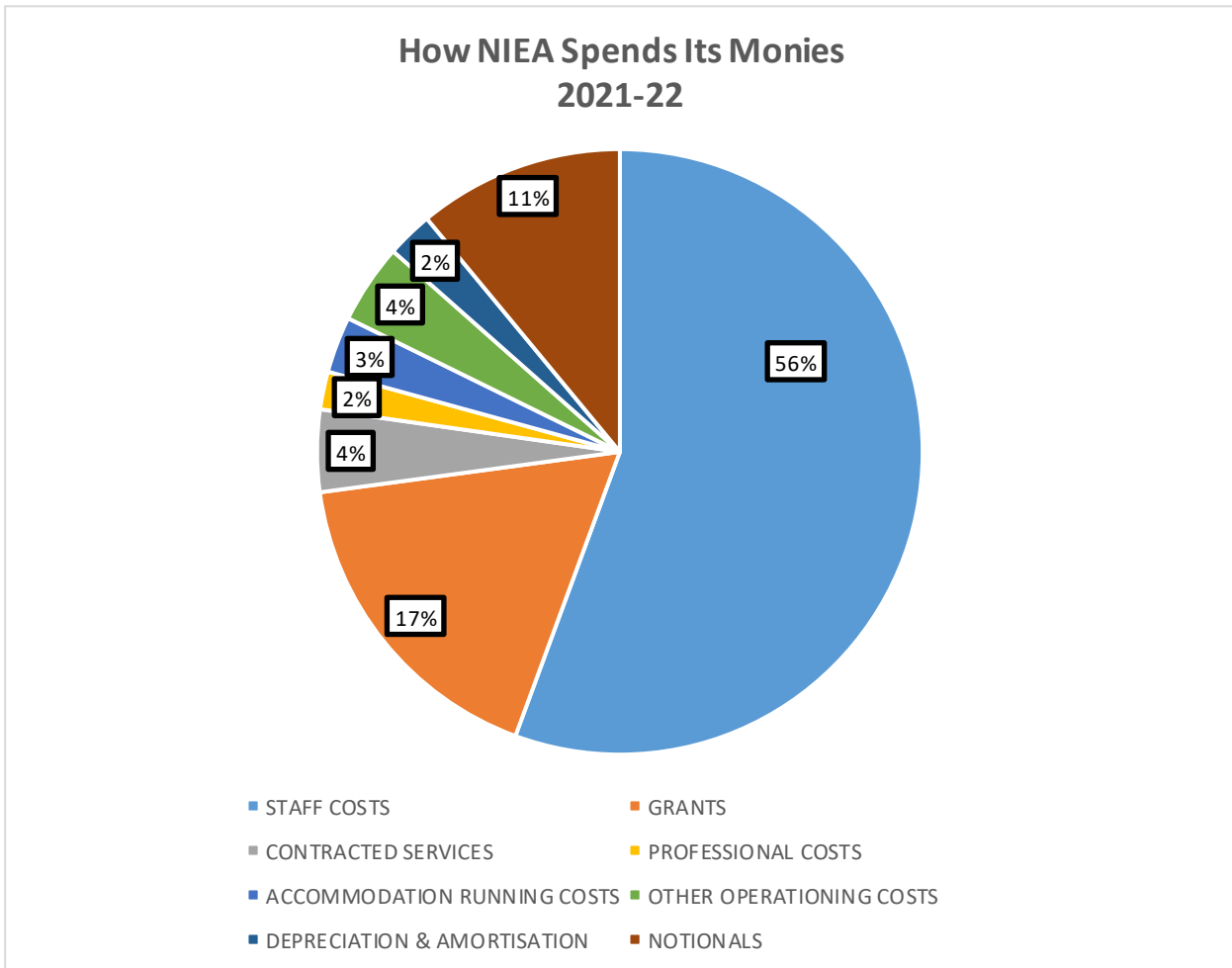


Expenditure

Total expenditure during the year was £54,572K (2020-21: £45,609K) representing a 20% increase in total expenditure compared with the previous year. Staff costs amounting to £30,346K (2020-21: £28,260K) make up 56% (2020-21: 62%) of the total expenditure. Grant costs amounting to £9,418K (2020-21: £4,773K) being 17% (2020-21: 10%) of total expenditure. A breakdown showing grants paid by each directorate is included in Note 4 of these accounts. The chart below provides a breakdown of total expenditure.

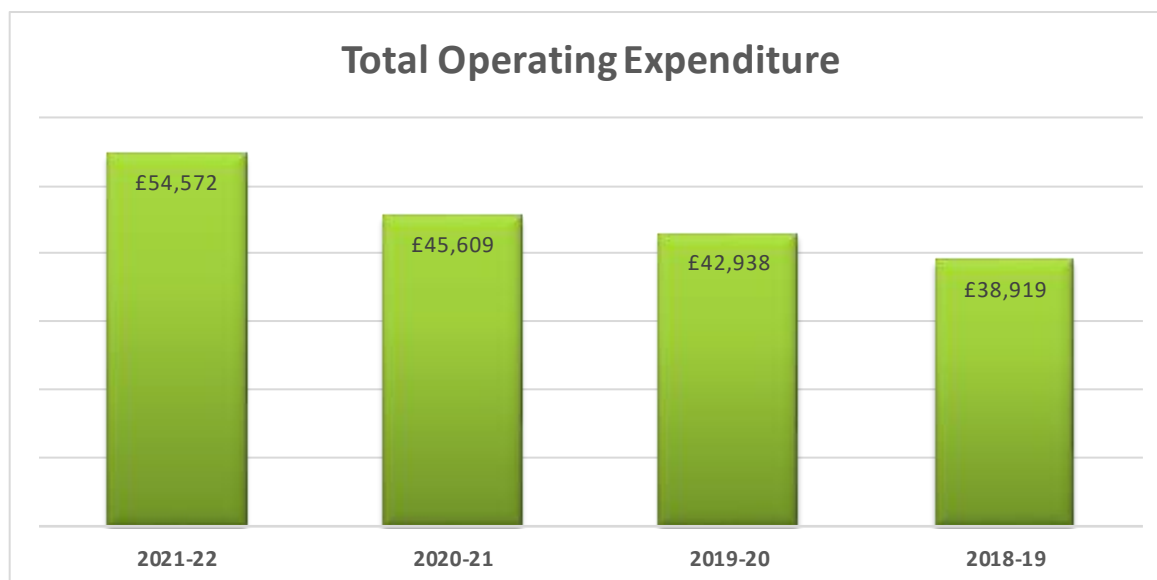


The graph below shows how the Agency spent the funding it received in 2021 -22. For the 2021-22 financial year, the Agency was allocated a net opening budget of £36.2 million for resource expenditure and £1.0 million for capital expenditure. During the financial year bids and/or easements were submitted to the Department at each of the in-year monitoring rounds. In addition, the Agency also funds additional expenditure on programmes through income from services and the Carrier Bag Levy. Income received in 2021 -22 was £10.3 million.



Long Term Expenditure Trends

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



The increase in spend in 2021-22 was mainly due to the success of the Agency in bidding for additional funding during the year. An additional £2m was secured in 2021-22 to fund Green Recovery COVID-19 projects plus a further £2.9m Green Growth Foundation Programme associated with Habitat Restoration and Resilient Peatlands capital projects. Additional funding was also secured to address increases in staff numbers and costs during the year.

Property, Plant and Equipment and Intangible Assets

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

Supplier Payment Policy

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate. In 2021-22, 99.4% of invoices for goods or services were paid within 30 days (2020-21: 98.3%) and 95.6% were paid within 10 days (2020-201: 95.5%).

Political and Charitable Donations

The Agency made no political or charitable donations within the financial year (2020-21: £Nil).

COVID-19

During the pandemic the Agency continued to comply with the NI Executive requirement that where staff can work from home they should do so. However, to facilitate alternative working arrangements going forward the NICS Board has developed a Hybrid Working Policy, although this has not been formally launched at time of writing. It is planned that the new policy will become operational soon following a change in the Executive’s guidance on staying safe at work.

The table below provides a breakdown of COVID-19 related expenditure in 2021-22:

	2021-22
	£'000
Environmental Fund Grant : Strands 1 and 2	2,000
SARS-CoV-2 Wastewater Surveillance Programme	750
PPE and Premises Costs	2
Other Operating Costs	5
Total	2,757

Ring fenced funding totalling £2m for the Environment Fund and £0.8m for the SARS–CoV-2 Wastewater Surveillance Programme were made available by the NI Executive during the reporting period to fund COVID-19 related expenditure. All other expenditure was self-funded by the Agency as a result of reduced requirements from alternative working practices including working from home and alternative regulatory practices.

UK’s Departure from the EU

The UK’s departure from the EU on 31 January 2020 continued to be a top priority for the Agency in 2021-22. Operational staff worked closely with policy colleagues to deliver the Minimal Viable Product’s for work streams or projects identified in the Northern Ireland Protocol and where legislation changed as a result of EU exit. To ensure there were no impacts over the EU Transition period a number of Regulatory Position Statements put in place as a result of COVID-19 were amended to include possible impacts as a result of EU Transition, ensuring protection of human health and the environment as far as possible whilst assisting essential industries, such as waste and wastewater industries. As part of DAERA’s Major Emergency Response Plan, NIEA initiated Bronze Command meetings to provide the operational response necessary to EU Transition.

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

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

The table below provides a breakdown of EU Exit related expenditure in 2021 -22:

	2021-22 £'000
Salaries	3,684
Contracted Services	96
Other Operating Costs	42
Total	3,822

Sustainability Report

Sustainability continues to be at the core of all NIEA's business activities. The NIEA as an organisation recognises the positive environmental outcomes in addition to the direct cost savings that can be delivered, both internally and externally, by introducing more sustainable development priorities and working practices.

In October 2021 a new Departmental Estate Sustainability Forum (ESF) was established, with representation from across the Department, including NIEA, and key external stakeholders. The purpose of the ESF is to utilise the knowledge and skills across the Department in co-ordinating the actions required in bringing forward sustainability initiatives within the DAERA built estate. It also provides an opportunity for its members to work together in the identification, planning, promotion, and coordination of associated activities, in the development and implementation of an Estate Sustainability Action Plan.

The development of the first Estate Sustainability Action Plan (Built Estate) for the Department, which will run from 2022 to 2027, and will focus on the seven themes of People, Energy, Carbon, Water, Buildings, Resources, and Biodiversity. The NIEA will have a key role to play in the delivery of the Action Plan throughout its implementation phase to commence in 2022. For example, in assisting where improvements are required in relation to discharges from the DAERA's built estate, and where groundwater sources could be used as non-potable water supplies instead of using mains water in relation to water conservation.

Following a condition survey of the Water Management Unit site, report recommendations indicated the need to replace the current oil fired boilers. After a further assessment of the site in January 2022, a business case has been developed, and funding sought to replace the current oil fired boilers with natural gas appliances during the 22-23 financial year. The conversion to natural gas is estimated to reduce carbon emissions from the boilers by around 47% or 65 tonnes, and will also future proof the system for potential conversion in the future to bio-methane or hydrogen from the gas mains network.

The Single-Use Plastic Reduction Action Plan (agreed by the Executive in October 2020) to end the use of unnecessary single use plastic across the Northern Ireland Civil Service (NICS) Government Estate reached the implementation phase on 30 September 2021. From 1 October 2021 the plan came into effect with suppliers having identified alternatives to the disposable items in use, replacing them with reusable items or more environmentally friendly alternatives.

In terms of the wider NIEA natural estate, recovery recycling is employed at the Agency's country parks in order to reduce the amount of waste going to landfill. Single use plastics have also been prohibited from use at NIEA country park concessions. E-car charging points have been installed across a number of country parks. Two official electric vehicles have been procured, and a substantive element of the country park vehicle fleet is being changed from 4X4 vehicles to lower emission All-Terrain vehicles, which are more versatile and have lower fuel consumption.

The COVID-19 Pandemic resulted in changing working practices with the majority of NIEA staff continuing to work from home. This has markedly reduced the level of commuting travel by staff as well as the amount of business travel. In addition there has also been a major reduction in the use of office consumables (i.e. photocopying paper, stationery) as well as the significant reduction in office waste during 2021-22.

Human Rights

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

Anti-Corruption and Bribery

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



Paul Donnelly
Chief Executive
27 June 2022

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

Management Board

NIEA's Management Board during the year ended 31 March 2022 comprised:

CHIEF EXECUTIVE

Tracey Teague (Left 27 June 2021)

Paul Donnelly (Appointed 28 June 2021)

DIRECTOR OF NATURAL ENVIRONMENT DIVISION

Helen Anderson

DIRECTOR OF RESOURCE EFFICIENCY DIVISION

Keith Bradley (Appointed 1 April 2021. Left 27 February 2022)

Richard Crowe (Appointed 28 February 2022)

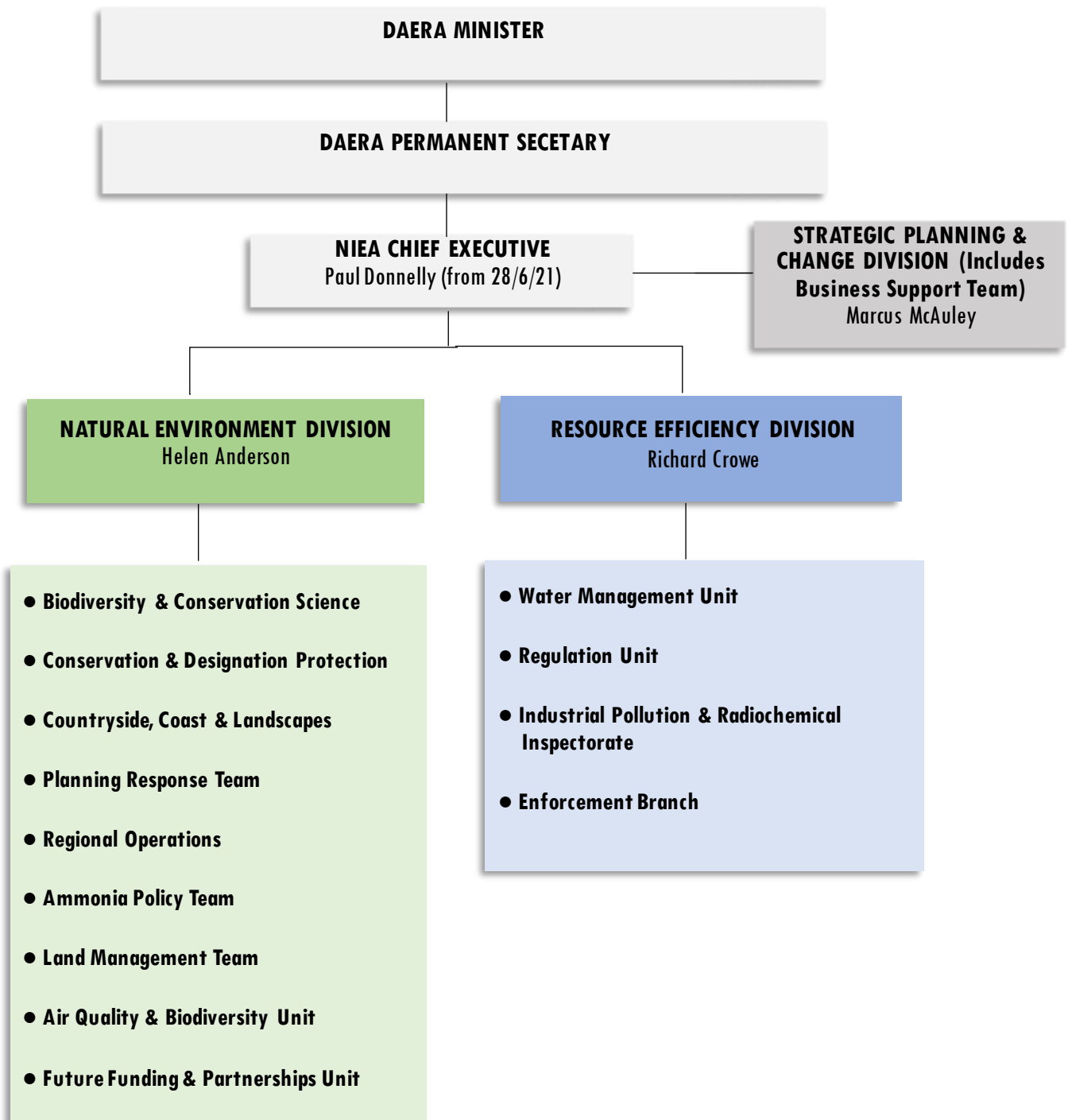
DIRECTOR OF STRATEGIC PLANNING AND CHANGE DIVISION

Marcus McAuley (Appointed 1 February 2021)

NON-EXECUTIVE DIRECTOR

Paul Douglas (Appointed 1 September 2018)

NIEA Organisation Chart 1 April 21 - 31 March 22



Independent Board Members

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

Company Directorships

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

Auditor

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

The audit of the financial statements for 2021-22 resulted in a notional audit fee of £17K which is included in operating costs in the Statement of Comprehensive Net Expenditure. As far as I am aware, there is no relevant audit information of which the entity's auditor is unaware. I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Agency's auditor is also aware of that information.

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

Pension Liabilities

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

Further information on Pensions is provided in the Remuneration Report (page 45) and Note 2 of the Accounts (page 79).

Equality of Opportunity

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

Freedom of Information

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 172 (2020-21: 134) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

Health & Safety

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

Employee Involvement

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

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

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

Information Management

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



Paul Donnelly
Chief Executive
27 June 2022

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(1) and (2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance has directed the Northern Ireland Environment Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Environment Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the relevant Accounts Direction issued by the Department of Finance including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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. So far as I am aware, as Accounting Officer, there is no relevant audit information of which the Department's auditors are unaware.

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



Paul Donnelly
Chief Executive
27 June 2022

GOVERNANCE STATEMENT

Introduction

This is the Annual Governance Statement for the Northern Ireland Environment Agency (NIEA, the Agency) as required by DAO (DFP)10/12 Requirement to Complete a Governance Statement. This statement sets out the governance, risk management and internal control arrangements that have operated in the Agency from 1 April 2021 to 31 March 2022.

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

Over the last financial year, in line with best practice, I reviewed NIEA’s governance and accountability arrangements remedying any shortcomings highlighted through reports from the Northern Ireland Audit Office (NIAO), NICS’s Internal Audit Service and the Agency Audit and Risk Assurance Committee.

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

Governance Structures

General

The Minister approves the policy framework within which the Agency operates, including routinely approving the Agency business plan including annual performance targets.

As Chief Executive of the Agency, I reported directly to the Permanent Secretary of the Department of Agriculture, Environment and Rural Affairs. I am also a member of the Departmental Board. During the reporting period, I also attended the weekly Departmental Top Management Team (TMT) meetings chaired by the Permanent Secretary to review key and current issues.

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

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

- Agency Management Board;
- Agency Audit and Risk Assurance Committee (ARAC);
- Agency Business Support Team (BST);
- NICS HR (Business Partners); and
- NICS Internal Audit Service.

Management Board

The work of NIEA is co-ordinated and monitored by a Management Board which I Chair and which provides corporate leadership to the organisation as a whole, takes responsibility for the Agency's performance, as well as providing advice to the Department's Permanent Secretary and DAERA's Minister on environmental matters.

The Board's purpose is to lead the Agency's strategic planning and assist me as the Chief Executive and Agency Accounting Officer in meeting my corporate governance responsibilities for the Agency.

The Agency Management Board under my chairmanship comprises the Agency's three Executive Directors (see page 31 of the Annual Report for further details). One of the Executive Director team joined the Board from 1 February 2021 as temporary Director overseeing Strategic Planning and Change.

A Non-Executive Board Member (NEBM), Paul Douglas, who joined the Board on 1 September 2018, also supports my role through regular attendance at Board meetings.

The Board, meets on a monthly basis under my leadership, to supervise the operational management of the Agency. Whilst strategic policy is ultimately determined by the DAERA Minister, the Agency Board considers policy development and implementation in the context of analysing options, strategic planning and operational management. The Agency Board acts in an advisory and consultative capacity, offering relevant support to the Department and Minister, as required. Although significant, contentious or cross-cutting policy decisions are normally brought to the Board for discussion and endorsement; day-to-day operational matters are the responsibility of the Agency's relevant Executive Directors. The Board takes collective decisions on relevant matters referred to it in keeping with the Nolan principles of public life. If a consensus cannot be reached, I, in my role as Chief Executive undertake to make the final decision.

The Board receives standard monthly information on financial management, corporate governance, workforce planning and other HR issues (performance and absence management data), as well as an update on health and safety issues. On a quarterly basis, in addition to these standard monthly papers, updates are provided on progress in achieving the Agency Key Performance and Business Plan targets, with significant risk or audit issues brought to the Board by the Audit, Risk and Assurance Committee (ARAC). Any significant internal control issues that have been raised in my Chief Executive's quarterly Stewardship Reports (2nd and 3rd quarters and full year) are also reported and considered.

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

Conflict of Interest

At every Agency Board meeting a standard agenda item on declarations of interest is included and brought to the attention of Board Members by the chair. Board Members with a conflict of interest on a specific agenda discussion will leave the Board meeting for that item. No conflicts of interest were declared in 2021-22.

Audit and Risk Assurance Committee

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

The ARAC ensures that high level information on risk and control is brought to my attention, in order to assist in identifying priorities or emerging issues for action. The committee also subjects my executive decisions to appropriate constructive challenge to ensure that rigour has been demonstrated in reaching evidence based decisions.

The ARAC has no executive authority, in its own right, over the operations of the Agency or those units that conduct audit and assurance work, including the NICS Internal Audit Service and the NIAO. The ARAC's role is to advise the Board and me as Accounting Officer on its conclusions and recommendations with regard to identified governance weaknesses and emerging risks, associated with the agreed work plans of those units.

The ARAC reviews action plans and the Agency corporate risk register, providing support and guidance on key governance issues. During 2021-22, the Committee was comprised of four independent members and three meetings were held, in June 2021, December 2021 and March 2022. Paul Douglas, the NEBM, continued to chair the Committee throughout 2021-22.

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

- Internal and External Audit strategies and reports;
- Risk Management;
- NIEA Annual Report and Accounts 2020-21;
- Governance Statement 2020-21;
- The UK's departure from the EU and the NI Protocol; and
- The impact of COVID-19 on Operational Delivery

At each ARAC committee meeting a report is provided which summarises any changes to the NIEA Risk Register, incorporating details and performance of any ongoing or new fraud and whistleblowing incidents, an audit Implementation Plan update, a progress report from Internal Audit, Post Project Evaluations progress reports, and any other report or update that the Committee considers noteworthy.

During the reporting period the Committee specifically noted:

- The number of Internal Audit Reports receiving a satisfactory Internal Audit opinion which continued to give the committee reasonable assurance regarding NIEA operations;
- The continued satisfactory assurance rating provided by Internal Audit in their 2021-22 Annual Opinion and Report;
- The progress that the Agency made in implementing audit recommendations during the reporting period; and
- That the Comptroller and Auditor General (C&AG) certified the 2020-21 financial statements with an unqualified audit opinion without modification. No report on the account was required and no priority one recommendations were made in relation to regularity and the internal control environment.

ARAC Annual Report

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

Board and Audit Committee attendance

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

Board Members	Meetings attended per Board and Audit Committee members out of the meetings eligible to attend	
	Board	Audit Committee
Paul Donnelly (Chief Executive, appointed 28 June 2021)	8/9	2/2
Tracey Teague (Chief Executive, until 27 June 2021)	2/3	0/1
Helen Anderson (Director of Natural Environment Division)	12/12	0/3
Keith Bradley (Director of Resource Efficiency Division, until 27 February 2022)	9/12	1/2
Richard Crowe (Director of Resource Efficiency Division, appointed 28 February 2022)	1/1	1/1
Paul Douglas (Non-Executive Director)	11/12	3/3
Marcus McAuley (Temporary Director – special exercise)	11/12	2/3

Audit and Risk Assurance Committee Members	Meetings attended per Audit Committee member out of the meetings eligible to attend
Paul Douglas (Chair)	3/3
Anthony Carleton	3/3
Leah Scott	2/3
Linda Drysdale	1/1

Linda Drysdale’s final term of appointment to the committee was due to conclude at the end of June 2020. However, it was agreed to extend this engagement for a further year with the appointment extension ending June 2021.

Review of Board Effectiveness

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

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

The Agency had planned to undertake a NIEA Board Effectiveness Review in 2019-20, however this continues to remain under consideration by the Board due to being postponed as a result of the COVID-19 pandemic and EU Transition work.

The Board went through a broader review following the appointment of an interim Chief Executive in June 2021. This review led to a reorganisation of the Board around its core membership in March 2022. It is planned to update the Board Operating Framework in 2022-23, in line with the current political and policy direction, and review the effectiveness of the new Board in early 2023.

Agency Divisional Governance

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

I seek the timely implementation of all audit recommendations detailed in these reports including any recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency’s accounts. As part of this process the recommendations relevancy and transferability are also considered as part of the implementation process.

Internal Audit

During 2021-22, the NIEA was audited by internal auditors from the NICS Internal Audit Service who operate using the Public Sector Internal Audit standards (PSIAS) framework. Internal Audit submit regular reports to me which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement.

I am pleased to note the overall Satisfactory opinion provided by Internal Audit on the overall adequacy and effectiveness of the Agency's governance, risk management and control arrangements during the 2021-22 financial year.

During 2021-22, the following internal audit assignments were completed in respect of the NIEA:

Title of Audit	Date	Opinion	No of recommendations
Cross Compliance	Apr 2021	Satisfactory	3
Administration of Challenge Fund	Apr 2021	Satisfactory	3
Regulation Unit: Financial Provisions to Support Waste Management Licences	May 2021	Limited	6
Agency Targets: Validation of Targets	Jun 2021	Special Exercise	N/A
NIEA Health and Safety	Sep 2021	Satisfactory	4
Planning Response Team	Dec 2021	Satisfactory	5
Habitats Regulation Assessment	Mar 2022	Satisfactory	9

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

Corporate Services

During 2021-22, IT services were provided by the Department's Digital Services Division. Financial management, governance, business planning, risk management and coordination processes and exercises were delivered by the Agency's Business Support Team (BST). Other corporate services were provided by DoF's Enterprise Shared Services as outlined below.

In relation to data security the Agency follows the Departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. No data security breaches were identified during the year.

Whistleblowing

During 2021-22, the Agency continued to operate the Whistleblowing recording system. This requires all Divisions to maintain a Whistleblowing Register to record all disclosures received in each Division. The maintenance of Registers is a mandatory requirement across the Department. All whistleblowing notifications are investigated and addressed by the relevant business area under the supervision of the relevant Director, or in cases of suspected fraud an investigation by the Department of Finance (DoF) Fraud Investigation Service is requested. Updates are commissioned in advance of each ARAC meeting to ensure that senior management and ARAC have the most up-to-date information on Whistleblowing disclosures.

During 2021-22 no whistleblowing notifications were received by the Agency.

Enterprise Shared Services

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

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

Business Continuity Management

NIEA functional business areas and major premises have separate business continuity plans to ensure that there are procedures in place to facilitate the recovery and continuation of business activities in the event of building closures or the loss of human and/or ICT services or power. Business Continuity Plans were successfully activated during the reporting period in response to the ongoing COVID-19 pandemic. I am pleased to note again the support of Digital Services Division and the premises teams ensured that staff could quickly and effectively maintain NIEA operations remotely during most of 2021 -22 as required by NI Executive guidance.

Risk management and control framework

The system of internal control is designed to manage risk to an acceptable level and cannot eliminate all risk of failure to achieve policies, aims and objectives where issues are outside the control of the Agency and Department. It can therefore only provide reasonable and not absolute assurance of effectiveness.

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

risks that are included in the Departmental Corporate Risk Register are also included in the Agency register and risks identified and managed at Divisional levels are escalated to the Agency register, as appropriate.

In previous financial years I mentioned the potentially significant cost of implementing the preferred option for remediating the Mobuoy waste site. By way of update I can confirm that the Integrated Consultancy Team (ICT) were appointed in June 2021 and are currently working with the Mobuoy Remediation Team to develop the Optimum Remediation Strategy which will form the basis for stage 2 of the outline business case.

Extensive environmental monitoring continues at the site in line with the agreed Environmental Monitoring Plan. This enables the management of groundwater contamination, the risk to the River Faughan, and continues to ensure the safety of the associated supply of drinking water.

Prosecution of the alleged operators of the site is ongoing and presently the trial is listed for autumn 2022.

In last year's report, I referred to the high volume ongoing odour complaints issues from residents in the Lisburn and West Belfast areas largely associated with NIEA permitted industries in the area around the Mullaghglass Landfill Site. Gas is one source of odours in the area but it is not the only one. Gas management came back into compliance in February 2021 and has remained so at the latest NIEA inspection in April 2022. Over the last year, the Agency has continued to undertake daily odour monitoring in the area and as of 1 April 2022 has now moved to a more reactive approach. The volume of odour complaints has significantly reduced. To date odour and hydrogen sulphide assessments completed have determined that there is no imminent risk of serious pollution due to odours from the site. Essential final capping of the landfill is continuing as the site moves to closure. NIEA will continue to monitor the site closely in partnership with the Public Health Agency (PHA) and will take appropriate enforcement actions if and when they are necessary.

The Agency's Corporate Risk Register is reviewed quarterly by the ARAC and the NIEA Board.

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

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

Significant Issues

Although I am pleased that there were no significant control issues to report for the 2021-22 financial year, I believe it is appropriate to mention the COVID-19 pandemic which continued to have a significant impact on the Agency's operations.

To facilitate alternative working arrangements going forward the NICS Board has developed a Hybrid Working Policy, although this has not been formally launched at the time of writing. The NI Executive guidance has been updated whereby the new policy will likely become operational soon.



Paul Donnelly
Chief Executive
27 June 2022

Agency Remuneration and Staff Report

Remuneration and Pension Entitlements

Remuneration policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS) in the NICS, is approved by the Minister of Finance. The Minister set the 2021-22 NI Public Sector Pay Policy (March 2021).

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay awards for NICS staff, including SCS, for 2020-21 were paid in June and July 2021. The pay awards for 2021-22 were paid in September and October 2021.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

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

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

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

Salary and pension entitlements

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

Remuneration (including salary) and pension entitlements (Audited)

Officials	2021-22					2020-21				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits ** £'000	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits ** £'000	Total £'000
Mrs T Teague Chief Executive (to 27/6/21)	20-25 (95-100 full Year equivalent)	Nil	Nil	7	30-35	90-95	Nil	Nil	162	255-260
Mr P Donnelly Chief Executive (from 28/6/21)	75-80 (95-100 full Year equivalent)	Nil	Nil	96	170-175	-	-	-	-	-
Mrs H Anderson Director of Natural Environment Division	80-85	Nil	Nil	45	125-130	75-80	Nil	Nil	55	130-135
Mr T Irwin Director of Resource Efficiency Division (from 27/4/20)	-	-	-	-	-	65 – 70 (70-75 full year equivalent)	Nil	Nil	63	125-130
Mr K Bradley Director of Resource Efficiency Division (from 1/4/21 to 27/2/22)	70-75 (75-80 full Year equivalent)	Nil	Nil	51	120-125	-	-	-	-	-
Mr R Crowe Director of Resource Efficiency Division (from 28/2/22)	5-10 (75-80 full Year equivalent)	Nil	Nil	2	5-10	-	-	-	-	-
Mr Marcus McAuley Director of Strategic Planning & Change Division	75-80	Nil	Nil	194	270-275	10 – 15 (70-75 full year equivalent)	Nil	Nil	33	40-45

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

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by NIEA and thus recorded in these accounts.

Benefits in kind

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

Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2021-22 relate to performance in 2021-22 and the comparative bonuses reported for 2020-21 relate to the performance in 2020-21.

Fair Play Disclosures (Audited)

Pay Ratios

The banded remuneration of the highest-paid director in NIEA in the financial year 2021-22 was £95,000 - £100,000 (2020-21, £90,000 - £95,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

<u>2021-22</u>	25th percentile	Median	75th percentile
Total remuneration (£)	28,707	32,328	39,748
Pay ratio	3.4:1	3.0:1	2.5:1

<u>2020-21</u>	25th percentile	Median	75th percentile
Total remuneration (£)	27,845	31,137	38,017
Pay ratio	3.3:1	3.0:1	2.4:1

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

For 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2021-22, Nil (2020-21: Nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,873 to £97,500 (2020-21, £19,940 to £94,279).

Percentage Change in Remuneration

The percentage changes in respect of NIEA are shown in the following table.

Percentage change for:	2021-22 v 2020-21
Average employee salary and allowances	2.1%
Highest paid director's salary and allowances	5.4%
Average employee performance pay and bonuses	-100% ¹
Highest paid director's performance pay and bonuses	N/a ²

¹ The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021.

² No performance pay or bonuses were payable to the highest paid director in these years.

The calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year. Percentage increases from last year are due to a combination of annual incremental pay increases; pay scale progressions; and changes in staff composition and grades.

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/3/22 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/22 £'000	CETV at 31/3/21 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Mrs T Teague Chief Executive (to 27/6/21)	40-45 plus lump sum of 90-95	0-2½ plus lump sum of 0	756	716	3	Nil
Mr P Donnelly Chief Executive (from 28/6/21)	30-35 plus lump sum of 55-60	2½-5 plus lump sum of 7½-10	480	390	68	Nil
Mrs H Anderson Director of Natural Environment Division	35-40 plus lump sum of 95-100	0-2½ plus lump sum of 0-2½	836	754	34	Nil
Mr K Bradley Director of Resource Efficiency Division (from 1/4/21 to 27/2/22)	20-25 plus lump sum of 40-45	2½-5 plus lump sum of 2½-5	397	342	35	Nil
Mr R Crowe Director of Resource Efficiency Division (from 28/2/22)	35-40 plus lump sum of 55-60	0-2½ plus lump sum of 0-2½	548	545	1	Nil
Mr Marcus McAuley Director of Strategic Planning & Change Division	35-40 plus lump sum of 105-110	7½-10 plus lump sum of 22½-25	880	641	195	Nil

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin. That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%. Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of

service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

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

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic**, **Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 – 31 March 2023 are as follows:

Scheme Year 1 April 2022 to 31 March 2023

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2022 to 31 March 2023
£0	£24,449.99	4.6%
£24,450.00	£56,399.99	5.45%
£56,400.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which

disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Compensation for loss of office (Audited)

No compensation payments were made or are due to any of the senior management in the Northern Ireland Environment Agency under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)) in the year ending 31 March 2022 or 31 March 2021.

Staff numbers and related costs (Audited)

Staff costs comprise:

			2021-22 £000	2020-21 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	19,432	3,110	22,542	21,052
Social security costs	2,003	-	2,003	1,817
Other pension costs	5,801	-	5,801	5,391
Total*	27,236	3,110	30,346	28,260
Of which	Charged to Administration	Charged to Programme	Total	
	-	30,346	30,346	

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

Pension Arrangements

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Northern Ireland Environment Agency is unable to identify its share of the underlying assets and liabilities.

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

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value

of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £5,800,698 were payable to the NICS pension arrangements (2020-2021 £5,391,336) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £15,791 (2020-2021: £13,109) 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% (2020-21, 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 £531, 0.5% (2020-2021: £399, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

There were two (2020-2021: Nil) early retirements as a result of ill-health, and the total additional accrued pension liabilities in the year amounted to £11,736 (2020-2021: £Nil).

Average Number of Persons Employed (Audited)

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

Number	2021-22		2020-21	
	Permanent staff	Others	Total	Total
Natural Environment	207	15	222	215
Resource Environment	319	63	382	369
Business Support	36	-	36	25
Total	562	78	640	609

Staff Turnover

Staff turnover rates for 2021-22 are shown below. The Agency continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in the Agency and take appropriate action to improve effectiveness, including where turnover becomes problematic.

	2021-22	2020-21
Agency Turnover Rate	10.0%	4.4%
General Turnover Rate	2.8%	-

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

Staff Redeployment

There were no staff redeployments during the financial year as a result of COVID-19 and EU Exit.

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

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

Of the 676 (2020-21: 624) current members of staff 383 (2020-21: 351) are male and 293 (2020-21: 273) are female.

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

No redundancy and other departure costs have been paid in 2021-22.

Off-Payroll Engagements

There were no Off-Payroll Engagements during the financial years 2021-22 and 2020-21.

Expenditure on Consultancy

No consultancy expenditure was incurred in 2021-22.

Equality, Diversity and Inclusion

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

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

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

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

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

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the NICS Human Resources Statistics section of the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

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

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

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

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

Employee Consultation and Trade Union Relationships

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

Human Capital Management

(i) Career Development

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

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

There is a wide range of career development options available within the NICS and within the Career Development Policy that support various career development interventions including secondment and interchange opportunities, elective transfers, temporary promotion, job rotation, job shadowing, as well as mentoring.

(ii) Learning & Development

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

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

Talent management is a key theme of the NICS People Strategy and this year the focus continued on promoting the importance of improving the quality of the development conversation between managers and staff, with additional resources being added to the existing talent management toolkit.

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

(iii) Pay policy

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

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

Current pay scales are available online. The NI public sector pay policy for 2021-22 is now in place and formal negotiations with trades unions on the 2022-23 pay award have commenced.

Employment, training and advancement of disabled persons

The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS has a wide and active network of Diversity Champions. The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the NICS.

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

The NICS undertakes outreach activities to promote career opportunities to the disability sector and offers a Work Experience Scheme for People with Disabilities and participates in the annual International Job Shadow Day. In 2021-22 the NICS offered a number of work experience opportunities under the JobStart Scheme.

In 2021-22, the NICS implemented a Guaranteed Interview Scheme (GIS).

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons.

Sickness Absence

The Agency had an overall sickness absence rate of 6.2 days lost per employee in 2020-2021. Annual sickness absence figures can be found in the “Sickness Absence in the Northern Ireland Civil Service 2021-22” report at [Sickness Absence in the Northern Ireland Civil Service 2021/22 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/publications/sickness-absence-in-the-northern-ireland-civil-service-2021-22). Figures for the 2021-22 financial year will be published by the end of June 2022.

Number of SCS Staff by Band

The Agency’s Chief Executive, Paul Donnelly, Grade 3; the Director of Natural Environment Division, Helen Anderson, Grade 5; the Director of Resource Efficiency Division, Richard Crowe, Grade 5; and the Director of Strategic Planning and Change Division, Marcus McAuley, Grade 5 are the organisations only Senior Civil Servants.



Paul Donnelly
Chief Executive
27 June 2022

Assembly Accountability and Audit Report

Regularity of Expenditure (Audited)

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

Remote Contingent Liabilities (Audited)

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

For 2021-22, in addition to the items covered in the Provisions Note 15 and Contingent Liabilities Note 16, the Agency is currently considering various options that may be required in relation to an illegal landfill site (2020-21: Nil). Current year provisions include future costs associated with monitoring this site.

Losses and Special Payments

Losses Statement

	Number of Cases	2021-22 £'000	Number of Cases	2020-21 £'000
Administrative Write Offs	15	17	14	24
Total	15	17	14	24

Special Payments

	Number of Cases	2021-22 £'000	Number of Cases	2020-21 £'000
Public Liability Claims	1	1	2	12
Total	1	1	2	12

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

Fees and Charges (Audited)

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

Business Activities Attracting Fees and Charges

	2021-22 £'000	2020-21 £'000
Fees and Charges	8,734	8,156
Operating Costs		
Staff Costs	6,898	6,713
Administration and Accommodation	433	578
Notional Charges	1,183	1,017
Total Charges	8,514	8,308
Operating Surplus/(Deficit)	220	(152)



Paul Donnelly
Chief Executive
27 June 2022

NORTHERN IRELAND ENVIRONMENT AGENCY

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Environment Agency for the year ended 31 March 2022 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Environment Agency's affairs as at 31 March 2022 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of Northern Ireland Environment Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

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

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

Other Information

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

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

Opinion on other matters

In my opinion based on the work undertaken in the course of the audit:

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Environment Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Environment Agency through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Safety Legislation, Environmental laws and regulations, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws (PAYE and NIC);
- making enquires of management and those charged with governance on Northern Ireland Environment Agency's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Ireland Environment Agency's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and inquiries of management and those charged with governance
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

1 Bradford Court

Galwally

BELFAST

BT8 6RB

30 June 2022

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the period ended 31 March 2022

		2021-22 £000	2020-21 £000
	Note		
Revenue from Contracts with Customers	7	(8,734)	(8,156)
Other Operating Income	7	(1,571)	(1,032)
Total Operating Income		(10,305)	(9,188)
Staff Costs	2	30,346	28,260
Current Grants	3	5,437	3,360
Capital Grants	3	3,981	1,413
Accommodation Running Costs	3	1,640	1,689
Depreciation and Amortisation Charges	3	1,347	1,302
Provision Expense	3	741	(41)
Other operating expenditure	3	11,080	9,626
Total Operating Expenditure		54,572	45,609
Net Operating Expenditure		44,267	36,421
Other comprehensive net expenditure			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of Property, Plant and Equipment		(4,157)	(18)
Net gain on revaluation of Intangibles		(1)	(1)
Comprehensive Net Expenditure for the year		40,109	36,402

The notes on pages 72 to 97 form part of these accounts.

Statement of Financial Position as at 31 March 2022

		2021-22 £000	2020-21 £000
	Note		
Non-current assets			
Property, plant and equipment	8(i)	27,870	23,510
Heritage assets	8(iii)	2,193	1,568
Intangible assets	8(v)	1	43
Total non-current assets		30,064	25,121
Current assets			
Inventories	11	83	78
Trade and other receivables	12	1,328	1,544
Cash and cash equivalents	13	3	3
Total current assets		1,414	1,625
Total assets		31,478	26,746
Current liabilities			
Trade and other payables	14	(10,899)	(8,310)
Provisions	15	(831)	(90)
Total current liabilities		(11,730)	(8,400)
Total assets less total liabilities		19,748	18,346
Taxpayers' equity & other reserves:			
General fund		10,044	12,500
Revaluation reserve		9,704	5,846
Total taxpayers' equity		19,748	18,346



Chief Executive
27 June 2022

The notes on pages 72 to 97 form part of these accounts

Statement of Cash Flows for the period ended 31 March 2022

		2021-22 £000	2020-21 £000
	Note		
Cash flows from operating activities			
Net operating cost		(44,267)	(36,421)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and amortisation	8	1,347	1,302
Profit on disposal of property, plant and equipment	3	(39)	(5)
Notional Charges	6	6,003	5,051
Provisions (written back)/expensed	15	741	(41)
Bad Debts Provision	3	(43)	18
Revaluations	3	(554)	-
Decrease/(Increase) in trade and other receivables	12	216	(250)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		43	(18)
Increase in inventories	11	(5)	-
Increase in trade payables	14	2,589	2,068
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		69	482
Use of provisions	15	-	(1)
Net cash outflow from operating activities		(33,900)	(27,815)
Cash flows from investing activities			
Purchase of property, plant & equipment and heritage assets		(1,649)	(2,245)
Proceeds of disposal of property, plant & equipment		41	5
Net cash outflow from investing activities		(1,608)	(2,240)

Cash flows from financing activities

Funding from Parent Department DAERA

35,508

30,055

Net financing

35,508

30,055

Cash and cash equivalents at the beginning of the period

3

3

Cash and cash equivalents at the end of the period

3

3

The notes on pages 72 to 97 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2022

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2020	Note	13,586	6,056	19,642
Net Assembly Funding		30,055	-	30,055
CFERs payable to Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the year		(36,421)	19	(36,402)
Non-cash charges – notional costs	6	5,031	-	5,031
Auditors' Remuneration	6	20	-	20
Transfers between reserves		229	(229)	-
Balance at 31 March 2021		12,500	5,846	18,346
Net Assembly Funding		35,508	-	35,508
CFERs payable to Consolidated Fund		-	-	-
Comprehensive Net Expenditure for the year		(44,267)	4,158	(40,109)
Non-cash charges – notional costs	6	5,986	-	5,986
Auditors' Remuneration	6	17	-	17
Transfers between reserves		300	(300)	-
Balance at 31 March 2022		10,044	9,704	19,748

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

The notes on pages 72 to 97 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

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

1.1 Accounting convention

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

1.2 Property, Plant and Equipment

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

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

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

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years, with the last full valuation of land and buildings undertaken by Land and Property Services (LPS) as at 1 April 2021 with the next full valuation due to take place as at 1 April 2026. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

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

Notes to the Accounts

1.3 Intangible Assets

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

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

1.4 Depreciation and Amortisation

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

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

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

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

1.5 Heritage Assets

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

Notes to the Accounts

the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenue Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2021 with the next full valuation due to take place as at 1 April 2026.

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

Additional information relating to the management of heritage assets can be found in the Performance Report section of this report under headings 'Country Parks and Nature Reserves' on pages 8 and 21. This section also contains details of visitor numbers and future developments. Detailed records are maintained for each heritage asset and site management plans are maintained and regularly updated. Many heritage assets, nature reserves, are open to the public and access is encouraged, where practical. Heritage assets are purchased for their long term protection by the state.

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

1.6 Operating Income

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

1.7 Classification of Expenditure

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

1.8 Employee Benefits including Pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated using employees daily rate costs applied to any untaken leave balance at 31 March 2022.

Notes to the Accounts

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

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

1.9 Grants Payable

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

1.10 Value Added Tax

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

1.11 Inventories

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

1.12 Contingent Liabilities

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

These comprise:

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

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

Notes to the Accounts

1.13 Leases

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

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

1.14 Critical Accounting Estimates and Key Judgements

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

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

1.15 Government Grant Receivable

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

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

1.16 Financial Instruments

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

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement* trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment. The Agency assesses at each

Notes to the Accounts

reporting date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past due beyond 361 days are generally not recoverable.

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

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

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

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

1.17 Provisions

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

1.18 Impending application of newly issued accounting standards not yet effective

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

IFRS 16 Leases

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

Notes to the Accounts

1.19 Management Agreements

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

Notes to the Accounts

2. Staff Costs

Staff costs comprise:

	2021-22 £000	2020-21 £000
Wages and Salaries	22,542	21,052
Social Security Costs	2,003	1,817
Other Pension Costs	5,801	5,391
Total	30,346	28,260

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

Notes to the Accounts

3. Other Operating Expenditure

		2021-22 £000	2020-21 £000
	Note		
Current Grants	4	5,537	3,360
Capital Grants	4	3,981	1,413
Other Current Expenditure	5	3,495	2,218
Accommodation Running Costs		1,640	1,689
Advertising & Publicity Costs		47	24
Communication Costs		153	178
Operating Leases		20	79
Other Office Services		544	528
Other Staff Costs		86	97
Travel & Subsistence Costs		159	90
Training Costs		146	121
Vehicle & Boat Costs		302	255
Other Operating Costs		761	972
Non-cash items			
Provisions – (written back)/expensed in year	15	741	(41)
Bad Debt Provision		(43)	18
<i>Notional charges:</i>			
Department of Finance	6	2,478	2,416
Intra-Departmental Notionals	6	3,508	2,615
External Auditor's Remuneration	6	17	20
<i>Non-current assets:</i>			
Depreciation	8(i)	1,305	1,255
Amortisation	8(v)	42	47
Profit on disposal of property, plant and equipment		(39)	(5)
Revaluations		(554)	-
Total		24,226	17,349

Notes to the Accounts

4. Grants

	2021-22 £000	2020-21 £000
Natural Environment	9,236	4,664
Resource Efficiency	182	109
Total	9,418	4,773

Natural Environment Grants comprise :

Environment Fund: Strands 1 and 2	5,255	3,251
Environment Fund: Strand 3 Challenge Fund - Capital	3,913	1,413
Rural Development Programme - Capital	68	-
Total	9,236	4,664

Resource Efficiency Grants comprise :

Environment Fund: Water Quality Improvement	182	109
Total	182	109

5. Other Current Expenditure

	2021-22 £000	2020-21 £000
Divisional costs comprise:		
Natural Environment	889	969
Resource Efficiency	2,606	1,249
Total	3,495	2,218
Natural Environment costs comprise:		
Contracted Services	717	733
Professional Costs	172	236
Total	889	969
Resource Efficiency costs comprise:		
Contracted Services	1,677	972
Professional Costs	929	277
Total	2,606	1,249

Notes to the Accounts

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

6. Notional Charges

	2021-22 £000	2020-21 £000
Intra-Departmental:		
Department of Agriculture, Environment and Rural Affairs	3,508	2,615
Total	3,508	2,615
Services provided by other Departments		
Department of Finance:		
Accommodation	659	652
IT Assist	771	745
Personnel	545	524
Account NI	257	252
Departmental Solicitor's Office	105	144
Information Strategy and Innovation	141	99
	2,478	2,416
External Audit Fees	17	20
Total Notional Charges	6,003	5,051

Notes to the Accounts

7. Income

	2021-22 £000	2020-21 £000
Revenue from Contracts with Customers		
Resource Efficiency Charges	8,734	8,156
Total	8,734	8,156
Other Operating Income		
Carrier Bag Levy	1,372	790
Operating Income from Country Parks	130	242
Other	69	-
Total	1,571	1,032
Total Income	10,305	9,188

Notes to the Accounts

8(i) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2021	4,632	17,815	2,827	4,576	153	1,633	3,931	35,567
Additions	-	-	181	68	-	421	910	1,580
Disposals	-	(213)	(198)	(1,166)	(64)	(444)	-	(2,085)
Revaluations **	1,556	3,125	45	110	1	56	690	5,583
Reclassifications	(57)	3,097	-	1	-	-	(3,041)	-
At 31 March 2022	6,131	23,824	2,855	3,589	90	1,666	2,490	40,645
Depreciation								
At 1 April 2021	-	5,399	2,104	3,439	133	982	-	12,057
Charged in year	-	782	121	238	7	157	-	1,305
Disposals	-	(213)	(196)	(1,166)	(64)	(444)	-	(2,083)
Revaluations	-	1,402	24	49	-	21	-	1,496
Reclassifications	-	-	-	-	-	-	-	-
At 31 March 2022	-	7,370	2,053	2,560	76	716	-	12,775
Carrying amount at 31 March 2022	6,131	16,454	802	1,029	14	950	2,490	27,870
Carrying amount at 31 March 2021	4,632	12,416	723	1,137	20	651	3,931	23,510
Asset financing:								
Owned 2022	6,131	16,454	802	1,029	14	950	2,490	27,870

** Professional revaluations of land and buildings are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation due to take place at 1 April 2026.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact on many aspects of daily life, global economies and worldwide real estate markets. Some real estate markets have, and continue, to experience significantly lower levels of transactional activity and liquidity than would be normal. Nevertheless, as at the valuation date, many property markets are functioning again, with transaction volumes and other relevant market metrics at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of some (but not all) of the local property market sectors that relate to the assets types identified as part of the client property portfolio.

LPS would advise that the overall market evidence gathered to underpin advice provided within the latest indexation report would tend to indicate a generally static property market at the present time, but that build costs are significantly increasing. Evidence has been collated and analysed to reflect general market movements only, as a means to allow restatement of the value of the client portfolio and LPS is confident that any valuation variances, relating to the client portfolio, remain at the narrow end of the scale.

Notes to the Accounts

8(ii) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2020	4,632	17,525	2,792	4,216	153	1,428	3,081	33,827
Additions	-	-	180	205	-	194	1,185	1,764
Disposals	-	-	(61)	-	-	-	-	(61)
Revaluations	-	-	1	25	-	11	-	37
Reclassifications	-	290	(85)	130	-	-	(335)	-
At 31 March 2021	4,632	17,815	2,827	4,576	153	1,633	3,931	35,567
Depreciation								
At 1 April 2020	-	4,723	2,048	3,136	122	815	-	10,844
Charged in year	-	676	181	228	11	159	-	1,255
Disposals	-	-	(61)	-	-	-	-	(61)
Revaluations	-	-	1	10	-	8	-	19
Reclassifications	-	-	(65)	65	-	-	-	-
At 31 March 2021	-	5,399	2,104	3,439	133	982	-	12,057
Carrying amount at 31 March 2021	4,632	12,416	723	1,137	20	651	3,931	23,510
Carrying amount at 31 March 2020	4,632	12,802	744	1,080	31	613	3,081	22,983
Asset financing:								
Owned 2021	4,632	12,416	723	1,137	20	651	3,931	23,510

Notes to the Accounts

8(iii) Heritage Assets

	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
Cost or valuation		
At 1 April 2021	1,568	1,568
Disposals	-	-
Revaluations **	625	625
Reclassifications	-	-
Transfers	-	-
At 31 March 2022	2,193	2,193
Carrying amount at 31 March 2022	2,193	2,193
Carrying amount at 31 March 2021	1,568	1,568

** Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation due to take place at 1 April 2026.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact on many aspects of daily life, global economies and worldwide real estate markets. Some real estate markets have, and continue, to experience significantly lower levels of transactional activity and liquidity than would be normal. Nevertheless, as at the valuation date, many property markets are functioning again, with transaction volumes and other relevant market metrics at, or returning to, levels where an adequate quantum of market evidence exists upon which to base opinions of value. This is true of some (but not all) of the local property market sectors that relate to the assets types identified as part of the client property portfolio.

LPS would advise that the overall market evidence gathered to underpin advice provided within the latest indexation report would tend to indicate a generally static property market at the present time, but that build costs are significantly increasing. Evidence has been collated and analysed to reflect general market movements only, as a means to allow restatement of the value of the client portfolio and LPS is confident that any valuation variances, relating to the client portfolio, remain at the narrow end of the scale.

Notes to the Accounts

8(iv) Heritage Assets

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

Purchased Heritage Assets

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. There were no purchases or disposals of heritage assets during the five year period to 31 March 2022 and no heritage assets acquired by donation during the periods.

Notes to the Accounts

8(v) Intangible Assets

	Information Technology	Software Licenses	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2021	951	276	1,227
Additions	-	-	-
Disposals	(648)	(62)	(710)
Revaluations	18	5	23
Reclassifications	-	-	-
At 31 March 2022	321	219	540
Amortisation			
At 1 April 2021	940	244	1,184
Charged in year	10	32	42
Disposals	(648)	(62)	(710)
Revaluations	18	5	23
Reclassifications	-	-	-
At 31 March 2022	320	219	539
Carrying amount at 31 March 2022	1	-	1
Carrying amount at 31 March 2021	11	32	43
Asset financing:			
Owned 2022	1	-	1

Notes to the Accounts

8(vi) Intangible Assets

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

Notes to the Accounts

9. Statement of Operating Costs by Operating Segment

	Resource Efficiency £000	Natural Environment £000	Central Costs £000	Total £000
Staff costs	19,011	11,220	115	30,346
Other Operating Expenditure	4,433	2,865	55	7,353
Grants	182	9,236	-	9,418
Non Cash Expenditure	4,527	2,541	387	7,455
Income	(9,002)	(1,302)	(1)	(10,305)
Net Operating Cost 2021-22	19,151	24,560	556	44,267

	Resource Efficiency £000	Natural Environment £000	Central Costs £000	Total £000
Staff costs	17,819	10,342	99	28,260
Other Operating Expenditure	3,166	3,027	58	6,251
Grants	109	4,664	-	4,773
Non Cash Expenditure	3,395	2,621	309	6,325
Income	(8,326)	(861)	(1)	(9,188)
Net Operating Cost 2020-21	16,163	19,793	465	36,421

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

During 2021-22 the Agency comprised 2 Operational Divisions; Resource Efficiency Division, and Natural Environment Division, each Directorate fulfilling a role in achieving the overall Agency objective to protect, conserve and promote the natural environment of Northern Ireland for the benefit of present and future generations. The management board review financial information at Divisional level for decision making purposes and this information is analysed by cost category. Reportable segments have been identified on this basis. There have been no changes to the methods used to identify reportable segments since the prior year.

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

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

Notes to the Accounts

10. Financial Instruments

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

11. Inventories

	2021-22 £000	2020-21 £000
Operational	83	78
Total	83	78

12. Trade and other receivables

	2021-22 £000	2020-21 £000
Amounts falling due within one year:		
Trade Receivables	392	655
Other Receivables	451	408
Prepayments & Accrued Income	485	481
Total	1,328	1,544

Notes to the Accounts

12. Trade and other receivables (continued)

Included within trade receivables is £Nil (2020-21 £Nil) that will be due to the Consolidated Fund once the debts are collected.

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

	2021-22 £000	2020-21 £000
Balance at start of year	(170)	(152)
Impairment losses recognised/ derecognised on receivables	43	(18)
Balance at end of year	(127)	(170)

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

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

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

	2021-22 £000	2020-21 £000
Neither past due nor impaired trade receivables	91	76
1 – 30 days	20	16
31 – 60 days	7	5
61 – 90 days	6	4
91 – 180 days	183	552
181 – 361 days	85	2
361 days plus	-	-
Gross carrying value	392	655

Notes to the Accounts

12.1 Intra-Government Balances

Receivables: Amounts falling due within one year

	2021-22 £000	2020-21 £000
Balances with other central government bodies	6	3
Balances with local authorities	5	17
Balances with public corporations and trading funds	440	603
Balances with NHS trusts	1	-
Subtotal: Intra-government balances	452	623
Balances with bodies external to government	876	921
Total receivables at 31 March	1,328	1,544

13. Cash and cash equivalents

	2021-22 £000	2020-21 £000
Balance at 1 April	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March	3	3
The following balances at 31 March were held:		
Cash in hand	3	3

Notes to the Accounts

14. Trade and other payables

	2021-22 £000	2020-21 £000
Amounts falling due within one year:		
Trade Payables	58	265
Accruals	10,414	7,638
Deferred Income	427	407
	<hr/>	<hr/>
Total	10,899	8,310

14.1 Intra-Government Balances

Payables: Amounts falling due within one year

	2021-22 £000	2020-21 £000
Balances with other central government bodies	372	481
Balances with local authorities	1,364	440
Balances with public corporations and trading funds	189	12
	<hr/>	<hr/>
Subtotal: Intra-government balances	1,925	933
Balances with bodies external to government	8,974	7,377
	<hr/>	<hr/>
Total payables at 31 March	10,899	8,310

Notes to the Accounts

15. Provisions

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Other £000	Total £000
Balance at 1 April 2021	80	10	-	90
Provisions not required written back	-	-	-	-
Provided in the year	-	-	741	741
Provisions utilised in the year	-	-	-	-
Balance at 31 March 2022	80	10	741	831

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

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

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

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

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

Notes to the Accounts

16. Contingent liabilities disclosed under IAS 37

The Agency has no contingent liabilities at 31 March 2022 (31 March 2021: none).

17. Commitments

The Agency has commitments to pay various grants in respect of environmental protection and nature conservation. Due to delays in the 2022-23 budget process the Agency has made no capital grant commitments at 31 March 2022.

	2021-22 £000	2020-21 £000
Not later than one year	-	2,434
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March 2022	-	2,434

18. Commitments under leases

Operating leases

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

	2021-22 £000	2020-21 £000
Obligations under operating leases for the following periods comprise:		
Land and Buildings		
Not later than one year	8	8
Later than one year and not later than five years	8	16
Later than five years	1	1
	17	25

19. Financial Targets

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

Notes to the Accounts

20. Related Party Transactions

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

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

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

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

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

21. Events after the reporting period

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

22. Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 30 June 2022.



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