

# Northern Ireland Environment Agency Annual Report & Accounts 2012/13



Spelga Dam & Butter Mountain - Co. Down  
Photographer - Robert Thompson



**Northern Ireland Environment Agency  
Annual Report and Accounts  
For the year ended 31 March 2013**

*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 the Environment*

*on*

*5 July 2013*

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## Chief Executive's Foreword

I am very pleased to present the Northern Ireland Environment Agency's (NIEA, the Agency) 2012/13 Annual Report and Accounts.

Our environment and our heritage are essential to our economic prosperity and they are a foundation for the health and well being of the people of Northern Ireland. This report sets out how the Agency has performed against its targets and worked beyond them to protect, conserve and promote the natural environment and built heritage.



I am pleased to report that during this reporting year the Agency met 10 of its 11 key performance targets set by the Minister, Alex Attwood. These included the launch of a report on the actual economic value of the historic environment in Northern Ireland and its potential for the future and submitting a successful application to the Heritage Lottery Fund for improvements at Dunluce Castle. Outside of our stated key targets, a strong performance against our remaining business targets indicated significant gains for the environment through our protection, conservation and promotion activities. Details of the work undertaken are provided in Section 8 of the Management Commentary, but I would like to highlight some of our achievements in this summary.

Our Better Regulation Programme is moving on apace with proposals being prepared for consultation which will deliver an ambitious package of regulatory reform and innovation. A fully integrated regulatory framework will make regulation cheaper, quicker and simpler for responsible businesses and enable us to act more powerfully and forcefully against irresponsible businesses. It also represents a cultural shift in the way we, as an Agency, will operate and interact with businesses, the community and other agencies.

In a first for any government agency in Northern Ireland, NIEA launched a partnership and waste crime campaign with Crimestoppers using funds obtained from environmental offenders through the Department of Justice administered Incentivisation Scheme. This was followed up by a second campaign encouraging the reporting of illegal disposal of fuel laundering waste and participation in a multi agency campaign on rural crime.

In response to our Minister's proactive approach to the protection of our environment and heritage, the Agency organised a number of Ministerial summits in 2012 to bring together interested parties to develop action plans to progress specific issues within dedicated timeframes.

At the first Good Beach Summit in June 2011 and at subsequent follow-up summits, senior managers from central and local government and the voluntary sector came together to develop and progress an action plan to improve our beaches.

We continued the Waste Repatriation Programme, returning nearly 16,000 tonnes of illegally deposited waste from two sites in Co. Tyrone, one at Clogher and one at Seskinore. In 2012/13, the Agency continued to progress implementation of the Flytipping Framework, working in partnership with local councils and now has 17 local councils signed up under the pilot agreement.

We also worked in partnership with colleagues in the National Parks and Wildlife Service, Dublin to continue to raise awareness of the threat of invasive species. Following the Ministerial launch of the 'Be Plant Wise' campaign in March 2012, many joint initiatives were progressed raising awareness of the threat caused by invasive aquatic plants.

Our sites and properties continue to be an important resource for Northern Ireland, both in providing green spaces throughout the Province and by protecting and giving public access to historic monuments and nature reserves. Over 2 million people visited our main properties in 2012/13, either to enjoy the facilities available or to attend some of the many events organised by NIEA designed to increase awareness of the environment.

We collaborated with colleagues from the Northern Ireland Tourist Board to enhance signage and interpretation at our properties within two tourism signature projects: St. Patrick's Trail and the Causeway Coastal Route. A new exhibition was installed in the Tully Castle Visitor Centre.

In addition to the above we continued to do our underpinning work of licensing, consenting, inspecting and enforcing in relation to a wide range of regulatory regimes. This activity is fundamentally important in maintaining a high quality environment in Northern Ireland and for the well being of our people.

Whether regulating business, providing technical advice or financial support or working in partnership with community and other groups, all of our activities and the projects supported

during the year contributed to the overall aims and objectives of the Agency. I am grateful to the many organisations which help us, including those from the voluntary, business and community sectors. I am grateful too for the advice and support provided by our business and advisory councils and the many partner organisations with which we work. However, I am most grateful to the staff in the Agency for their professionalism, determination and unsurpassed level of commitment. I want to give my sincere thanks to everyone for their tremendous efforts on behalf of Northern Ireland's unique heritage and environment.

Finally, I want to acknowledge the work of two Agency executives who retired during 2012-13. John McMillen, our former Chief Executive, and Graham Seymour, our former Director of Natural Heritage, each served the people of Northern Ireland with great skill and dedication over many years. On behalf of everyone at the Agency, I thank them both for their tireless work and wish them long and enjoyable retirements.



**Terry A'Hearn**  
Chief Executive  
19 June 2013

# Chief Executive's Report

## Introduction

The Northern Ireland Environment Agency (NIEA, the Agency) hereby presents its Annual Report and Accounts for the year ended 31 March 2013.

Our Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the relevant edition of the Government's Financial Reporting Manual (FRoM) and under an Accounts Direction given by the Department of Finance and Personnel in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

## Status

The Northern Ireland Environment Agency is an Executive Agency within the Department of Environment in Northern Ireland. It is the successor of the Environment & Heritage Service (EHS) which was established on 1 April 1996. The NIEA was launched on 1 July 2008 pursuant to a Ministerial decision that the EHS would be reorganised into the NIEA.

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 & Personnel (DFP) Guide - Managing Public Money Northern Ireland.

## Principal Activities

Our aim is to protect, conserve and promote the natural environment and built heritage for the benefit of present and future generations.

We seek to achieve our aim in a variety of ways, including regulation and enforcement, designation and management of sites, grant-aid schemes, and management of countryside and heritage properties, monitoring programmes, and awareness raising measures.

We also provide scientific and technical advice to Government on the development of legislation and policy.

Further information about our activities is available on our website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea) including information on a wide range of publications, explaining or reporting on our work in greater detail.

## Business review

A full review of the Agency's business activities during the year is provided in the Management Commentary which begins at page 14.

## In Year Developments

We have set up a strategic partnership with the PSNI with the aim of sharing resources and intelligence in order to maximise effectiveness in tackling environmental and heritage crime and to reduce the harm it does to communities.

In a first for any government agency in Northern Ireland, we launched a partnership, and promoted three waste crime campaigns, with Crimestoppers. The campaigns focused on

increasing awareness of the environmental and financial impacts of environmental crime in general, of dumping fuel laundering waste and of rural crime. This partnership has been made possible using recycled environmental criminal assets from the Department of Justice-administered Incentivisation Scheme, whereby NIEA benefits from a percentage of all confiscation orders that it secures against environmental offenders who have made money from criminality.

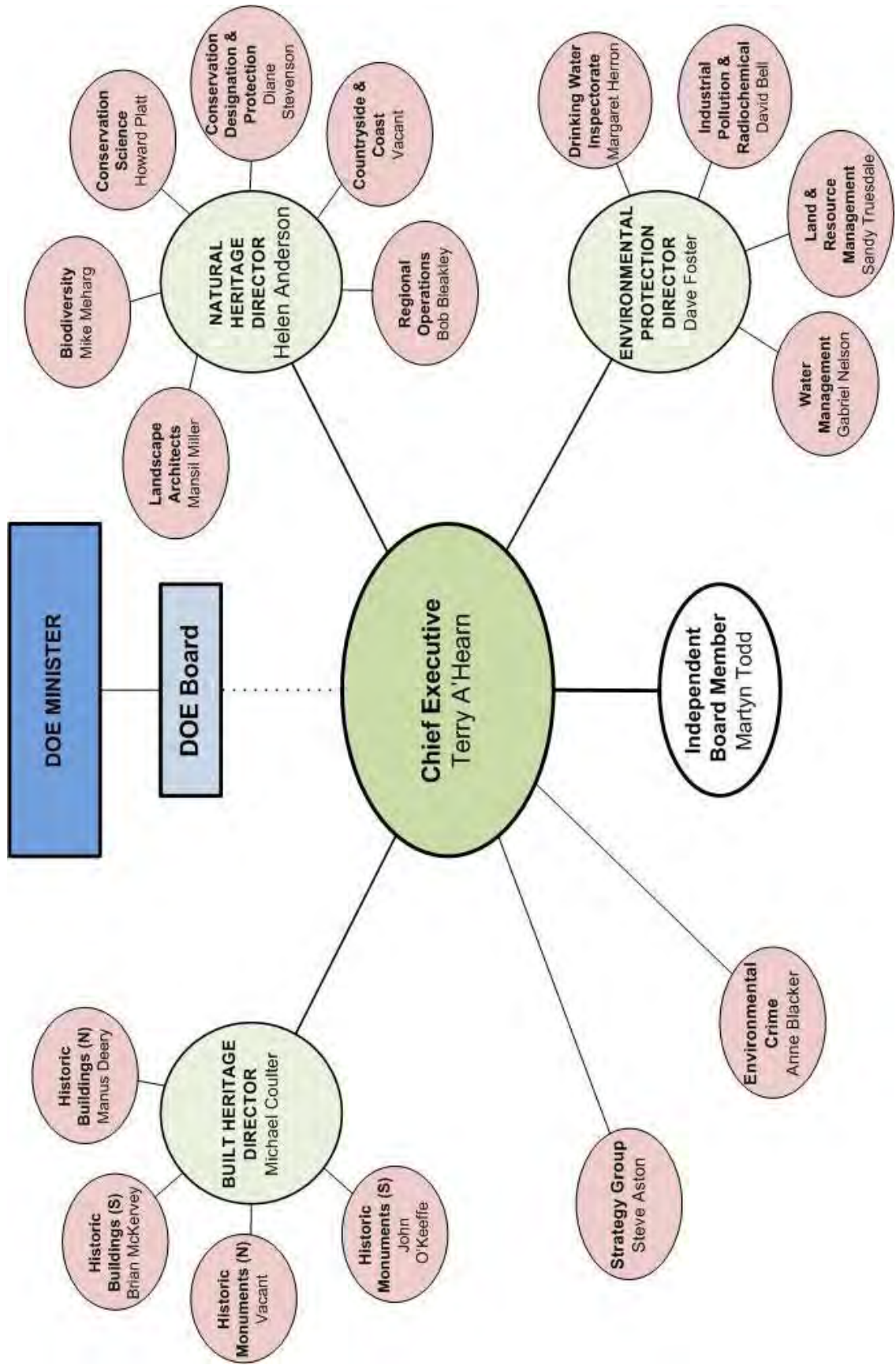
NIEA participates on a NI Shale Gas Regulators Forum consisting of representatives from government departments and agencies with a potential regulatory role in relation to hydraulic fracturing (fracking) activities. This forum, which has been formally established following a meeting between Minister Attwood and the DETI Minister, will enable cross cutting issues, such as the impact of potential seismic activity on well integrity, to be discussed and assessed by the relevant regulators i.e. Geological Survey of Northern Ireland, NIEA and the Health and Safety Executive. In anticipation of any future application for fracking NIEA has drafted an environmental regulatory framework for dealing with applications associated with fracking, however the specific suite of regulations that will apply will be on a case by case basis, specific to each individual operator's proposed working practices and location.

In November 2012, the Marine Division was established within the Department to deliver an integrated approach to marine policy, planning, conservation and science. It is structured around 5 teams – Conservation & Reporting, Policy & Legislation, Marine Planning, Monitoring & Assessment and Strategy & Licensing. These functions existed within NIEA and other parts of the Department before the new Division's establishment. Key priorities for the first year of the Division include: bringing in the Marine Act, developing Northern Ireland's first Marine Plan, and contributing to the UK's commitment to implement the Marine Strategy Framework Directive.

### **Future Developments**

Aligned with the development of the new Programme for Government for 2011-15 and a three year corporate and business plan at Departmental level, the Agency has taken a fresh look at its strategic direction. A draft statement of the Agency's strategic priorities 'Our Passion, Our Place' was approved by the Minister. It identifies ongoing pressures, common challenges and key opportunities for progress towards the Agency's long term vision. Its aim is to guide NIEA's activities over the longer term and enable the Agency to deliver its responsibilities more effectively and efficiently.

The Agency has a three year corporate and business plan for 2012-15. The working draft of NIEA's strategic priorities was used to inform 2012-15 business planning. The corporate and business plan detailed the key targets for 2012/13 by which success was to be measured. It supports the Executive's Programme for Government and is aligned with the Department's corporate and business plan for 2012-15. The corporate scorecard contained within the plan is a living document which can be amended to reflect emerging priorities.



## Management Board

The Agency's Management Board during the year ended 31 March 2013 comprised:

Mr Terry A'Hearn	-	Chief Executive appointed 19 November 2012
Mr J McMillen	-	Chief Executive from 1 April to 10 June 2012
Mr G Seymour	-	Director of Natural Heritage from 1 April to 10 June 2012 Acting Chief Executive from 11 June to 18 November 2012
Mr D Foster	-	Director of Environmental Protection
Mr M Coulter	-	Director of Built Heritage
Mr B Bleakley	-	Acting Director of Natural Heritage from 11 June to 2 September 2012
Mrs S Allen	-	Acting Director of Natural Heritage from 3 September to 4 November 2012
Mrs D Stevenson	-	Acting Director of Natural Heritage from 5 November 2012 to 3 March 2013
Mrs Helen Anderson	-	Director of Natural Heritage appointed 4 March 2013
Mr M Todd	-	Independent Board Member

## Independent Board Members

Martyn Todd is the Agency's only Independent Board Member. His role is to provide external expertise and advice which aids the Board in its decision making processes and to contribute to the corporate management of the Agency by offering independent constructive challenge.

## 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 2012/13 resulted in a notional audit fee of £27,000 which is included in the administration costs in the Statement of Comprehensive 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 entity's auditor is also aware of that information.

### **Pension Liabilities**

The Department is covered by 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). The scheme is essentially non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS (NI). The Agency meets the cost of pension cover provided for staff by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS (NI) as a whole.

Further information on Pensions is provided in the Remuneration Report (page 42) and Note 2 of the Accounts (page 69).

### **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 2012/13, 98.5% of invoices for goods or services were paid within 30 days (95% in 2011/12) and 93.7% were paid within 10 days (87% in 2011/12).

### **Charitable Donations**

The Agency made no charitable donations within the financial year (2011/12: £Nil).

### **Disabled Persons**

It is the Agency's policy to give equality of opportunity when considering applications from disabled persons.

The Agency complies with all existing legislation in regard to its disabled employees.

### **Equality of Opportunity**

The Agency follows the NI 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 111 (2011/12: 121) '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. In 2011, the Board approved the NIEA Health & Safety Strategy (2011-15) and the associated Annual Programme of Work, 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 workforce is key to the future of our business. We support 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, GB departments and agencies and European bodies.

The Agency recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Agency's performance. During the year employees were regularly provided with information regarding the performance of NIEA and on other matters of concern to them, as employees, through meetings and notices.

Our commitment to and recognition of staff is integral to our business performance. Having achieved the Investors in People (IIP) standard in the Spring of 2009, the Agency took forward the process for (IIP) reassessment in 2012/13 as part of the wider departmental review. This matter is currently ongoing.

NIEA has been engaged in *Corporate Social Responsibility* activity over many years with a strong track record on Environmental Management, People Development and Leadership, Community Outreach to schools and voluntary groups and an impressive commitment to charitable fundraising. In 2011, we developed a NIEA Corporate Social Responsibility Policy which is supported by an Employer Supported Volunteering Policy and a Charitable Giving Policy. A cross Agency steering group was set up in January 2012 to assist implementation of these policies and help enhance and deliver our ongoing commitment to staff and communities.

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



**Terry A'Hearn**  
Chief Executive  
19 June 2013

# Management Commentary

## 1. THE ORGANISATION

- 1.1. NIEA is an Executive Agency within the Department of the Environment (DOE, the Department). It is headed by a Chief Executive and a Board of executive Directors and one independent board member. The Agency comprises three Directorates: Environmental Protection; Natural Heritage; Built Heritage; and two business units reporting directly to the Chief Executive: Environmental Crime Unit and Strategy Group. Corporate Service functions are provided by the Department's Human Resources and Organisational Change Division and Finance and Business Planning Division.
- 1.2. At 31 March 2013, the Agency had 611 staff (full time equivalents), comprising 310 scientific, 245 professional & technical and administrative staff, and 56 industrial staff.

## 2. MISSION

- 2.1. Our mission is to lead the way in protecting the environment and built heritage, supporting public health, well-being and the economy.

## 3. VISION

- 3.1. Our vision is that we will have a healthy and well-protected environment and heritage, in Northern Ireland which contributes to the social and economic well-being of the whole community.

## 4. OUTCOMES

- 4.1. To achieve our aim and vision, NIEA is working towards 4 long term environmental outcomes:
  - ◆ Sustainable use and protection of our natural resources;
  - ◆ Improved conservation and management of our natural heritage;
  - ◆ Improved conservation and protection of our built heritage; and
  - ◆ Better public awareness and understanding of the environment.

## 5. VALUES

- 5.1 In addition to observing the core Northern Ireland Civil Service (NICS) values of integrity, honesty, objectivity and impartiality, we are passionate and proud of what we do and seek to ensure high standards in all areas of our work through:
  - ◆ Being trusted by having an open and participative working environment;
  - ◆ Providing excellent professional standards by delivering services to our customers based on speed, high quality and low cost;
  - ◆ Being fair and complying with government policy on fairness, equality, human rights; and

- ◆ Working in partnership with others who are committed to protecting the environment and our heritage.

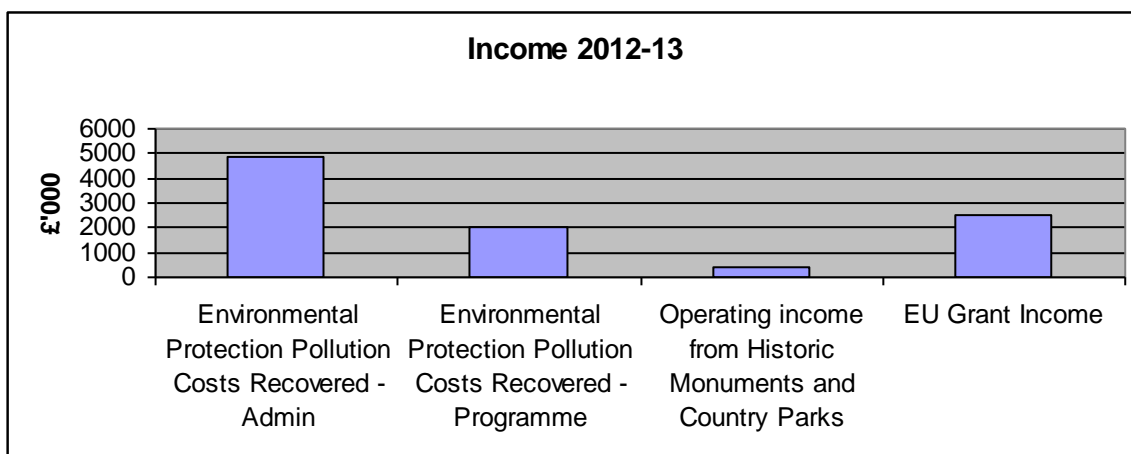
## 6. FINANCIAL REVIEW

### Funding

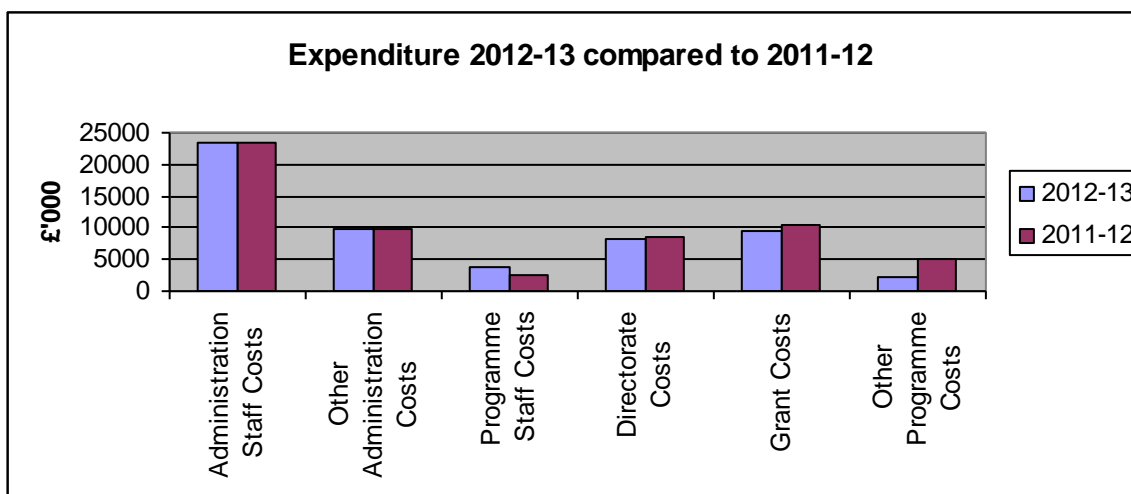
- 6.1 Our primary source of income in terms of Departmental Resources and Capital Expenditure comes from Central Government. The total net assets held by the Agency at 31 March 2013 was £22,470K (2011/12: £22,574K).

### Results for the Year

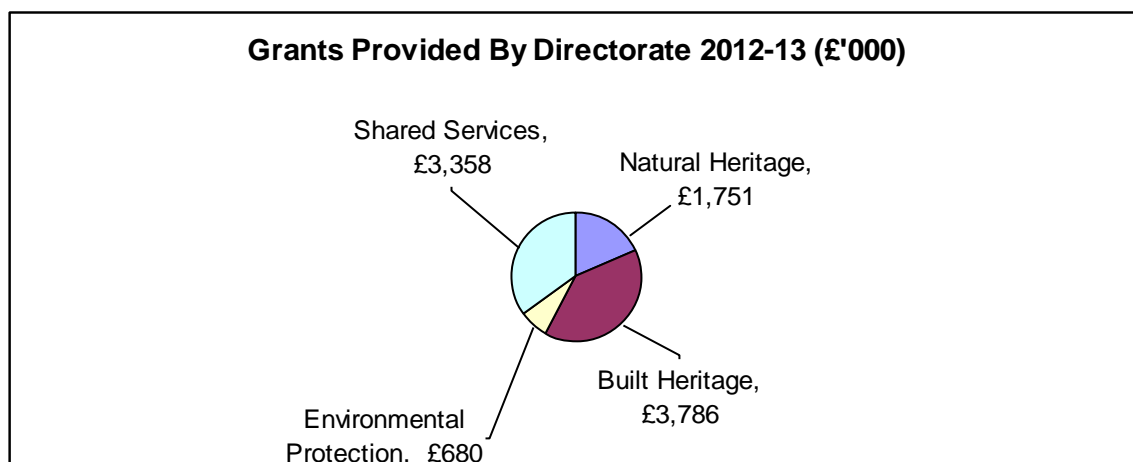
- 6.2 The Statement of Comprehensive Net Expenditure is set out on page 58 and shows the net cost of operations as £46,989K (2011/12: £51,210K). Income increased during the year from £8,428K in 2011/12 to £10,081K in 2012/13. The chart below provides a breakdown of the income figure.



- 6.3 Total expenditure during the year was £57,070K (2011/12: £59,638K). Administration staff costs amounting to £23,282K (2011/12: £23,481K) make up 41% (2011/12: 39%) of the total cost and the combined Directorate and Grant costs are £20,120K (2011/12: £24,043K) being 35% (2011/12: 40%) of total expenditure.



- 6.4 Grant spend in the current financial year was £9,575K (2011/12: £10,418K). A breakdown showing grants paid by each directorate is included below. Overall spend on Built Heritage Grant-aid (for the repair and maintenance of listed buildings) decreased to £3,786K whilst spend on Natural Heritage Grants fell during the year by £624K to £1,751K. Grants issued by Shared Services mainly related to EU Grants which increased by £1,467K due to increased payments for Interreg IVa schemes.



### **Property, Plant and Equipment and Intangible Assets**

- 6.5 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 notes 8 and 9 to the Accounts.

## **7. CORPORATE GOVERNANCE**

- 7.1 The Chief Executive is the designated Agency Accounting Officer, in which capacity he is responsible to the Minister and accountable to the NI Assembly for maintaining a sound system of internal control that supports the achievement of Agency aims and objectives, as set by the Minister, whilst safeguarding public funds and Agency assets in accordance with the responsibilities set out in Chapter 3 of the DFP Guide - Managing Public Money (NI).
- 7.2 The key organisational structures which support the delivery of Corporate Governance within the Agency are the:
- ◆ Agency Management Board;
  - ◆ Agency Audit Committee;
  - ◆ Directorate Compliance Audit Groups;
  - ◆ Internal Audit Service; and
  - ◆ Statutory Advisory Councils.
- 7.3 The work of NIEA is co-ordinated and monitored by a Management Board which provides corporate leadership to the organisation as a whole, takes responsibility for the Agency's performance, provides support for the Chief Executive and provides advice to the

Department's Permanent Secretary and the Minister. The Board seeks to operate within its Standing Orders and the guidelines set out in HM Treasury's *Code of Good Practice on Corporate Governance in Central Government Departments*. It is responsible for ensuring that good practice in corporate governance is adhered to including the maintenance of a transparent risk management system and prudent and effective controls.

- 7.4 The Agency Management Board, which comprises the Chief Executive (Chair), the Agency's 3 executive Directors and an independent Board member, meets on a monthly basis and in order to provide greater transparency the meetings are open to the public. The Board agendas papers and minutes are published on the Agency website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea)
- 7.5 The Agency Management Board reviewed and updated the NIEA 'Corporate Governance Framework' document in March 2012. The document sets out the Agency's Corporate Governance arrangements providing information on the arrangements which have been established to ensure proper and effective management of the Agency's affairs.
- 7.6 The Chief Executive is supported in his role as Accounting Officer by the Agency Audit Committee. The role of the Audit Committee is to support the Chief Executive in his responsibilities concerning Corporate Governance and Risk Management, by reviewing the levels of assurances provided to him and the timeliness, reliability and integrity of those assurances. The Committee is comprised of 3 independent members i.e. the Independent Board Member (IBM) of the Agency's Management Board and two Independent Committee Members. The Committee is chaired by the Agency IBM, appointed to the role for a two year period. The Audit Committee is also generally attended by the Agency's Executive Directors or their representatives, the Departmental Director of Finance and Business Planning or his representative, Internal Audit and the Northern Ireland Audit Office (NIAO).
- 7.7 The Audit Committee met four times in relation to 2012/13 activity. It provided the Chief Executive with an Annual Assurance Report in June 2013 which included a summary of conclusions drawn from the work of the Committee during the year and also the Committee's view of its own performance and effectiveness. The Report was timed to support finalisation of the Agency's Annual Report and Accounts and the Accounting Officer's Governance Statement which has replaced the previous Statement on Internal Control.
- 7.8 NIEA employs a system of internal control based on an ongoing risk management process designed to identify and prioritise the key risks which could affect the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives.
- 7.9 The risk management cycle is a "top-down" and "bottom-up" exercise that allows risks to be identified and managed at 3 key levels:
- ◆ Corporate level – high level risks for the Agency managed by the Agency Board;
  - ◆ Directorate level – key risks identified and managed by Directors and their management teams; and
  - ◆ Business Unit level – key risks at this level are managed by the relevant Assistant Director.

The significant risks that might impact upon the Agency's objectives have been identified and the Agency continues to apply controls for each of these. The top level Agency Corporate Risk Register is reviewed by the Board on a monthly basis while Directorate and Business Unit registers are formally reviewed on a quarterly basis.

- 7.10 In addition to the monthly review of the Agency Risk Register, the Board receives regular reports concerning internal control, including quarterly assurance statements from each Director, and quarterly reports on the work of the NIEA Compliance Audit Groups which address risk management, control and governance issues.
- 7.11 NIEA is audited by internal auditors from the Department for Regional Development who operate to standards defined in the Government Internal Audit Manual. They submit regular reports that include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement. In addition, the Agency is externally and independently audited by the Northern Ireland Audit Office (NIAO). The implementation of Internal Audit and NIAO recommendations are monitored by the NIEA Compliance Audit Groups.
- 7.12 Three Statutory Advisory Councils provide the Agency with independent advice on environmental issues and activities. These are: the Council for Nature Conservation and the Countryside (CNCC), the Historic Buildings Council (HBC) and the Historic Monuments Council (HMC)
- 7.13 The Governance Statement included in Section 2 of this report provides a summary of the effectiveness of internal control during 2012/13.

## 8. PERFORMANCE AGAINST TARGETS

### Programme for Government

8.1 Throughout the year the Agency reported against one of the Department's six Key Commitment Measures contained in the Programme for Government 2011-15 as shown below.

<u>KEY COMMITMENT MEASURE</u>	<u>NIEA TARGET</u>
<b>Work towards halting the loss of biodiversity by 2020</b>	<ul style="list-style-type: none"> <li>Designate a further 15 additional Areas of Special Scientific Interest by 31 March 2014</li> </ul>

### Agency Business Plan Targets

8.2 The Agency's performance against the 11 2012/13 key Ministerial targets set out in our Business Plan (2012/13) is reflected below. The achievements reported have been validated by the Department's Internal Auditors. Responsibility for four additional targets transferred out of NIEA now resides with Marine Division.

	<b>OBJECTIVE</b>	<b>KEY TARGET</b> [Target date is 31 March 2013 unless otherwise stated]	<b>RESULT</b>
1.	Effective compliance and implementation of legislation and international obligations	Declare 15 additional ASSIs.	ACHIEVED
2.		Achieve a direction for prosecution from PPS for 90% of prosecution files submitted during the 2012/13 year.	NOT ACHIEVED
3.		Complete the waste Repatriation Programme for 2012/13.	ACHIEVED
4.		Complete all actions in the Heritage Crime Summit Action Plan within agreed timeframes.	ACHIEVED
5.		Implement relevant NIEA objectives from Criminal Justice Inspectorate (CJI) follow up review of Enforcement in DOE by agreed project deadlines.	ACHIEVED

6.		Agree the NIEA Better Regulation Action Plan for 2012/13 by 31 August 2012 and deliver the plan by 31 March 2013.	NOT ACHIEVED
7.		Develop and make operational 8 additional (Water Framework Directive) Local Management Area Plans by 31 March 2013.	ACHIEVED
8.		Implement relevant parts of the Tyres Action Plan by 31 March 2013.	ACHIEVED
9.	Support a sustainable economy	Submit to the Minister by 30 June 2012 a report on the actual economic value of the historic environment and its potential for the future.	ACHIEVED
10.		Respond to 75% of planning consultations within 15 days (This is last year's key target).	ACHIEVED
11.		Submit application to Heritage Lottery Fund by December 2012 for Phase 1 funding to develop the Dunluce Project.	ACHIEVED

### Explanation for Targets not Achieved

- 8.3 During the reporting period 2012/13 NIEA submitted a significant number of prosecution files to the Public Prosecution Service (PPS). Due to the complexity of the cases taken by NIEA and the fact that many are likely to be more innovative in the use of environmental legislation it would be difficult to expect PPS to provide a positive direction in all cases. It is important to note that of the 62 cases that the PPS have provided a direction on, 55 (88.7%) received a direction to prosecute. This fell short of the 90% target by 1 case.
- 8.4 A Better Regulation Action Plan was agreed and the majority of the actions completed. However, due to timetable constraints there was a need to focus on the consultation and development of the legislative programme. This comprehensive programme will introduce unified permitting and powers, and provide for a range of new sanctions and penalties, and will deliver resilient reforms that will support business and help protect environment.

### Sick Absence

- 8.5 Sick absence figures from April 2012 to March 2013 for non-industrial staff is 6.8 (3.1%) (2011/12: 7.8 days, 3.5%) working days lost and for industrial staff, 13.7 (6.3%) (2011/12: 15.8 days, 7.2%) working days lost. The overall NIEA absence rate for 2012/13 is 7.4 (3.4%) working days lost. The target for 2012/13 is 8.5 days.

## 9. REVIEW OF ACTIVITY DURING THE YEAR

### Customer Standards

- 9.1 NIEA is committed to meeting the standards of service to its customers as published in the Agency's Customer Charter and Environmental Legislation and Service Standards which can be viewed on the website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea). We set timescales by which we aim to respond to correspondence and licence or consent applications and our overall aim is to meet these for 90% of correspondence and 80% of environmental legislation and service standards.
- 9.2 During the year, we monitored 1,904 pieces of general correspondence and responded to 98% of these within the 15 day timescale.
- 9.3 Internal figures for a few of the key areas are reported below to give an indication of performance for environmental and service standards. Overall, of the 44 standards, the timescale was met in 91% of cases.
- ◆ 92% of the 221 grant payments for listed buildings were released within the 40 days standard;
  - ◆ 97% of the 39 applications for Scheduled Monument Consent were issued within the three month standard;
  - ◆ 100% of the 199 requests for licences to carry out archaeological excavations were issued within the 4 week standard;
  - ◆ 100% of the 270 notifications for regulating farm storage facilities were assessed and acknowledged within the 28 day standard;
  - ◆ 100% of the 26,302 applications for consignment notes to move hazardous waste were fully completed within the 15 day standard; and
  - ◆ 98% of the 418 applications for wildlife licences were issued within the 3 week standard.
- 9.4 We continue to review our processes and make every effort to address any specific causes of delay which may be identified.

### Raising Awareness

- 9.5 Throughout the year, NIEA continued to provide information, advice and guidance with a view to raising awareness of environmental issues, increasing knowledge on how to help protect the environment and also increasing awareness of NIEA, its roles and responsibilities.
- 9.6 The NIEA website continues to hold its 'Plain English' accreditation. By March 2013, NIEA has (without advertising) attracted 2,100 fans on its Facebook (compared with 1,423 fans in March 2012). NIEA continues to work to improve this increasingly important communications tool. Also, the Agency had 1,000 followers on Twitter by March 2013.
- 9.7 NIEA promoted and delivered 4 major 'flagship' family events, 3 smaller family events, around 130 living history events and 15 'seasonal' events (walks and tours). In addition, NIEA co-ordinated and promoted a busy schedule of 'Archaeology Days' events and

initiatives. September saw another very successful European Heritage Open Days weekend, which attracted a record of over 61,000 visitors. In the Spring, NIEA took part in the Balmoral Show and an 'open day' at the Marlbank Nature Reserves, Fermanagh.

- 9.8 In December 2012, the Minister announced eight successful projects that will share up to £62,435 to improve water quality in various areas. The new competitive grant scheme was open to voluntary and community groups, local councils and other not-for-profit organisations. The funding, provided by the NIEA was awarded before the end of the financial year. The awards are a win-win for the environment. By harnessing a community's local knowledge these grants can make a positive and targeted difference to improve and protect the rivers and the wider water environment in various areas. Local projects were led by local people working to enhance water - one of our key natural assets.
- 9.9 NIEA works in partnership with the independent charity, Crimestoppers, to target illegal waste businesses.
- 9.10 NIEA has continued to improve the quality of interpretation at sites and properties to further enhance the visitor experience and ensure that key messages are communicated clearly to all visitors. A new interpretive exhibition has been installed in the Visitor Centre at Tully Castle. New interpretive signage has been installed at Inch Abbey and procured for many other properties including the Mound of Down. New interpretive booklets have also been produced for Grey Abbey and Grey Point Fort.
- 9.11 During 2012/13, NIEA has continued its working partnership with the Northern Ireland Tourist Board (NITB) on two tourism signature projects (St Patrick's Trail and the Causeway Coastal Route) and has contributed to plans for developing Strangford Lough as a Tourism Destination. The Agency has also attended many NITB events and is working closely with tourism experts to ensure that there is a high quality visitor experience at all NIEA sites and properties.
- 9.12 NIEA has continued to work with stakeholders bilaterally and through the Northern Ireland Water Framework Directive Stakeholder Forum and Catchment Stakeholder Groups to develop focused Local Management Area (LMA) action plans. A total of 26 action plans, covering all of Northern Ireland, have been developed and made operational and details of these are available on the NIEA website.
- 9.13 The 'Be Plant Wise' Partnership, with colleagues in the National Parks and Wildlife Service, delivered a series of workshops and learning opportunities to highlight the impacts of alien invasive plants, particularly those that impact our waterways. Practitioners throughout Ireland held many events throughout 2012/13 to raise the profile of alien invasive species and their impact on biodiversity and the local economy.

### **NIEA Properties**

- 9.14 NIEA manages 190 historic monuments in State Care, 60 sites as nature reserves, 7 country parks, and 15 visitor centres, most open to the public throughout the year. NIEA continues to maintain its properties; ensuring visitors are informed about NIEA messages whilst enjoying the facilities available.
- 9.15 In the 2012 calendar year, visitor numbers to our 20 main NIEA properties was estimated at 2,059,461 based on ticket sales and automated visitor counters, up on the previous year by 1.0%. Visits to historic monuments held steady with approximately 250,000 additional visitors to Derry's Walls where accurate counting is impracticable. The very wet summer may have accounted for a decline of 4.4% in visits to country parks while

the installation of counters at nature reserves may account for an apparent increase of 93% and the overall 1% rise.

- 9.16 A reduced programme of events was run at NIEA properties over the year. International Bog Day at Peatlands Park, Armed Forces Day at Carrickfergus Castle and the Autumn Festival at Crawfordsburn Country Park attracted the most visitors.
- 9.17 A new exhibition was installed at the Visitor Centre at Tully Castle. At Roe Valley Country Park the repair of the lade (mill race) was almost completed and the work needed to undertake the second phase of the plan to re-commission the generation of hydroelectricity at the historic Dogleap Power House was tendered.
- 9.18 A major land transfer from the Department of Agriculture and Rural Development (DARD) to DOE was effected at Tullaghoge Fort. This comprised of fields on either side of the path leading to the monument. Together with the woodland across the road this now provides scope for the development of a significant tourist attraction and work has started on feasibility assessment about the use of these lands.
- 9.19 On some of its nature reserves NIEA continues to use small herds of traditional livestock breeds (Exmoor and Konik ponies; Breton, Hebridean, Shetland and Wiltshire sheep; and Dexter and Shetland cattle) to graze lands where commercial breeds do not thrive therefore demonstrating their effectiveness in managing semi-natural habitats.

### **Protection of Habitats and Species**

- 9.20 A further 15 Areas of Special Scientific Interest (ASSIs) were declared in 2012/13, bringing to 360 the number of sites across Northern Ireland. Significant progress was made in the survey of terrestrial and freshwater habitats and species and earth science features to continue the designated programme. Scientific staff also continue to monitor the quality of ASSI selection features on a six-yearly cycle, to help ensure that appropriate management is in place. The importance of these areas for the conservation of Northern Ireland's most important habitats and species is illustrated with the inclusion of a target of 15 ASSIs to be declared annually in the Programme for Government 2011-15.
- 9.21 We continue to provide advice to DARD on the management of designated sites on farmland which is subject to the NI Countryside Management Scheme. This is an important route through which NIEA can influence land management to benefit the conservation of biodiversity. In 2012/13, DARD was provided with detailed management prescriptions for a further 250 applications involving designated sites. In addition we advised and assisted DARD in the preliminary stages of forward planning for the new round of Common Agricultural Policy (CAP) reform, specifically relating to the appropriate management of NATURA 2000 sites and priority species and habitats.
- 9.22 Partnership working has also developed in planning for the introduction of CAP reforms between NIEA and DARD.
- 9.23 During the year, NIEA staff provided the Northern Ireland (NI) input for the UK Article 17 Report to the European Commission. The Habitats Directive requires Member States to report every six years about the progress made with maintaining and/or restoring favourable conservation status for habitat types and species of community interest. This report is in two parts, with a general report covering the implementation and achievements under the Directive, and a separate assessment for each species and habitat listed on the annexes of the Directive that occur in the Member State's

territory. Reporting responsibilities have been devolved to each UK country agency. As part of this process, individual NI reports were completed for 49 habitats and 46 species.

- 9.24 The key messages for NI from the current round of Article 17 reporting are that habitats and species are still under pressure, primarily through agricultural intensification on the one hand and abandonment on the other, with development pressures also significant for some habitats and species; water pollution is still a major factor in freshwater systems; and aerial deposition of nitrogen is predicted to be a major factor in the future, with critical thresholds exceeded for many habitats across NI.
- 9.25 Amendments to the Wildlife (NI) Order 1985 were introduced via the Wildlife and Natural Environment (WANE) Act, which came into effect on 17 August 2011. The Wildlife Team continues to work closely with the Wildlife Liaison Officer in the PSNI. Many cases have had the benefit of expert input from the NIEA Team and as a result the PSNI is progressing a number of prosecutions under the WANE Act.
- 9.26 The WANE Act requires the Department to maintain lists of habitats and species of principal importance for the purpose of conserving biodiversity. These lists of Northern Ireland's priority habitats and priority species were reviewed and updated by NIEA. The protection of the habitats and species listed are progressed through partnerships with stakeholders joining forces through six Biodiversity Delivery Groups developing and delivering on related Habitat and Species Action Plans.
- 9.27 The publication and launch took place of a major new book detailing the Flora of County Fermanagh. Through plant records collected by County recorders, NIEA staff and interested amateur botanists a major database of all the plants found in County Fermanagh was created. The Agency funded the publication of the book which will be a major reference for the scientific community and for those wishing to visit the County and learn more about its fantastic wildlife.
- 9.28 NIEA in the past year has contributed to the development of the Invasive Alien Species Strategy for Northern Ireland. The publication and acceptance of this strategy will be key to establishing a co-ordinated policy and management framework that minimises the risk of invasive alien species to the economy, environment and society.

### **Countryside**

- 9.29 NIEA continued to support Outdoor Recreation Northern Ireland (ORNI, formerly CAAN), the Mourne Access Group and other strategic outdoor and recreational providers and groups in order to develop and promote opportunities for outdoor recreation to enable people to enjoy the outdoors and gain the health benefits of activity in a natural setting. In particular the Agency has supported the development of the Outdoor Recreation Action Plan for Northern Ireland in partnership with Sport NI. In the last year work has also included a strategic path review of the Causeway Coast Way, research into the value of outdoor recreation in Northern Ireland and an update of the Red Book Guide to Public Rights of Way and Access to the Countryside.
- 9.30 The Agency continues to enable co-ordinated management of Areas of Outstanding Natural Beauty (AONBs) by supporting a variety of partnerships and the provision of distinctive road signs to make people more aware of the AONBs. Our funding has helped these and other partners to seek and secure additional funding to deliver practical management and public engagement in their areas, for example, through the Heritage Lottery Fund Landscape Partnership Scheme. Several of the projects initiated by the AONB partnerships have received awards for their innovation and their success. The Giant's Causeway World Heritage Site received an international inspection visit in

relation to its conservation status; this coincides with the 6-yearly Periodic Report on the site's conservation that will, along with similar reports for all other UK sites, be submitted to the United Nations Educational, Scientific and Cultural Organization (UNESCO) in June 2013.

- 9.31 In the area of planning, we continue to contribute to all stages of the preparation of development plans to ensure that natural heritage within each area is recognised and relevant policies and legislation reflected in the emerging plans. Some of our most significant inputs this year include: the completion of the Habitats Regulations Assessment for the Banbridge, Newry and Mourne Area Plan 2015 and for the Belfast Metropolitan Area Plan 2015. We continue to provide specific comments on planning applications that have the potential to have a significant impact on natural heritage and have also contributed to various planning appeals, public inquiries and judicial reviews. Advice is also provided. This year we produced guidance for anaerobic digestion facilities and for active peatland in relation to renewable energy developments.
- 9.32 The Natural Heritage Grant Programme supports projects and initiatives that contribute to the conservation of biodiversity and special landscapes or to the enjoyment of the countryside. This year NIEA provided £1.8 million in grant aid, supporting the work of many of the key environmental Non Government Organisations in Northern Ireland and councils who help to achieve our objectives. A total of 51 projects delivered by 34 organisations were supported. We have reviewed and consulted on how we fund partners which has led to a new funding model being piloted in 2013/14.

### **Better Regulation**

- 9.33 Delivering Better Regulation remains a priority for NIEA and we continue to work closely with stakeholders through our Better Regulation Board and other business groupings including the NI Food and Drink Association and the Construction Employers Federation, to drive the delivery of our Better Regulation Programme. The programme has developed in the last year and progress is being made in taking forward legislative change to facilitate improved working with businesses and within the Agency. A fully integrated regulatory framework is proposed that will bring together key areas of the current legislation and operational practices to deliver a reform package for the way the Agency currently regulates businesses. A consultation on these proposals will be issued in 2013.
- 9.34 A consultation was issued on a revised Regulatory Charging Policy including possible options for implementing a risk based approach to charging, supported by the Agency's risk assessment models, which were developed last year.
- 9.35 To support the implementation of new regulations on the Registration Evaluation Authorisation and Restriction of Chemicals (REACH), we have created an in-house E-Learning training tool which was distributed on 14 February 2013. The tool is designed for regulatory staff to aid their understanding of compliance with the REACH Regulation when undertaking inspections and in providing advice to businesses on their obligations.
- 9.36 NIEA continues to work closely with the Environment Agency in England and Wales to oversee the uptake of our existing Waste Quality Protocols and explore opportunities for recovering other materials. The NIEA conducted a survey of stakeholders to assess the impact and uptake of the existing protocols and what benefits there have been to the NI economy.
- 9.37 Work continues on 2 EU LIFE+ projects. On EDOC (Electronic Duty of Care) detailed IT functional and non-functional specifications were issued and successfully tendered to by IPL (Bath, England) who are using an agile development approach i.e. multiple early

releases ([www.edoc.uk.com](http://www.edoc.uk.com)) building to a finished product anticipated in November 2013. The communications contract was awarded to Golley Slater (Cardiff, Wales) who have produced the first draft of the marketing strategy and are currently compiling a stakeholder database. A Progress report (covering 1 September 2011 to 30 September 2012) was submitted to and accepted by the European Commission via their agent Astrale at the end of October 2012.

- 9.38 The EQual project (Ensuring Quality of waste derived products to achieve resource efficiency) is designed to encourage the reuse of waste materials. Work is progressing on the key work streams and versions of the two proposed e-tools (for end of waste decision making and Quality protocol compliance testing) and these are in advanced stages of development, with user testing commencing soon. Field trials for agricultural applications have commenced and progress has been made on the trials for the use of waste derived materials in some construction applications.
- 9.39 The NetRegs website has been relaunched, with focus on Scotland and Northern Ireland only. [www.NetRegs.org.uk](http://www.NetRegs.org.uk) is a valued source of information on environmental legislative requirements and sectoral guidance for NI and Scottish businesses. The Agency continues to actively support and promote this site, jointly with the Scottish Environmental Protection Agency (SEPA). NIEA have sought to make this the primary trusted source of guidance on environmental legislation to support businesses in meeting their obligations and to help them go beyond compliance. It is free, confidential and regularly updated. Businesses and internal stakeholders both report that this site is their first port of call for information on legislation and they recommend it as a trusted source to colleagues.
- 9.40 The development of an online Waste Directory is underway and will be launched in 2013. This interactive tool will allow businesses and the public to search for licensed waste facilities that can accept their specific waste types.

### **Land and Resource Management**

- 9.41 NIEA Land and Resource Management Unit (LRM) continues to promote a more sustainable approach in managing both waste and land resources in Northern Ireland to protect our environment and promote resource efficiency and economic growth.
- 9.42 NIEA Waste Licensing Team continued to monitor, audit and regulate licensed and exempt waste facilities and activities in order to protect and minimise impacts to the environment and human health. This work covers a wide range of facilities, for example, waste transfer stations and recycling plants, Authorised Treatment Facilities for end-of-life vehicles and Material Recovery Facilities. The Agency has processed 115 applications for exemption renewals. All of these were determined within the statutory deadline. 53 (29 new, 19 modifications, 1 surrender and 3 transfers) waste management licence applications were also processed within the statutory timescale.
- 9.43 The Agency has decided to further develop its regulatory role by introducing a programme of site specific audits of waste management facilities. This will result in each licence holder being audited in a rolling cycle once every two years. During 2012 the Agency developed, and tested, a methodology to enable the audit programme to commence in April 2012. The feedback from operators has been positive and the audit process deemed mutually beneficial.
- 9.44 NIEA also has responsibility for the registration of waste carriers to ensure the legitimate transportation of controlled wastes and this year processed 1,138 applications (531 new and 607 renewals).

- 9.45 In April 2012, the Waste Management Licensing team set up a new Enforcement team, Waste Management Licensing Enforcement Section (WMLES). In December 2012, the first case was heard in court and resulted in a successful prosecution and fine. Two further operators have been issued with summons and received court dates. There are 5 other current investigations underway.
- 9.46 The NIEA Waste Pollution, Prevention and Control Team (PPC) monitor and regulate permitted facilities to ensure protection of the environment and human health. This work covers operational landfills, closed landfills, waste water treatment works and large chemical waste installations. During 2012/13, the PPC team processed 6 new applications and also dealt with a number of significant variations to existing permits. The team conducted over 600 site inspections to check compliance at permitted sites and also monitor closed landfills.
- 9.47 NIEA is the Monitoring Authority for the Waste Management Strategy key performance indicators e.g. the Northern Ireland Landfill Allowance Scheme and recycling rates, using Waste Data Flow to collect and validate data from District Councils and landfill operators. NIEA also collects and collates quarterly waste data from licensed and permitted site operators. This data will assist the Agency when it compiles the European Waste Statistics returns to the European Commission.
- 9.48 In the past year, the Land and Resource Management Unit has continued to deliver authoritative advice as a consultee to planning development and control within the Department in line with the extant Service Level agreement. In this period there has been approximately 900 consultations supporting a wide range of developments including; the redevelopment of Brownfield and contaminated sites, development of new waste infrastructure and facilities in support of the NI Waste Strategy and Infrastructure programmes. The Agency continues to support the implementation of more sustainable remediation technologies as effective alternatives to excavation and disposal to landfill resulting with the waste licensing and deployment of more sustainable treatments at NI sites.
- 9.49 NIEA staff assess and record details of all hazardous waste movements under the Hazardous Waste Regulations (Northern Ireland) 2005. Each movement of hazardous waste must be accompanied by a uniquely coded document, known as a consignment note, which tracks the movement of the waste from cradle to grave. In addition, NIEA compliment this with advice on dealing with hazardous waste and compliance with the regulations and carry out assessments on classifying waste. During 2012/2013, over 26,000 consignment notes were processed and 629 site visits, audits and road and port checks were conducted.
- 9.50 NIEA also administers and enforces the Transfrontier Shipment of Waste Regulations 2007 in Northern Ireland. NIEA is the Competent Authority for all shipments of waste from and to Northern Ireland, to and from countries outside the UK. The regulations implement the requirements of the EU Regulation 1013/2006 on shipments of waste, which in turn implement the Basel Convention. The procedures to be followed depend on the waste stream involved, the recovery/disposal operation proposed and the country to which it is destined. In 2012/13, NIEA processed 65 notifications and assessed over 10,000 Annex VII forms for green listed waste exports. During the year 244 site visits, audits and port checks were conducted to ensure compliance with the regulations.
- 9.51 To ensure compliance with the Northern Ireland Packaging Waste Regulations, NIEA carried out 74 regulatory visits to obligated businesses to check that the amount of packaging they handle was reported accurately and their obligations were correct. In addition, 205 businesses that are currently not registered were visited to determine if

they were above the thresholds specified in the regulations and therefore needed to register.

- 9.52 In 2012, the number of producers increased to 420 and these businesses were responsible for recycling 156,549 tonnes of packaging waste, a decrease of approximately 11,000 tonnes from the previous year. Eleven local businesses were accredited by NIEA to issue evidence of waste packaging reprocessing or export for recovery. Sale of evidence generated an income of over £1,801,256 which was re-invested back into the local recycling sector. Seven national Compliance Schemes were visited in a joint audit programme with the Environment Agency (England & Wales) and SEPA.
- 9.53 In 2012-2013, the Producer Responsibility team continued to monitor compliance with the Waste Electrical and Electronic Equipment (WEEE) and Batteries regulations. A total of 15 registered producers were audited for WEEE and Batteries regulation compliance, and 27 unregistered businesses were also visited to assess their obligations. Five new registrations occurred as a result of enforcement action following these visits. During the period, the number of producers registered as WEEE producers was 78. Thirteen local waste operators were approved by NIEA to issue evidence of WEEE treatment or export for recovery. Based on data returns from these waste operators, it is estimated that over 11,000 tonnes of waste equipment was collected in 2012 for recycling or reuse. The two Northern Ireland based WEEE compliance schemes have operated in their first year and have recruited members from Northern Ireland. The online regulatory system for batteries continues to operate with a total of 14 registrations for batteries and there was one treatment processor approved to issue evidence of battery export for treatment.
- 9.54 A pilot study to develop operational arrangements on fly tipping commenced in June 2012, and now has 17 local councils signed up. Under the pilot agreement NIEA is responsible for the removal of certain types and volumes of fly tipped waste. During this period, NIEA organised the collection and disposal of fly tipped waste for 138 incidents amounting to over 1,400 tonnes of waste.
- 9.55 NIEA continued with the repatriation of waste programme during this reporting period. Work was completed at two sites in County Tyrone, one at Clogher and one at Seskinore, successfully repatriating a total of 15,735 tonnes of waste to a landfill site in the Republic of Ireland.

### **Environmental Crime**

- 9.56 The Environmental Crime Unit (ECU) focuses on serious, persistent and predominantly commercial-scale environmental offending that is prompted by financial gain. Its investigations are intelligence-led, aided by software packages which help analyse intelligence, and ensure the most serious offending can be identified and addressed. Its criminal, financial and intelligence investigators carry out complex investigations, some of which involve multiple defendants and companies. In addition to depriving environmental offenders of the proceeds of criminal conduct, the confiscation approach the Unit takes deprives offenders of the means to further offend and discourages others from doing so.
- 9.57 In addition to developing its own investigations, ECU continues to provide advice to other Units within NIEA to assist them practically or provide advice in their investigations.
- 9.58 The Strategic Partnership with the PSNI has now been rolled out in every police district in Northern Ireland, with very encouraging results so far. Through sharing resources and expertise, both ECU and the PSNI have increased their ability to target and disrupt those

involved in environmental criminality. Many of these individuals and groups have also proved to have been of interest to the PSNI for other crimes.

An example of this successful co-operation has been *Operation Churn*, in which PSNI and ECU officers optimised action against those transporting and trading in metal without the appropriate licences. ECU officers are continuing to provide advice and support to the PSNI where their operations involve environmental criminality.

As an extension of this joint work, ECU has developed closer working relationships with HM Revenue and Customs (HMRC) and new connections with the Harbour Police, as well as continuing its membership of the Organised Crime Task Force's Criminal Finance Sub-Group, Cross Border Fuel Fraud Sub-Group and Proceeds of Crime Working Group.

- 9.59 In 2012-13 ECU secured 15 criminal convictions for environmental crimes, with fines amounting to £50,900.
- 9.60 ECU continues to apply the Proceeds of Crime Act (POCA) 2002 to recoup the financial benefits gained from criminal conduct. During the year, £27,500 was secured in confiscation orders under the POCA. Under the Home Office incentivisation scheme, ECU is entitled to receive 22.5% of monies recovered from POCA confiscations, which must then be used for the purposes of further enforcement activities. ECU was able to use this funding to provide refresher investigative and interview skills to its criminal and financial investigators.
- 9.61 ECU has developed close working relationships with HMRC and the PSNI in particular, their co-operation and regular liaison proving invaluable during various operations this year. Through its partnership with the PSNI, ECU aims to share intelligence and resources more effectively to disrupt criminals committing a range of environmental and heritage crimes. The relationship has already seen several cases involving suspected metal theft being progressed through the Courts.
- 9.62 In a first for any government agency in Northern Ireland, we launched a partnership, and promoted three waste crime campaigns, with Crimestoppers. The campaigns focused on increasing awareness of the environmental and financial impacts of environmental crime in general, of dumping fuel laundering waste and of rural crime. This partnership has been made possible using recycled environmental criminal assets from the Department of Justice-administered Incentivisation Scheme, whereby NIEA benefits from a percentage of all confiscation orders that it secures against environmental offenders who have made money from criminality.

### **Industrial Pollution and Radiochemical Inspection**

- 9.63 NIEA currently regulates 393 installations under the Pollution Prevention and Control (PPC) Regulations (NI) 2003 in addition to the waste activities described earlier. These include 241 Part A installations where a single permit covers releases to all environmental media as well as energy efficiency, waste minimisation/recycling, noise and site protection issues. Part A installations include intensive farms, food and drink processors, cement factories, glass manufacturing, waste incineration, non-ferrous metal processing and power stations. There are 153 regulated Part B installations whose permits cover releases to air only. Part B installations include quarries, road stone coating plants and surface treatment of metals.
- 9.64 In 2012/13, check monitoring of releases to the environment was carried out at a broad cross section of both Part A and Part B installations. The suitability of emission testing

facilities and site specific protocols produced by Testing Laboratories were assessed for numerous Part A and Part B installations. During this period, the Agency's Scientific Services Unit maintained its accreditation under the Monitoring Certification Scheme (MCERTS) and the United Kingdom Accreditation Service (UKAS) for manual stack emission monitoring for a range of key pollutants and added odour to the scope of accreditation. The Unit participated in two independent external proficiency schemes associated with its monitoring work and obtained excellent results in both. An environmental monitoring survey for PM<sub>2.5</sub> particulate matter was also carried out at an intensive farming installation during the report period.

- 9.65 During the year, nearly 800 visits to regulated sites were carried out either to assess compliance or in response to complaints or other incidents. A total of 12 enforcement notices were issued and 1 case was submitted to the Public Prosecution Service and is awaiting trial.
- 9.66 Data on releases from PPC installations and some other specified activities were collected and will form part of the UK Pollutant Release and Transfer Register.
- 9.67 Under the European Union Emissions Trading Scheme (EUETS), NIEA currently regulates 24 installations. The new Greenhouse Gas Emissions Trading Scheme Regulations 2012 came into effect on 1 January 2013, to implement the EUETS Phase 3 directive and 22 existing and 2 new installations were issued with a new Phase 3 permit, while 1 installation is no longer required to hold a permit. All Northern Ireland operator verified returns were submitted and allowances surrendered in the UK registry for the compliance year 2011/12; however, a case of under reporting has been notified to the inspectorate for years 2008, 2009, 2010 and 2011.
- 9.68 The Carbon Reduction Commitment Energy Efficiency Scheme Order 2010 (CRC) is a UK wide scheme with 49 NI based registered participants in the scheme, including the 13 mandated government departments. The deadline for the first year of allowance surrender was in August 2012 and following the issue of 6 enforcement notices, all 49 participants complied with the scheme. The second performance league table was published in February 2013, but due to simplification of the scheme, this will not be produced in the future. 8 CRC participants were audited during the year. The simplified CRC Energy Efficiency Order will be issued in June 2013.
- 9.69 Under the Radioactive Substances Act 1993 (RSA), NIEA currently regulates 80 premises registered for keeping or using radioactive materials, 24 premises authorised to accumulate and dispose of radioactive waste and 8 premises registered under the High-activity Sealed Radioactive Sources and Orphan Sources Regulations 2005. In addition, there are a number of premises in Northern Ireland which hold small quantities of radioactive material in accordance with the terms and conditions of The Radioactive Substances Exemption (Northern Ireland) Order 2011. During the year approx 100 visits to regulated sites were carried out to assess compliance with legislation or to investigate incidents.
- 9.70 NIEA also regulates the transport of radioactive substances by road. During the year, a number of compliance visits were carried out which identified overall that the standards of compliance were reasonably good.
- 9.71 The Agency also continued to monitor the impact of radioactive discharges from Sellafield on our coastline through sampling of local sediments, fish, shellfish, seawater and seaweed. The results continue to indicate that levels of contamination are negligible in terms of radiological impacts upon the Northern Ireland population.

## Water Management

- 9.72 In progressing delivery of the Water Framework Directive (WFD), and implementing River Basin Management Plans, NIEA has developed, and is making operational, 26 Local Management Area (LMA) Action Plans. The Agency has worked with stakeholders bilaterally and through the Northern Ireland Water Framework Directive Stakeholder Forum and Catchment Stakeholder Groups to develop the plans. The action plans cover all of Northern Ireland. A number of actions in the plans have been progressed including additional investigative monitoring and targeted river walks to identify pollution hotspots. Implementation of the plans will be ongoing over the period up to 2015. NIEA is also running a competitive water quality grant scheme to allocate funds to local groups to support LMA action plans. NIEA has also led a contract to build a Simulated Catchment (SIMCAT) water quality model of all the rivers in Northern Ireland during 2013. Technical work will continue on the application of the SIMCAT model for river basin planning and regulatory processes.
- 9.73 During 2012, NIEA continued to work towards improving water quality to ensure compliance with national targets and EU legislation. Over 2,000 water pollution reports were investigated and evidence of pollution was found in almost 1,300 of these investigations. Where appropriate, clean up and enforcement measures were taken.
- 9.74 In 2012/13, over 70 cases relating to water pollution incidents that occurred during 2011 have been prepared and submitted to the Public Prosecution Service (PPS) with a recommendation for prosecution. Of these, more than 70% have resulted in conviction to date. Of the water pollution incidents occurring in 2012/13, over 30 cases have been, or are being, prepared for submission to the PPS with a recommendation for prosecution.
- 9.75 In 2012, NIEA visited industrial, agricultural, construction, demolition, wind farm and other sites providing pollution prevention advice and carrying out risk assessments with the aim of minimizing the impact of activities on the environment. The Agency works in partnership with the other UK Environment Agencies and has produced Pollution Prevention Guidelines that ensure that advice given is current best practice. NIEA staff have been involved in a range of projects, providing advice relevant to the scoping, design, planning and construction phases.
- 9.76 NIEA continues to work closely with industry, establishing a number of liaison groups and involving the stakeholders in major projects thereby providing a forum to discuss issues and ensure that pollution prevention measures are duly considered and applied. The Agency also provides a reactive function in response to major pollution incidents and carried out a number of site specific risk assessments on business premises.
- 9.77 The number of active trade discharge consents under the Water (Northern Ireland) Order 1999 has been increasing each year and by 2012 had reached 3,467. The number of trade discharges monitored by NIEA has also increased over this period, and by 2012 there were 867 sites in our monitoring programme. 91% of the discharges, which were sampled under our 2012 monitoring programme, complied with the conditions of their Water Order Consent.
- 9.78 In 2012, NIEA have actively worked with Environmental Policy Division (EPD), DARD and stakeholders to amend time-bound elements of the Nitrates Action Programme Regulations including the Derogation, together with associated guidance. During 2012/13 NIEA also worked with the same bodies in providing guidance to farmers facing potential difficulties over the slurry spreading 'closed period' of winter.
- 9.79 NIEA staff also attended a number of regional agriculture shows, events and meetings throughout the year to provide information to farmers on the Agency's role and existing or

proposed environmental regulations, including the Derogation, which affect the agricultural industry.

- 9.80 During 2012/13, NIEA carried out 388 cross-compliance farm inspections throughout Northern Ireland under the 5 environmental statutory management requirements relating to the Habitats, Birds, Groundwater, Sewage Sludge and Nitrates Directives. Over 200 further farm premises were visited to investigate alleged pollution incidents and breaches of the Nitrates Action Programme Regulations. In addition, during the year, NIEA processed approximately 270 notifications from farmers and a number of requests for advice in relation to new slurry stores, 148 qualifying nitrates derogation applications for 2013 and 149 nitrates derogation fertilisation accounts relating to those farmers who had derogation in 2012.
- 9.81 Northern Ireland Water (NIW) was given responsibility for the delivery of water and sewerage services on 1 April 2007, and 2008 was its first full year of operation. NIW does not have crown immunity and is subject to enforcement action under the Water Order in the same way as any other discharger. In the year to the end of March 2013, Northern Ireland Water has been convicted in the Magistrate's Court on 41 occasions for water pollution offences under the Water (NI) Order 1999. During this period, the fines applied upon conviction, totalled £69,850, with a conditional discharge being applied in respect of one conviction. All discharge standards for NIW waste water treatment works have been reviewed for future population growth and are now being reviewed against the requirements of the Water Framework Directive.
- 9.82 NIEA has worked closely with NIW and the Northern Ireland Authority for Utility Regulation to identify priorities for investment to deliver environmental improvements. This has involved, through the Price Control Process, the establishment of environmental investment priorities for NIW for the period 2010-2013 (PC10) and NIEA are currently setting priorities for 2013-15 (PC13) and for 2015-21 (PC15). The Agency is also responsible for monitoring and enforcing NIW's compliance with its discharge consents. The Water Utility Sector compliance in 2012 for Wastewater Treatment Works discharges has reached 93%. For the 79 qualifying works which must meet the numeric conditions of the Urban Wastewater Treatment Directive (UWWTD) the compliance in 2012 was 98%.
- 9.83 Following the March 2013 United Kingdom Accreditation Service (UKAS) surveillance visit, UKAS has recommended that the NIEA Environmental Protection Laboratory's accreditation to the ISO 17025 standard for a range of chemical and biological measurements be extended for a further 12 months. Accreditation provides formal recognition of the Laboratory's competence to produce quality environmental data on which policy decisions are based. The Laboratory currently holds accreditation for a total of 49 sampling and test methods and has also increased the scope of accreditation to include two new automated methodologies which will improve laboratory efficiency. The laboratories are the first in the UK to develop a Water Framework Directive compliant method to determine brominated flame retardants.
- 9.84 Biological surveying in rivers and lakes is implicit in the Habitats and Water Framework Directives monitoring requirements. Using data to the end of 2011, 23% of river water bodies classified under the Water Framework Directive were classified as good ecological status or better. This is an increase of one percentage point on last year. This includes cross-border water bodies not wholly within Northern Ireland.
- 9.85 Our scientists have continued to work closely with colleagues in the Republic of Ireland on a range of water related issues driven by EU Directives for Nitrates Control and Water Quality. Scientifically robust monitoring programmes for cross border water bodies have

been developed, whereby the work is divided between the two jurisdictions for cost effective delivery.

- 9.86 NIEA continues to supplement its knowledge in the use of hydraulic fracturing (Fracking) through reviewing and engaging with emerging research, studying case studies from other parts of the world and liaising with counterparts in other Environment Agencies in Britain and Ireland, and other countries where fracking is currently proposed or taking place.

### **Drinking Water**

- 9.87 During the year, the Drinking Water Inspectorate (DWI) continued to work towards improving drinking water quality for both public and private water supplies. This work is carried out on behalf of the Department for Regional Development (DRD) in respect of public supplies and on behalf of DOE in relation to private water supplies. DWI published 'Drinking Water Quality in Northern Ireland, 2011': the 16th report in a series published by this unit, in which it gives an independent assessment of the quality of drinking water in Northern Ireland.
- 9.88 The Private Water Supplies Regulations (Northern Ireland) 2009 ensure increased protection for consumers and users of private supplies. Contraventions of the regulatory standards continue to be investigated by DWI in conjunction with the Environmental Health Department of the relevant council in order to improve drinking water quality. There are additional requirements under the new Regulations whereby DWI takes appropriate enforcement action to secure drinking water quality. There is also a requirement that risk assessments are carried out at private water supplies; this is in line with the drinking water safety plan approach detailed by the World Health Organization (WHO).
- 9.89 The Inspectorate continues to work closely with district councils in implementing the Private Water Supplies Regulations. The Unit currently holds a register of commercial and domestic private supplies which it monitors under the Regulations (the Regulations do not apply to domestic supplies at single private dwellings). The Unit continues to provide advice and guidance on private water supplies to owners and users of all private supplies, including those to single private dwellings.
- 9.90 During 2012, the Inspectorate's operational work involved carrying out a radioactivity survey of all registered private water supply sites; and additional monitoring to assess the levels of disinfection by-products at selected large private water supplies serving public buildings to better inform the risk assessment of these supplies. In addition, the Unit provided technical advice on drinking water issues for the Rural Borewells Scheme which was launched by DARD/DRD in 2012. This aimed to provide financial assistance for the construction of a private borewell (and/or installation of appropriate treatment works) to enable applicants to obtain a wholesome water supply in rural areas where accessing the public water mains is not technically or financially possible.

### **Built Heritage Conservation**

- 9.91 NIEA continues to conduct and promote the conservation of Northern Ireland's built heritage assets, including its archaeological, architectural and landscape heritage. The programme of specialist conservation schemes on our portfolio of Monuments in Care/Guardianship continued in 2012/13, and overlaps with the work to manage our properties.
- 9.92 A total of 9 conservation projects were completed at State Care Monuments. These were works at Bellaghy Bawn, Narrow Water Castle (phase 1), two at Benburb Castle

(phase 5 and phase 6), Enniskillen Castle Keep (phase 5), Enniskillen Castle Magazine west face and Moira signal box. Two phases of works were carried out at Derry's Walls: Magazine Gate steps and Upper Magazine Street. A major project of graffiti cleaning was also completed on Derry's Walls, improving the appearance of the site in the lead up to the 2013 City of Culture, although a contentious area of political graffiti currently remains in place.

- 9.93 Conservation work through a combination of management agreements and direct NIEA input at identified high priority scheduled monuments was conducted during this year. A second scheme of work at Ardclinis church was undertaken, to complete the planned conservation works at this monument. Schemes of conservation were successfully completed at the scheduled 17<sup>th</sup> century Cranmore House, Belfast, and Carrick Church, Agamore, Co. Fermanagh. Structural supports were consented and funded at Kilbroney Church, Co. Down, completing the planned works at this site. NIEA facilitated the conservation of Caledon Beam Engine, Co. Tyrone, through the provision of Consents, a funding contribution and professional advice and monitoring. NIEA continues to liaise with, and advise, local councils regarding the management of scheduled sites in their custodianship, and councils including Down and Ards are making progress in better controlling vegetation on ruined masonry structures. Programmes of vegetation clearance were completed at scheduled sites at the Bishops Palace, Kilroot, Co Antrim, Walshestown Castle, Co. Down and at Ballydugan Bawn, Co. Down. Vegetation removal was also targeted at a number of scheduled masonry monuments in both Derry and its surrounding gateway routes. These very successful schemes are running in partnership with the provision of new interpretation panels at the sites.
- 9.94 Work was completed at the Thompson Dock, to secure the historic gate structure and to create a new structure at the dock mouth that will enable access to the dock floor. This major project, initially facilitated through a transfer of monies from DETI in 2011/12, is the largest single investment by the Department in a scheduled historic monument, and reflects both the historical importance of the site and its future role within the wider Titanic Belfast offering.
- 9.95 NIEA is committed to ensuring that the appropriate skills necessary to work on traditional buildings and ancient monuments is retained and developed within Northern Ireland. 2012/13, saw the completion of two work placements with NIEA Direct Labour Organisation through the Heritage Lottery Fund 'Sustaining Traditional Building Skills in Northern Ireland' bursary scheme, CITB-Construction Skills NI. A further, third, placement is continuing until May 2013. NIEA traditional skills training facility at the Moira depot was used as a central venue for the HLF-funded 'Train the Trainers' scheme. NIEA continues to work closely with CITB Construction Skills on the promotion of the traditional building skills agenda. Our organisations partnered in a very well attended skills event in September 2012 aimed at professionals, contractors and building owners. NIEA with CITB Construction Skills jointly hosted the UK Home Countries Heritage Organisations meeting in October, coinciding with the NI annual Traditional Building Skills Working Group. The two organisations have agreed to share NI representation on the National Heritage Training Group, aiming to further the traditional skills agenda.
- 9.96 The ongoing Second Survey of Northern Ireland continued in the council areas of Coleraine and part of Belfast. Of the 526 electoral wards in Northern Ireland (1974 boundaries apply), 276 have now been surveyed. The Unit evaluates and consults upon this data and 11 wards (528 buildings) were fully processed and made publicly available on the Historic Buildings Database during the year. This achieved and exceeded the published target of processing 500 buildings and means that 172 wards (33%) have now been fully reviewed.

- 9.97 As well as the area based survey, NIEA completed the assessment of a further 23 buildings across Northern Ireland which had been identified as priorities (ad-hoc records). This brings the total number of records transferred in this year to 551 resulting in a total of 7,817 building records transferred following full review since the start of the survey. This work increases, significantly, the information available to NIEA and the public (via our website) with regard to historic buildings.
- 9.98 NIEA seeks to conserve listed buildings through planning and listed building consent consultations. This work often involves significant negotiation and engagement with owners and their agents to ensure that an outcome is achieved which conserves the architectural and historic interest of listed buildings. The Agency employs dedicated architects to ensure this task is completed to the highest standard and owners and their agents receive appropriate and timely advice.
- 9.99 NIEA also manages a grant scheme for listed buildings to encourage and support owners to undertake appropriate repairs. The scheme (which is available for the costs of eligible repairs to most types of listed building) had a cap of £150k. In November 2012, the cap was raised by Minister Attwood to £500k. Over £3.3m of grant aid was provided during 2012/13, assisting with the repair and maintenance of 263 listed buildings. This funding covered schemes such as - Guild Hall £91k, Holy Trinity Church, Cookstown £240k, Rupert Stanley £150k and RBAI Belfast £119k.
- 9.100 As the forthcoming G8 Summit in mid-June will focus the world's attention on County Fermanagh, the Built Heritage Directorate will be launching a popular well illustrated book on the 'Antiquities of Fermanagh' in early June. Later in 2013, a large and comprehensive volume 'The Archaeological Survey of County Fermanagh' will also be published.
- 9.101 The Agency also works to save historic buildings from loss. In partnership with the Ulster Architectural Heritage Society (UAHS) an online register of Built Heritage at Risk in Northern Ireland was produced in 2003 and continues to be updated. In 2006 a ten year target was adopted to save 200 buildings at risk and remove them from the register. By the end of March 2013, 113 buildings that had been on the register in 2006 were removed (only buildings placed on the register pre-2006, are eligible). This is significantly less than expected, and while the Agency was on track to meet the 2016 target at the half way point in 2011, the ongoing property/construction recession continues to have a very significant impact on the 'rescue' of listed buildings at risk. Ongoing efforts - through increased engagement with owners/NGOs/Building Preservation Trusts and increased grant-aid - are continuing, to seek the achievement of this target.
- 9.102 In 2012/13, the issue of Heritage Crime remained important and a further summit was chaired by the Minister. The 12 key actions agreed at previous summits were adopted as DOE targets for the year and were pursued. Actions to improve engagement with the police to record crime have been brought forward by the Agency's Environmental Crime Unit and DOE Planning have looked at legislative powers to deter owners from seeking to demolish listed buildings. Also, Building Control has worked with the Agency to hold a series of training seminars for their staff and the Historic Buildings Unit has commissioned research on encouraging 'meanwhile uses' for buildings to avoid vacancy.
- 9.103 A key action was the provision of funding to the Unit to pursue Urgent Works Notices which can be issued if a listed building has deteriorated to the extent that its preservation is at risk. Under Article 80 of the Planning Order (1991), the Department can require urgent works to be carried out. However, the notice is limited to the minimum to keep the building weatherproof, safe from collapse or to prevent vandalism or theft. While it is preferable to work with an owner in an attempt to find a solution, in some cases this has

been unsuccessful and action is required. NIEA had seldom used these powers in the past, however, with the need to address Heritage Crime and the additional funding provided, the Agency has issued six Urgent Works Notices since October 2011, as well as over 60 Urgent Works 'warning' letters to the owners of listed buildings 'at risk' (including three to government departments). This latter action resulted in positive action on 31 listed buildings.

- 9.104 NIEA also seeks to promote Northern Ireland's listed buildings to ensure that they are valued and cherished for the future. The key route to this is by the continued development of European Heritage Open Days. Organised each year on the second weekend in September, a record 61,000 people participated in 2012, visiting over 310 properties and events. NIEA's website is also regularly updated to provide information on this area of work and a number of press releases issued during the year to highlight the work of the Directorate.
- 9.105 The Directorate also sought to support Derry~Londonderry UK City of Culture 2013 by investing in heritage and organising events and activities in the city. These have included offering grant aid of £270k to support the conservation of a key building in the city in January 2013, holding the Listed Building Owners Forum in the City in February 2013, and supporting a charity to purchase a key building at risk in March 2013. It has supported the UAHS to publish a book on the historic buildings of the city and the Foyle Civic Trust to mount an exhibition on buildings it has surveyed inside the Walls in recent years. NIEA are also working very closely with Derry City Council and Derry Heritage and Museums Service in developing a programme of community engagement archaeological excavations to be delivered from June to September 2013 in support of the City of Culture 2013. European Heritage Open Days in September will continue this commitment.
- 9.106 In regard to historic monuments and archaeological sites, NIEA is committed to working in partnership with others to make key environmental assets, such as historic monuments and historic landscapes, accessible to the public. For example, NIEA worked closely with a number of partners, including local councils, and museums to promote Christian Heritage and make sites more accessible. Projects included sponsorship of a publication on the heritage of Slieve Donard in association with Down County Museum; and vegetation clearance at Struell Wells. The Agency also funded a temporary post focusing on Christian Heritage, and in particular potential, NIEA input to the implementation of Down District Council's St Patrick Development Plan. Funding was also agreed towards a new display area within St Patrick's Centre in Downpatrick focusing on NIEA Christian Heritage properties and an associated post to promote the properties and input to associated events and activities. NIEA also welcomed the establishment of a Friends Group for Grey Point Fort. This Group has been active both in practical tasks to enhance the Fort and associated artefacts and in promoting it as a visitor attraction through running events there.
- 9.107 In 2012/13, the Built Heritage Directorate continued to engage the public with its ongoing programme of archaeological work across Northern Ireland. All age groups from primary school children through to retired adults took an active part in archaeological excavations and surveys throughout the year. Examples include excavations at the plantation period Ulster Scots site at Templecorran, Co Antrim and the Mound of Down medieval site in Downpatrick, Co Down. Working in partnership with Derry City Council, Derry Heritage and Museum Service, Omagh District Council, Strabane District Council, Donegal County Council, Donegal County Museum and the Foyle Civic Trust we undertook a highly successful cross-community archaeological excavation and geophysical survey at Dunalong Fort, Co Tyrone. The project was jointly funded by NIEA along with the European Union Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE III). We also excavated with Channel Four's Time

Team programme again this year with a successful dig at the Norman castle of Dundrum, Co Down, which was broadcast in February 2013.

- 9.108 In March 2013, Built Heritage was successful in securing Heritage Lottery Funding (HLF) towards the Dunluce Development Project. This £300,000 project will provide an opportunity over the next 2 years to develop a strategic plan for the future excavation, conservation, interpretation and development of this iconic State Care monument, and the buried 17<sup>th</sup> century town associated it. This is the first time NIEA has been successful in securing HLF, and it is hoped that this may present a template for future funding bids throughout the Agency.
- 9.109 The Built Heritage Directorate also had a very active year securing the conservation of built heritage assets through the planning process. Staff participated in the Planning Appeals Commission's Public Inquiry into the draft Northern Area Plan, providing professional advice on both historic monuments and buildings. Work continues on gathering data to help inform decisions about archaeological mitigation within historic town centres across Northern Ireland. Information also continues to be augmented about Parks, Gardens and Demesnes of Special Historical Interest for Northern Ireland, which will help inform the planning process for developers, the general public, and decision-makers alike. Both these projects are well progressed. The built heritage environmental data already gathered made a significant contribution to the draft Northern Area plan work and this information will also be made available for any future spatial plans. The information is contained in the Monuments and Buildings Record that can be accessed by the general public.
- 9.110 From July 2012 onwards, NIEA was heavily involved in the archaeological excavation at Drumclay Crannóg, in advance of the construction of the Cherrymount Link Road. This major excavation – the first modern, scientific excavation of a crannog in Northern Ireland – has attracted considerable interest, both at home and around the world. Upwards of 2,000 people visited the site through three public open days and a schools day, while the site has been reported as far away as Chile and Australia.
- 9.111 In July 2012, a debate was led at the Assembly by the Minister in response to a joint motion laid down by the Environment and the Culture, Arts and Leisure Committees about Archaeological Archives. Following this, a study has been made by NIEA of the issues around archaeological archives in Northern Ireland. The results of that study will inform further work to address these issues, and staff in NIEA are working alongside colleagues in the National Museums NI on this.
- 9.112 A major report on the value of the built environment was published in June 2012. This confirmed for the first time the key contribution which is made by the Historic Environment in regard to Northern Ireland's economy. Realising this potential will be a key aim for the Department for future years.

### **Planning Consultations**

- 9.113 The Agency is an important consultee on planning matters and considers this one of our most important roles. For the 2012/13 year, the Agency replied to 77.3% of the 5,355 'routine' planning consultation requests received during the year within 15 working days of receipt.

## Strategic Environmental Assessment

- 9.114 As the Consultation Body for the Strategic Environmental Assessment (SEA) Directive, NIEA seeks to influence plans and programmes to ensure that they take potential environmental impacts and preventative measures into consideration at an early stage.
- 9.115 During the year we were consulted and provided advice on 9 plans and programmes developed by Government Departments and public bodies from the water and waste management, transport, energy, fisheries and spatial planning sectors. Formal requests were received at a number of different stages of these plans including screening, scoping and environmental reporting. The Agency has maintained a 100% target for response times on statutory consultations.
- 9.116 NIEA has also been involved in a number of informal pre-screening meetings which is forming an increasing proportion of the SEA role. This work has facilitated the release of European funding for a range of programmes and projects. The Agency continues to liaise with colleagues in the Republic of Ireland and also across the UK via the SEA UK Liaison Group to update advice on practice in light of EU/UK judgements.

## Evidence Provision

- 9.117 Evidence is essential for developing and implementing sound policy decisions and is important for business compliance and sustainable economic development that will protect and enhance our environment. Evidence is gathered in a variety of forms including data, monitoring, research and survey and provides the essential information to underpin the wide range of NIEA activities from environmental regulation to reporting on the condition of our habitats, monuments, buildings, water and land.
- 9.118 Our scientific staff develop and deliver evidence-based projects internally but we also work closely with other environmental organisations across the UK and Ireland to identify needs, share knowledge and ensure cost effective joint working. Our regulatory staff gather data from many different inspection and monitoring regimes across the Agency. This provides the management information required to assess compliance and respond to key risks.
- 9.119 NIEA has had a long partnership with the National Museums NI and the environmental recording community of Northern Ireland, known as CEDaR - the **C**entre for **E**nvironmental **D**ata and **R**ecording. During 2012, "Flora of Fermanagh" was published. The book describes the wild plants of county Fermanagh as well as outlining the history of botanical recording in the county. It incorporates information derived from data collected historically by NIEA staff to support the declaration of sites of Special Scientific Interest. This reflects the strong ethos of partnership in delivery of such a product.
- 9.120 During the year CEDaR also launched several online biological recording sites. One is specifically to allow the collection of data by the citizen on squirrels and another is for more general recording of plants and animals. These are found at <http://www2.habitas.org.uk/squirrels> and <http://www2.habitas.org.uk/records> respectively.
- 9.121 NIEA has consolidated its support for the Queen's University Environmental Science and Technology Research Centre (QUESTOR), a cooperative research partnership based in Queen's University Belfast and linked to the US National Science Foundation. This arrangement brings together academic partners and industrial member companies from Europe, North America and China to produce innovative applied research. NIEA staff were actively involved in the development and prioritisation of 11 research projects that will inform industrial partners and support delivery of positive environmental outcomes.

- 9.122 A number of activities aimed at improving how we manage our data and information and enhancing the delivery of our evidence needs were undertaken in 2012. These included the development of an evidence strategy and an assessment of how we collect, hold and analyse data, focussed on permitting functions across the Agency.
- 9.123 The findings from a further, higher level, review of agency-wide data and information management are expected to help us streamline the way we do things by indicating how we might consolidate and harmonise management of our data assets. Over time, this should improve our service to the public, produce more accurate management information and better enable us to meet commitments under, for example, the INSPIRE Directive.

# Sustainability Report

## Introduction

NIEA recognises the importance of having sustainability at the core of our business not only because of the direct cost savings that can be achieved but as evidence of leading by example.

During 2012/13, NIEA continued to use a formalised Environmental Management System (EMS) specified to the international standard ISO 14001 to deliver improvements in the environmental stewardship of key sites.

The Agency's Environmental Management System is built around the six key themes of Energy, Waste, Water, Travel, Procurement and Estate Management arising from the Departmental Sustainable Development Action Plan. By managing our environmental footprint we drive business efficiency, ensure compliance with applicable legislation and deliver procurement ethically and sustainably.

## Report Highlights

Specific actions arising from implementation of our environmental management programmes have resulted in progress in the following areas:

- ◆ The Agency is still progressing the procurement exercise to deliver the historic hydroelectric power scheme at Roe Valley Country Park. The planned restoration has the potential to offset over 50% of NIEA's electricity consumption, reduce carbon emissions, conserve industrial heritage and in time deliver a revenue stream which may fund other worthy environmental projects.
- ◆ The Agency encouraged and facilitated the Construction Employers Federation's Nvirocert EMS aimed at micro construction Small-to-Medium Enterprises launched by Minister Attwood in September 2012.
- ◆ The Agency has implemented further works at the Lisburn Site funded by efficiencies at Klondyke; these relate to modem phone line monitoring of oil consumption, on-line water metering, increased linkage of buildings to the Building Management System to deliver further electricity savings and voltage optimisation.
- ◆ The Agency is procuring 95% of its electricity needs from renewable sources.
- ◆ The Agency has recently invested in voltage optimisation at key sites and is evaluating the effectiveness of this initial investment in terms of carbon reduction and financial savings.
- ◆ As part of the influencing process regarding sub-contractors, the Agency is liaising with archaeological contractors to ensure they meet environmental obligations in relation to excavation work. In the future, the licensing of archaeological excavations will include contractors meeting environmental obligations such as spoil and waste, air emissions and discharges into watercourses.

## **External Recognition**

The Agency participated in the 14<sup>th</sup> Northern Ireland Environmental Benchmarking Survey which is managed by Business in the Community. This survey assesses the performance of 250 of Northern Ireland's largest organisations. A marked improvement in the Agency's environmental performance moved NIEA up the survey league table to be amongst the top performers.

# Agency Remuneration Report

## Remuneration and Pension Entitlements

### Remuneration policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

### Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioner's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org)

### Salary and pension entitlements

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

#### Remuneration (audited)

Officials	2012-13			2011-12		
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)
* Mr J McMillen Chief Executive (to 8/6/2012)	20-25 (90-95 full year equivalent)	-	Nil	90-95	-	Nil
Mr G Seymour Director of Natural Heritage (to 8/6/12) and Chief Executive (from 9/6/12 to 18/11/12)	50-55 (80-85 full year equivalent)	-	Nil	60-65	-	Nil
Mr T A'Hearn Chief Executive (from 19/11/12)	30-35 (85-90 full year equivalent)	-	Nil	-	-	-
Mr M Coulter Director of Built Heritage	65-70	-	Nil	60-65	-	Nil

* Mr D Foster <i>Director of Environmental Protection</i>	65-70	-	Nil	65-70	-	Nil
Mr B Bleakley <i>Director of Natural Heritage (from 9/6/12 to 2/9/12)</i>	10-15 <i>(60-65 full year equivalent)</i>	-	Nil	-	-	-
Mrs S Allen <i>Director of Natural Heritage (from 3/9/12 to 4/11/12)</i>	10-15 <i>(60-65 full year equivalent)</i>	-	Nil	-	-	-
Mrs D Stevenson <i>Director of Natural Heritage (from 5/11/12 to 3/3/13)</i>	20-25 <i>(60-65 full year equivalent)</i>	-	Nil	-	-	-
Mrs H Anderson <i>Director of Natural Heritage (from 4/3/12 to 31/3/13)</i>	5-10 <i>(60-65 full year equivalent)</i>	-	Nil	-	-	-
Martyn Todd <i>Independent Board Member</i>	10-15	-	Nil	10-15	-	Nil
Eileen Mullan <i>Independent Board Member (to 31/8/2011)</i>	-	-	-	5-10 <i>(10-15 full year equivalent)</i>	-	Nil

\* In line with the SCS pay award arrangements for 2012, staff who, after assimilation to the new pay scales, received less than 1% consolidated increase to their salary received a non-consolidated pensionable payment to bring them up to the equivalent value of 1%. 2 officials received a non-consolidated pensionable payment in the pay band £0 - £5,000.

	<b>2012-13</b>	<b>2011-12 (Restated)</b>
Band of Highest Paid Director's Total Remuneration	85-90	90-95
Median Total Remuneration	26,398	25,601
Ratio	3.3	3.6

The Northern Ireland Environment Agency is required to disclose the relationship between the remuneration of the highest paid director in the Agency and the median remuneration of the Agency's workforce.

The banded remuneration of the highest-paid director in the Northern Ireland Environment Agency in the financial year 2012/13 was £85-90K (2011/12: £90-95K). This was 3.3 times (2011/12: 3.6times) the median remuneration of the workforce, which was £26,398 (2011/12: £25,601).

In 2012/13, nil (2011/12: nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £14,940 to £67,602 (2011/12: £13,872 to £67,185).

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

Prior year figures have been restated to include temporary agency staff.

### 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 gratia payments.

### Benefits in kind

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

### Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2012-13 relate to performance in 2012-13 and the comparative bonuses reported for 2011-12 relate to performance in 2011-12.

### Pension Entitlements (audited)

<b>Officials</b>	Accrued pension at age 60 as at 31/3/13 and related lump sum <b>£'000</b>	Real increase in pension and related lump sum at age 60 <b>£'000</b>	CETV at 31/3/13 <b>£'000</b>	CETV at 31/3/12 <b>£'000</b>	Real increase in CETV <b>£'000</b>	Employer contribution to partnership pension account  <b>Nearest £100</b>
Mr J McMillen <i>Chief Executive (to 8/6/2012)</i>	40-45 plus lump sum of 130-135	0-2.5 plus lump sum of 0-2.5	988	983	0	Nil

Mr G Seymour <i>Director of Natural Heritage (to 8/6/12) and Chief Executive (from 9/6/12 to 18/11/12)</i>	35-40 plus lump sum of 60-65	5-7.5 plus lump sum of 0-2.5	770	633	106	Nil
Mr T A'Hearn <i>Chief Executive (from 19/11/12)</i>	0-5 no lump sum	0-2.5 no lump sum	9	0	7	Nil
Mr M Coulter <i>Director of Built Heritage</i>	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 5-7.5	600	523	46	Nil
Mr D Foster <i>Director of Environmental Protection</i>	5-10 plus lump sum of 25-30	0-2.5 plus lump sum of 0-2.5	145	127	9	Nil
Mr B Bleakley <i>Director of Natural Heritage (from 9/6/12 to 2/9/12)</i>	20-25 plus lump sum of 70-75	0-2.5 plus lump sum of 2.5-5	523	499	31	Nil
Mrs S Allen <i>Director of Natural Heritage (from 3/9/12 to 4/11/12)</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	168	156	11	Nil
Mrs D Stevenson <i>Director of Natural Heritage (from 5/11/12 to 3/3/13)</i>	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 5-7.5	428	376	37	Nil
Mrs H Anderson <i>Director of Natural Heritage (from 4/3/12 to 31/3/13)</i>	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 0-2.5	313	308	4	Nil

### Northern Ireland Civil Service (NICS) Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies

voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos 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 rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2013, public service pensions will be increased by 2.2% with effect from 8 April 2013.

Employee contributions are determined by the level of pensionable earnings. The current rates are as follows:

Members of **classic**:

Annual pensionable earnings (full-time equivalent basis)	New 2013 contribution rate Before tax relief
Up to £15,000	1.50%
£15,001-£21,000	2.70%
£21,001-£30,000	3.88%
£30,001-£50,000	4.67%
£50,001-£60,000	5.46%
Over £60,000	6.25%

Members of **premium, nuvos and classic plus**:

Annual pensionable earnings (full-time equivalent basis)	New 2013 contribution rate Before tax relief
Up to £15,000	3.50%
£15,001-£21,000	4.70%
£21,001-£30,000	5.88%
£30,001-£50,000	6.67%
£50,001-£60,000	7.46%
Over £60,000	8.25%

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 3% and 12.5% (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 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. Further details about the CSP arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni)

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP 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 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.

### **Compensation for loss of office**

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 2013.



**Terry A'Hearn**  
Chief Executive  
19 June 2013

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel 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 and Personnel including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on the going concern basis.

The Principal Accounting Officer for the Department of the Environment for Northern Ireland 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 and Personnel.



**Terry A'Hearn**  
Chief Executive  
19 June 2013

## GOVERNANCE STATEMENT

### ***Introduction***

This statement explains the governance arrangements of the Northern Ireland Environment Agency (NIEA), describes how risk is managed and outlines the system of internal control. It also evaluates the effectiveness of these arrangements during the 2012-13 financial year.

Our aim is to protect, conserve and promote the natural environment and built heritage for the benefit of present and future generations.

We seek to achieve our aim in a variety of ways, including regulation and enforcement, designation and management of sites, grant-aid schemes, and management of countryside and heritage properties, monitoring programmes, and awareness raising measures.

We also provide scientific and technical advice to Government on the development of legislation and policy.

As part of DOE the Agency seeks to ensure high standards are maintained by all staff in fulfilling their role of supporting the Minister and delivering good quality services to our customers, many of whom contribute directly to the costs of delivering the services concerned. Our values, developed from the Northern Ireland Civil Service Code of Ethics, identify the behaviours Agency staff will demonstrate to customers, its stakeholders and to each other.

### ***Governance Structures***

#### **General**

The NIEA is an Executive Agency within the Department of the Environment (DOE) and operates within the context of the Department's overall vision and strategic objectives. The Minister, Alex Atwood MLA, approves the policy framework within which the Agency operates and its business plan including annual performance targets.

As Chief Executive of the Agency I report directly to the Permanent Secretary of the Department. I am also a member of the Departmental Board and attend the Departmental Weekly Business Review meetings which direct the work of the Department and are chaired by the Permanent Secretary. I also attend the Departmental Audit Committee meetings.

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

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

- ◆ Agency Management Board;
- ◆ Agency Audit Committee;
- ◆ Directorate Compliance Audit Groups; and
- ◆ Internal Audit Service.

## **NIEA Board**

The work of NIEA is co-ordinated and monitored by a Management Board which I chair and which provides corporate leadership to the organisation as a whole, takes responsibility for the Agency's performance, and provides advice to the Department's Permanent Secretary and the Minister. The Board exists to lead the Agency's strategic planning and assist me as the Chief Executive and Agency Accounting Officer in meeting my corporate governance responsibilities for the Agency. In addition to me as Chair, the Agency Management Board comprises the Agency's 3 executive Directors and an independent Board member.

The Board meets on a monthly basis and in order to provide greater transparency the meetings are open to the public. Board minutes are published on the Agency website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea).

The Board operates under my leadership, to manage the running of the Agency. While strategic policy is determined by the Minister, the Agency Board will discuss such policy in the context of analysing options, strategic planning and operational management and will act in an advisory and consultative capacity, offering guidance when sought. It does not usually direct any of its members on how their business areas should be run although significant, contentious or cross-cutting policy decisions are normally brought to the Board for discussion and endorsement; day-to-day operational matters are the responsibility of the Agency's relevant Executive Director. The Board will seek to take collective decisions on matters referred to it in keeping with the Nolan principles of public life. If a consensus cannot be reached I, in my role as Chief Executive, will make a final decision.

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

One principle from the 'Good Practice' guide which the Board does not comply with is the inclusion of a professional Finance Director as a member on the Board. However, I am content with the current arrangement whereby both Finance and HR Business Partners attend all Board meetings to provide relevant advice and guidance to help support Board members in their executive decision making role.

The Board receives standard monthly information in regard to expenditure against budgets, workforce planning, managing attendance and other HR issues, 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 balanced scorecard targets, the risks in the corporate risk register are reviewed and any significant internal control issues that have been raised in the Chief Executive's Assurance Statement are discussed.

Having only taken up the post of Agency Chief Executive and Accounting Officer in November 2012, as I wanted to obtain a greater understanding of the key structures and functions of the Agency, I did not instigate an immediate review of the Board's effectiveness. However, I intend to undertake such a review during the 2013-14 year.

### Stewardship of Resources

In terms of financial performance for 2012-13, the Agency had a marginal overspend on the current (resource) expenditure budget of £118k which represented 0.3% of the total current

budget). This was due in the main to an overspend in salary costs associated with the review of the TG1 grade. The Agency had a small underspend against the capital budget (£37k – 1.8%) due to the late delivery of some scientific equipment. This financial outturn was particularly pleasing given NIEA's continuing budget pressures and that prudent vacancy management was required to deliver savings to offset these pressures.

### Audit Committee

The role of the Audit Committee is to support me in my responsibilities concerning Corporate Governance and Risk Management, by reviewing the levels of assurances provided to me and the timeliness, reliability and integrity of those assurances. The Audit Committee reviews and monitors updates to audit action plans, updates to the corporate risk register and provides support and guidance on corporate governance issues. The Committee is comprised of 3 independent members, i.e. the Agency's Independent Board Member, who chairs the meetings, and two Independent Committee Members, Directors from DSD and DETI respectively. I have considered the Audit Committee's Annual Report for the 2012/13 year which reviewed the assurances provided to meet my needs as Agency Accounting Officer. The Audit Committee undertook a review of its effectiveness using the National Audit Office's 'The Committee Self Assessment Checklist'. The review confirmed that handbook requirements are in place for the role of the committee, its membership, independence, objectivity, understanding, skills, scope of work, communication, the role of the Chairman and committee support. However, it also highlighted that clarification on the recruitment, induction, terms of appointment and appraisal of Audit Committee members still needs to be considered. This will be addressed during the 2013-14 reporting year as the Chair and one of the two Members of the Committee are due to step down during 2013/14.

### Board and Audit Committee attendance

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

<b>Board Members</b>	<b>Meetings attended per Board and Audit Committee members out of the meetings eligible to attend.</b>	
	<b>Board</b>	<b>Audit Committee</b>
John McMillan (Chief Executive from 01 April - to 08 June)	2/2	n/a
Graham Seymour (Director of Natural Heritage (NH) to 08 June and acting Chief Executive from 09 June to 18 November)	7/7	n/a
Terry A'Hearn (Chief Executive from 19 November)	4/4	n/a
Helen Anderson (Director of Natural Heritage from 04 March)	1/1	n/a
Michael Coulter – Director of Built Heritage	10/11	n/a
Dave Foster – Director of Environmental	10/11	n/a

Protection		
Susanna Allen (Acting Director of NH from 03 September to 02 November)	2/2	n/a
Diane Stevenson (Acting Director of NH from 05 November to 01 March)	3/3	n/a
Bob Bleakley (Acting Director of NH from 11 June to 31 August)	3/3	n/a
<b>Audit Committee Members</b>		
Martyn Todd (Chair)	10/11	4/4
Bernie Rooney	n/a	3/4
Jackie Kerr	n/a	4/4

### Conflicts of Interest

During the year the DOE Board agreed new guidance for staff on the subject of Conflicts of Interest. It is now a mandatory requirement for all senior staff down to Grade 7 and including Independent Board Members to complete an annual declaration of interests.

At every Agency Board meeting a standing 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 specific agenda discussions will leave the Board meetings for that item. No conflicts were declared during the year although the current Chief Executive did advise Board Members at his first Board meeting (November 2012) that he is a Board member of the Institute of Environmental Management and Assessment (IEMA) and the DEFRA 'Critical Friends Group'; the Permanent Secretary is aware of his memberships and no conflict of interest is expected.

### **Directorate Compliance Audit Groups**

In my overall assessment of the adequacy of control systems, I am supported by the Agency's Compliance Audit Groups (CAGs). Each Directorate has its own CAG and they provide a quarterly update to the Environment Group Business Partner. The CAGs provide the Board with a mechanism for monitoring the implementation of audit commitments (resulting from internal and external audit and the risk management processes) and a report on progress is provided to the Board on a quarterly basis. The Environment Group Business Partner also reports on the activity of the CAGs at each Agency Audit Committee. The main purpose of the CAGs is to drive the implementation of audit recommendations towards improving audit opinions and corporate governance in all areas of the Agency and to assist me in completing a Governance Statement.

Through the operation of the NIEA Compliance Audit Groups, I will continue to seek the timely implementation of all audit related recommendations in these reports, reports from previous periods and recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency's accounts.

## Internal Audit

The NIEA is audited by internal auditors from the Department for Regional Development who operate to standards defined in the Government Internal Audit Manual. They submit regular reports that 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.

During 2012/13, the following internal audit assignments were completed in respect of the NIEA:-

<b>Audited</b>	<b>Assurance Rating Received</b>
• Water Management Unit	Satisfactory
• EU Structural Funds – INTERREG IVA	Satisfactory
• Corporate Governance 2011/12	Satisfactory
• Review of Fees & Charges	Limited
• NIEA Sponsor Control – Statutory Advisory Councils	Satisfactory
• Implementation of NIEA Enforcement Policy	Limited
• Conservation Designation & Protection (follow-up)	Satisfactory

I have noted the recommendations associated with the audits of the Review of Fees and Charges and the Implementation of NIEA Enforcement Policy and am pleased that the follow-up audit of NIEA Enforcement Policy received satisfactory assurance on the basis that 4 of the 7 recommendations have been fully implemented, 2 have been partially implemented and the final recommendation will be completed by September 2013. I also take comfort in the satisfactory assurance received for the follow-up audit of Conservation, Designation & Protection. Internal Audit is currently working on an opinion about the Annual Report for 2012/13 and early indication for Internal Audit is that it is expected to be satisfactory. Internal Audit's opinion on the risk management, control and governance processes within the Agency is also anticipated to be satisfactory in overall terms.

## Corporate Services

Following the Corporate Services review in 2010, Finance, IT and HR services are provided by the DOE to NIEA. Responsibility for the governance of these services and line management responsibility falls to the two departmental Directors of Finance and Business Planning and Human Resources and Organisational Change. Assurance reports for these areas are being developed for 2013/14.

However, in regard to the current service delivery of corporate services, I have noted the satisfactory assurance rating assigned to the review of HR services across the Department as well as the similar rating for the audits relating to the DOE Communications Unit and IT Strategy. I have also noted that the second follow-up review of Compliance with Data Security (including Data Protection Act (DPA)) within DOE also received a satisfactory assurance rating.

When added to the overall 'Satisfactory' assurance rating review of Financial Management within the DOE and its agencies this has reassured me in regard to the robustness of the business partner arrangements between HR and Organisational Change Division and Finance & Business Planning Division and NIEA, for delivering the Agency's HR, financial and accounting needs to ensure that these are addressed in accordance with its strategic priorities and public accountability. I am further reassured by the Substantial assurance given for the consolidation of the 2011-12 Departmental and Agency Accounts. I take significant comfort from this in light of the tighter timescales for the development, audit and certification of the NIEA accounts.

## **Risk management and control framework**

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

The Agency Board has established appropriate procedures to ensure that risks are adequately managed within the Agency. Risk Registers at Corporate, Directorate and Business Unit levels are maintained and monitored on a regular basis. The Finance & Business Partner Team, which delivers the Agency's Risk co-ordination function, 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 system of internal control has been in place in the Agency for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

The risk management cycle is a "top-down" and "bottom-up" exercise that allows risks to be identified and managed at Corporate, Directorate and Business Unit levels and to be escalated as appropriate. We have identified the significant risks that might impact upon the Agency's objectives and applied controls accordingly. The Agency's top level risk register is reviewed quarterly by the Board while Directorate and Business Unit level registers are reviewed on a quarterly basis. The Agency will continue to critically review registers to ensure that best practice is applied, and risks are identified and addressed. The Board also receives regular reports on internal control from Directors, including their quarterly assurance statements, and from NIEA's Compliance Audit Groups which monitor progress against commitments given by functional units in response to both internal and external audit reports. Strategic planning, risk management, financial planning and accountability, HR (specifically recruitment issues), procurement, fraud, systems and information management are all addressed in the range of control issues covered by all Directors' quarterly assurance statements. In particular, the completion of these statements provides assurance to me that information used for operational purposes and reporting purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

As Accounting Officer, I have 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 interim and annual accounts and other VFM reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and I am confident in the plan to address weaknesses and ensure continuous improvement of the control system.

### Significant Issues

I have noted the number of outstanding staff Performance Review Reports registered on HR Connect as being incomplete. I have continually raised this issue at the Agency Board meetings that management should ensure that all necessary action is being taken to complete the outstanding reports and also to ensure that all relevant records are updated on HR Connect. However, I am pleased to see that the outstanding number has gradually decreased.

I have also noted the significant number of vacancies across the Agency's directorates and the potential implications for current and future work programmes as well as maintaining an appropriate skills base. However, I acknowledge that work has progressed on filling a number of the key approved posts and more importantly that this vacancy situation needs to be managed effectively taking into account budgetary pressures as well as maintaining effective operations and services to the public and fulfilling statutory obligations.



**Terry A'Hearn**  
Chief Executive  
19 June 2013

## **NORTHERN IRELAND ENVIRONMENT AGENCY THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements of the Northern Ireland Environment Agency for the year ended 31<sup>st</sup> March 2013 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Consolidated Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Chief Executive and auditor**

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### **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.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of Agency's affairs as at 31<sup>st</sup> March 2013 and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Chief Executive's Foreword, Chief Executive's Report, Management Commentary, Sustainability Report and unaudited part of the remuneration 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**

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 part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

### **Report**

I have no observations to make on these financial statements.



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

*21 June 2013*

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2013

		2012-13 £000		2011-12 £000
	Note	Staff Costs	Other Costs	Income
<b>Administration costs:</b>				
Staff costs	2	23,282		23,481
Other administration costs	3		9,942	9,699
Operating income	7			(4,827)
<b>Programme costs:</b>				
Staff costs	2	3,726		2,415
Programme costs	4		20,120	24,043
Income	7			(5,254)
<b>Totals</b>		<b>27,008</b>	<b>30,062</b>	<b>(10,081)</b>
<b>Net operating cost</b>				<b>46,989</b>

## Other Comprehensive Net Expenditure

	2012-13 £000	2011-12 £000
Net (gain)/loss on revaluation of Property, Plant and Equipment	32	(1,162)
Net (gain)/loss on revaluation of Intangibles	(14)	(43)
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2013</b>	<b>47,007</b>	<b>50,005</b>

The notes on pages 62 to 92 form part of these accounts.

## Statement of Financial Position as at 31 March 2013

		2012-13 £000	2011-12 £000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	8(i)	25,251	25,926
Heritage assets	8(iii)	2,167	2,077
Intangible assets	8(v)	519	943
<b>Total non-current assets</b>		<b>27,937</b>	<b>28,946</b>
<b>Current assets</b>			
Inventories	11	188	193
Trade and other receivables	12	2,047	2,203
Cash and cash equivalents	13	3	3
<b>Total current assets</b>		<b>2,238</b>	<b>2,399</b>
<b>Total assets</b>		<b>30,175</b>	<b>31,345</b>
<b>Current liabilities</b>			
Trade and other payables	14	(7,130)	(8,454)
Provisions	15	(575)	(317)
<b>Total current liabilities</b>		<b>(7,705)</b>	<b>(8,771)</b>
<b>Non-current assets less net current liabilities</b>		<b>22,470</b>	<b>22,574</b>
<b>Non-current liabilities</b>			
Provisions	15	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total assets less liabilities</b>		<b>22,470</b>	<b>22,574</b>
<b>Taxpayers' equity:</b>			
General fund		12,712	11,423
Revaluation reserve		9,758	11,151
<b>Total taxpayers' equity</b>		<b>22,470</b>	<b>22,574</b>



**Terry A'Hearn**

Chief Executive

19 June 2013

The notes on pages 62 to 92 form part of these accounts.

## Statement of Cash Flows for the year ended 31 March 2013

		2012-13 £000	2011-12 £000
	Note		
<b>Cash flows from operating activities</b>			
Net operating cost		(46,989)	(51,210)
Adjustments for non-cash transactions:	3, 4	8,592	11,356
Decrease/(Increase) in trade and other receivables	12	156	632
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		(59)	44
Decrease/(Increase) in inventories	11	5	10
(Decrease)/Increase in trade payables	14	(1,324)	(222)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		522	674
Use of provisions	15	(37)	(25)
<b>Net cash outflow from operating activities</b>		<b>(39,134)</b>	<b>(38,741)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment and heritage assets		(1,333)	(1,952)
Purchase of intangible assets		(53)	(214)
Proceeds of disposal of property, plant & equipment		21	-
<b>Net cash outflow from investing activities</b>		<b>(1,365)</b>	<b>(2,166)</b>
<b>Cash flows from financing activities</b>			
Funding from Parent Department DOE		40,988	41,064
Payments to Consolidated Fund		(489)	(157)
<b>Net financing</b>		<b>40,499</b>	<b>40,907</b>
<b>Net Increase/(Decrease) in cash and cash equivalents in the period</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3</b>	<b>3</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3</b>	<b>3</b>

The notes on pages 62 to 92 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2013

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
	Note		
<b>Balance at 31 March 2011</b>	<b>15,388</b>	<b>10,516</b>	<b>25,904</b>
Funding From DOE	41,064	-	41,064
CFERs payable to Consolidated Fund	(5)	-	(5)
Net operating cost	(51,210)	-	(51,210)
Non-cash charges – notional costs	3(i) 5,616	-	5,616
Recognised in Statement of Comprehensive Net Expenditure	-	1,205	1,205
Transfers between reserves	570	(570)	-
<b>Balance at 31 March 2012</b>	<b>11,423</b>	<b>11,151</b>	<b>22,574</b>
Funding From DOE	40,988	-	40,988
CFERs payable to Consolidated Fund	(14)	-	(14)
Net operating cost	(46,989)	-	(46,989)
Non-cash charges – notional costs	3(i) 5,929	-	5,929
Recognised in Statement of Comprehensive Net Expenditure	-	(18)	(18)
Transfers between reserves	1,375	(1,375)	-
<b>Balance at 31 March 2013</b>	<b>12,712</b>	<b>9,758</b>	<b>22,470</b>

The General Fund serves as the main operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The Revaluation Reserve records the unrealised gain or loss on the revaluation of assets. Included within the Revaluation Reserve is £53K relating to intangible assets, the opening balance at 1 April 2011 was £318K.

The notes on pages 62 to 92 form part of these accounts.

Notes to the Agency Accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2012-13 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. 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, intangible assets and inventories.

### 1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment of over **£1,000** is capitalised, with the exception of computer hardware, which is capitalised if expenditure is over **£500**. 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 2011 with the next full valuation due to take place as at 1 April 2016. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

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 Agency Accounts

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

### 1.3 Intangible Assets

Expenditure on intangible assets over **£500** 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 scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other administrative costs.

### 1.4 Depreciation and Amortisation

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

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

Land	Not depreciated
Buildings	On an individual basis not exceeding 60 years
Transport Equipment (including Railway Stock & Boats)	5 - 30 years
Plant and Machinery (including Laboratory Equipment)	5 - 30 years
Computer Hardware / Software	3 - 5 years
Furniture and Fittings (including Exhibitions)	5 - 30 years

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

### 1.5 Heritage Assets

The Northern Ireland Environment Agency holds certain heritage assets that have been purchased. The assets relate to various land located throughout Northern Ireland and are regarded as non-operational heritage assets. These are either declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific Interest. On initial recognition the assets are recognised at cost. They are revalued annually, using indices provided by the Office

## Notes to the Agency Accounts

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), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2011 with the next full valuation due to take place as at 1 April 2016.

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. We 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 DFP 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.

Details relating to policy for acquisition, preservation, management and disposal of heritage assets can be found in the Management Commentary section of this report under headings 'NIEA Properties' on page 22 and 'Built Heritage Conservation' on page 33. 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, including state care monuments and 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.

A sample list of the non-operational heritage assets which have not been valued or capitalised in the accounts is included in below. These assets can be categorised into 2 broad categories - State Care Monuments and Heritage Lands. These assets are not valued, as it is neither practicable nor appropriate to do so.

The following is a sample of State Care Monuments owned by the NIEA as at 31 March 2013:

Jordans Castle – 15<sup>th</sup> century tower-house  
Ballycopeland Windmill – late 18<sup>th</sup> century windmill  
Navan Fort – Iron Age earthwork  
Dunluce Castle – 14/17<sup>th</sup> century manor house and castle  
Carrickfergus Castle – 12<sup>th</sup> century and later castle  
Greypoint Fort – World War I/II coastal defence installation  
Nendrum Monastic Site – Early Christian Monastic enclosure  
Scrabo Tower – 1857 Memorial Tower  
Tully Castle – early 17<sup>th</sup> century plantation castle  
Enniskillen Castle – 16<sup>th</sup> century and later castle and barracks  
Grey Abbey – late 12<sup>th</sup> century Cistercian Abbey

Various State Care Monuments throughout Northern Ireland are also the property of the NIEA. These monuments have been acquired by the NIEA by a variety of means, including being inherited under the National Monuments Order 1880, properties previously vested in the County Councils which were transferred to the Department by virtue of the Historic Monuments (Transfer) Order (NI) 1973, and others are held in guardianship by the Department. The monuments are protected by the NIEA under the Historic Monument and Archaeological Objects

## Notes to the Agency Accounts

(NI) Order 1995. 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. Operating income is stated net of VAT and is split under the following headings in the Statement of Comprehensive Net Expenditure:

- Administration Income
- Programme Income

### **1.7 Administration and Programme Expenditure**

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the *FReM* issued by the Department of Finance and Personnel. Administration costs reflect the costs of running the Agency. These include both administrative costs and associated operating income. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Agency.

### **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 2013.

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 dependants' 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.

Notes to the Agency Accounts

### **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.

### **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 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.

Notes to the Agency Accounts

### **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 assets.

### **1.16 Financial Instruments**

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

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

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.

Notes to the Agency Accounts

### **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, employer's liability claims and early retirement schemes. 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**

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards have an effective date of January 2013, but have not yet been EU adopted. The application of these IFRS changes is subject to further review by Treasury and the other Relevant Authorities before due process consultation. Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury. A review of the NI financial process is currently under discussion with the Executive, which will bring NI departments and agencies under the same adaptation. Should this go ahead, the impact on departments and agencies is expected to focus around the disclosure requirements under IFRS 12. The impact on the consolidation boundary of NDPB's and trading funds will be subject to review, in particular, where control could be determined to exist due to exposure to variable returns (IFRS 10), and where joint arrangements need reassessing.

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

### **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 either involve one-off payments with the agreements being in perpetuity or annual payments covering a set period. The vast majority of these management agreements are 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. The full costs of these agreements are expensed in the year in which they are issued.

Notes to the Agency Accounts

## 2. Staff numbers and related costs

Staff costs comprise:

			2012-13 £000	2011-12 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	18,025	4,119	22,144	21,113
Social security costs	1,352	-	1,352	1,324
Other pension costs	3,512	-	3,512	3,459
<b>Total</b>	<b>22,889</b>	<b>4,119</b>	<b>27,008</b>	<b>25,896</b>
<i>Analysed as follows:</i>				
Administration costs	20,527	2,755	23,282	23,481
Programme costs	2,362	1,364	3,726	2,415
<b>Total</b>	<b>22,889</b>	<b>4,119</b>	<b>27,008</b>	<b>25,896</b>

### 2(i) Pension Arrangements

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) is an unfunded multi-employer defined benefit scheme but the Northern Ireland Environment Agency is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2012-13, employers' contributions of £3,506,512 were payable to the PCSPS(NI) (2011-12 £3,449,650) at one of four rates in the range 18 to 25 per cent (2011-12: 18 to 25 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new valuation scheme based on data based as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18 per cent to 25 per cent. The contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires, and not the benefits during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £5,234 (2011-12: £9,360) were paid to one or more of the panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2011-12: 3 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £312, 0.8 per cent (2011-12: £525, 0.8 per cent) of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Notes to the Agency Accounts

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

3 persons (2011-12: 3 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £5,944.45 (2011-12: £5,738).

## 2(ii) Average Number of Persons Employed

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

<i>Number</i>	2012-13			2011-12
	Permanent staff	Others	Total	Restated
Directly Employed	630	-	630	657
Other	-	149	149	110
<b>Total</b>	<b>630</b>	<b>149</b>	<b>779</b>	<b>767</b>

The average number of other staff in the prior year has been restated from 63 to 110 as a result of a revision to the Full Time Equivalent estimation.

## 2(iii) Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	2012-13		2011-12	
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	1	1	1
£10,000 - £25,000	-	-	-	-
£25,000 - £50,000	-	-	-	-
Total number of exit packages	-	1	1	1
<b>Total resource cost £'000</b>	-	<b>1</b>	<b>1</b>	<b>7</b>

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

Notes to the Agency Accounts

### 3. Other Administration Costs

		2012-13 £000	2011-12 £000
	Note		
Supplier & Services		2,028	2,083
Accommodation Running Costs		1,040	1,017
Travel & Subsistence Costs		400	432
Training Costs		2	1
Computer Expenses		24	13
Non-cash items			
<i>Notional charges:</i>			
Department of Finance and Personnel	3(i)	3,762	3,686
Intra-departmental notionals	3(i)	1,944	1,758
Central Services provided by DRD	3(i)	191	139
NIAO auditor's remuneration	3(i)	27	27
Other	3(i)	5	6
<i>Non current assets:</i>			
Depreciation	8(i)	40	88
Amortisation	8(v)	483	440
Net Revaluation Charge to the Statement of Comprehensive Net Expenditure		(2)	5
Loss/(Profit) on disposal of property, plant and equipment		(2)	4
<b>Total</b>		<b>9,942</b>	<b>9,699</b>

#### 3(i) Notional Charges

	2012-13 £000	2011-12 £000
<b>Intra - Departmental:</b>		
Personnel and Management	1,195	1,062
Finance	272	264
HR Connect	275	284
Centre of Applied Learning	147	122
NI Statistics and Research Agency	55	26
<b>Total</b>	<b>1,944</b>	<b>1,758</b>

Notes to the Agency Accounts

### 3(i) Notional Charges (continued)

	2012-13 £000	2011-12 £000
<b>Services provided by other Departments</b>		
Department of Finance and Personnel:		
Accommodation	1,463	1,376
IT Assist	1,309	1,338
Account NI	807	811
Departmental Solicitor's Office	67	101
Information Strategy and Innovation	55	57
Land and Property Services	61	3
	<b>3,762</b>	<b>3,686</b>
Department for Regional Development	191	139
Other Departments	5	6
<b>Total</b>	<b>3,958</b>	<b>3,831</b>
NIAO Audit Fees	27	27
<b>Total Notional Charges</b>	<b>5,929</b>	<b>5,616</b>

### 4. Programme Costs

		2012-13 £000	2011-12 £000
	Note		
Current Grants	5	9,575	10,418
Other current expenditure	6	8,172	8,422
Non-cash expenditure:			
Depreciation	8(i)	1,568	1,485
Amortisation	8(v)	13	-
Net Revaluation Charge to the Statement of Comprehensive Net Expenditure		438	3,575
Loss/(Profit) on disposal of property, plant and equipment		-	12
Provisions – provided/ (reduced) in year	15	295	175
Bad Debt provision		59	(44)
<b>Total programme costs</b>		<b>20,120</b>	<b>24,043</b>

Notes to the Agency Accounts

## 5. Grants

	2012-13 £000	2011-12 £000
Natural Heritage	1,751	2,375
Built Heritage	3,786	5,635
Environmental Protection	680	517
Shared Services	3,358	1,891
<b>Total</b>	<b>9,575</b>	<b>10,418</b>
<i>Natural Heritage Grants comprise :</i>		
Conservation Grant	1,720	2,375
Voluntary Bodies	6	-
National Trust	25	-
<b>Total</b>	<b>1,751</b>	<b>2,375</b>
<i>Built Heritage Grants comprise :</i>		
Private Grants - Current	2,225	3,025
Private Grants - Capital	540	950
National Trust	139	6
Church Grants	539	975
District Council Grants	343	679
<b>Total</b>	<b>3,786</b>	<b>5,635</b>
<i>Environmental Protection Grants comprise :</i>		
Tidy Northern Ireland Grant	97	182
Challenge Fund Grant	360	250
Strategic Partnership Grant	165	85
Water Quality Improvement Grant	58	-
<b>Total</b>	<b>680</b>	<b>517</b>
<i>Shared Services Grants comprise :</i>		
EU Grant (Interreg IVA)	3,358	1,891

## 6. Other Current Expenditure

	2012-13 £000	2011-12 £000
<b>Directorate costs comprise:</b>		
Natural Heritage	2,988	3,494
Built Heritage	2,174	1,997
Environmental Protection	2,919	2,814
Shared Costs	92	117
<b>Total</b>	<b>8,173</b>	<b>8,422</b>
<b>Natural Heritage costs comprise:</b>		
Maintenance and Monitoring of Country Parks	2,866	3,257
Management Agreements	107	222
Better Regulation - Non Salaries	15	15
<b>Total</b>	<b>2,988</b>	<b>3,494</b>
<b>Built Heritage Operating Costs comprise:</b>		
Publicity, Marketing	562	589
Management Agreements	90	54
Archaeology and Maintenance of Monuments	1,522	1,354
<b>Total</b>	<b>2,174</b>	<b>1,997</b>
<b>Environmental Protection Operating Costs comprise:</b>		
Pollution Control	2,476	2,694
Better Regulation – non salaries	443	120
<b>Total</b>	<b>2,919</b>	<b>2,814</b>
<b>Shared Costs comprise:</b>		
Other Current Expenditure	92	117

Notes to the Agency Accounts

## 7. Income

	2012-13 £000	2011-12 £000
<b>Administration Income</b>		
Environmental Protection Charges:		
Environmental Protection Pollution Costs Recovered	4,827	4,647
<b>Total</b>	<b>4,827</b>	<b>4,647</b>
<b>Programme Income</b>		
ERDF Grant	2,516	1,418
Government Grant Receipt	230	-
Operating Income from - Country Parks	118	122
- Historic Monuments	329	307
Environmental Protection Charges:		
Environmental Protection Pollution Costs Recovered	1,991	1,777
Environmental Protection Criminal Assets Seizures	57	157
Other Income	13	-
<b>Total</b>	<b>5,254</b>	<b>3,781</b>

### Trading Income

Operating income includes trading income generated from 2 broad areas of activity within the Agency, i.e. Environmental Protection Legislation and admissions and events at historic monuments and country parks.

Notes to the Agency Accounts

**7(i) Environmental Protection Legislation**

	2012-13 £000	2011-12 £000
<b>Fees and Charges</b>	6,818	6,340
<b>Operating Costs:</b>		
Staff Costs	4,694	4,124
Administration & Accommodation	1,531	1,633
Notional Charges	624	513
<b>Total Costs</b>	<b>6,849</b>	<b>6,270</b>
<b>Operating (Deficit)/Surplus</b>	<b>(31)</b>	<b>70</b>

**7(ii) Admissions & Events at Historic Monuments**

	2012-13 £000	2011-12 £000
<b><u>Income</u></b>		
Admission Income & Retail Sales	329	307
<b><u>Operating Costs</u></b>		
Staff Costs	355	423
Other Costs	285	271
<b>Total Costs</b>	<b>640</b>	<b>694</b>
<b>Operating Deficit</b>	<b>(311)</b>	<b>(387)</b>

This information is provided for fees and charges purposes and not for the purpose of segmental reporting under IFRS 8.

In relation to Environmental Protection Legislation the financial objective is full cost recovery. Due to the non-commercial nature of admission and events at State Care Monuments, the financial objective is less than full cost recovery.

Notes to the Agency Accounts

## 8(i) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2012	5,918	15,953	3,196	5,740	876	3,317	1,030	36,030
Additions	-	-	188	185	51	204	660	1,288
Disposals	-	-	(257)	(3)	(4)	(78)	-	(342)
Revaluations	(104)	(241)	56	9	17	65	-	(198)
Reclassifications	(90)	1	(3)	3	-	22	(23)	(90)
<b>At 31 March 2013</b>	<b>5,724</b>	<b>15,713</b>	<b>3,180</b>	<b>5,934</b>	<b>940</b>	<b>3,530</b>	<b>1,667</b>	<b>36,688</b>
<b>Accumulated Depreciation</b>								
At 1 April 2012	-	671	2,226	4,395	769	2,043	-	10,104
Charged in year	-	545	306	443	50	264	-	1,608
Disposals	-	-	(242)	(3)	(4)	(74)	-	(323)
Revaluations	-	(23)	39	5	9	18	-	48
Reclassifications	-	-	(3)	3	-	-	-	-
<b>At 31 March 2013</b>	<b>-</b>	<b>1,193</b>	<b>2,326</b>	<b>4,843</b>	<b>824</b>	<b>2,251</b>	<b>-</b>	<b>11,437</b>
<b>Carrying amount at 31 March 2013</b>	<b>5,724</b>	<b>14,520</b>	<b>854</b>	<b>1,091</b>	<b>116</b>	<b>1,279</b>	<b>1,667</b>	<b>25,251</b>
<b>Carrying amount at 31 March 2012</b>	<b>5,918</b>	<b>15,282</b>	<b>970</b>	<b>1,345</b>	<b>107</b>	<b>1,274</b>	<b>1,030</b>	<b>25,926</b>
<b>Asset financing:</b>								
<b>Owned 2013</b>	<b>5,724</b>	<b>14,520</b>	<b>854</b>	<b>1,091</b>	<b>116</b>	<b>1,279</b>	<b>1,667</b>	<b>25,251</b>

Notes to the Agency Accounts

**8(ii) Property, Plant and Equipment**

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixture & Fittings £000	Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2011	7,096	24,106	3,115	6,047	896	3,589	2,624	47,473
Additions	90	67	252	175	36	166	479	1,265
Disposals	-	(15)	(117)	(679)	(20)	(900)	-	(1,731)
Revaluations	(1,268)	(9,869)	20	146	(33)	38	-	(10,966)
Reclassifications	-	1,664	(74)	51	(3)	424	(2,073)	(11)
<b>At 31 March 2012</b>	<b>5,918</b>	<b>15,953</b>	<b>3,196</b>	<b>5,740</b>	<b>876</b>	<b>3,317</b>	<b>1,030</b>	<b>36,030</b>
<b>Accumulated Depreciation</b>								
At 1 April 2011	-	8,226	2,329	4,804	716	2,917	-	18,992
Charged in year	-	639	254	402	96	182	-	1,573
Disposals	-	(15)	(107)	(678)	(16)	(900)	-	(1,716)
Revaluations	-	(8,187)	(213)	(144)	(24)	(177)	-	(8,745)
Reclassifications	-	8	(37)	11	(3)	21	-	-
<b>At 31 March 2012</b>	<b>-</b>	<b>671</b>	<b>2,226</b>	<b>4,395</b>	<b>769</b>	<b>2,043</b>	<b>-</b>	<b>10,104</b>
<b>Carrying amount at 31 March 2012</b>	<b>5,918</b>	<b>15,282</b>	<b>970</b>	<b>1,345</b>	<b>107</b>	<b>1,274</b>	<b>1,030</b>	<b>25,926</b>
<b>Carrying amount at 31 March 2011</b>	<b>7,096</b>	<b>15,880</b>	<b>786</b>	<b>1,243</b>	<b>180</b>	<b>672</b>	<b>2,624</b>	<b>28,481</b>
<b>Asset financing:</b>								
<b>Owned 2012</b>	<b>5,918</b>	<b>15,282</b>	<b>970</b>	<b>1,345</b>	<b>107</b>	<b>1,274</b>	<b>1,030</b>	<b>25,926</b>

Notes to the Agency Accounts

### 8(iii) Heritage Assets

	Non Operational Heritage Land (Purchased) £000	Non Operational Heritage Buildings (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
<b>Cost or valuation</b>			
At 1 April 2012	2,075	2	2,077
Disposals	-	-	-
Revaluations	(230)	-	(230)
Reclassifications	90	-	90
Transfers*	230	-	230
<b>At 31 March 2013</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2013</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2012</b>	<b>2,075</b>	<b>2</b>	<b>2,077</b>

\* Heritage land valued at £230K was transferred to NIEA from the Department of Agriculture and Rural Development.

### 8(iv) Heritage Assets

	Non Operational Heritage Land (Purchased) £000	Non Operational Heritage Buildings (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
<b>Cost or valuation</b>			
At 1 April 2011	2,074	-	2,074
Additions	200	-	200
Disposals	-	-	-
Revaluations	(199)	-	(199)
Reclassifications	-	2	2
<b>At 31 March 2012</b>	<b>2,075</b>	<b>2</b>	<b>2,077</b>
<b>Carrying amount at 31 March 2012</b>	<b>2,075</b>	<b>2</b>	<b>2,077</b>
<b>Carrying amount at 31 March 2011</b>	<b>2,074</b>	<b>-</b>	<b>2,074</b>

Notes to the Agency Accounts

### 8(iv) Heritage Assets (continued)

#### Purchased Heritage Assets

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. The following table contains a summary of transactions relating to Purchased Heritage Assets in the current period and the previous 4 accounting periods to 31 March 2013.

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Cost of acquisitions	-	200	273	56	40

There were no disposals of heritage assets during the five year period to 31 March 2013 and no heritage assets acquired by donation during the periods. At the last valuation date at 1 April 2011 none of the assets were impaired.

Notes to the Agency Accounts

**8(v) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2012	3,295	277	3,572
Additions	50	2	52
Disposals	-	-	-
Revaluations	31	4	35
Reclassifications	-	-	-
<b>At 31 March 2013</b>	<b>3,376</b>	<b>283</b>	<b>3,659</b>
<b>Amortisation</b>			
At 1 April 2012	2,382	247	2,629
Charged in year	479	17	496
Disposals	-	-	-
Revaluations	17	(2)	15
<b>At 31 March 2013</b>	<b>2,878</b>	<b>262</b>	<b>3,140</b>
<b>Carrying amount at 31 March 2013</b>	<b>498</b>	<b>21</b>	<b>519</b>
<b>Carrying amount at 31 March 2012</b>	<b>913</b>	<b>30</b>	<b>943</b>
<b>Asset financing:</b>			
<b>Owned 2013</b>	<b>498</b>	<b>21</b>	<b>519</b>

Notes to the Agency Accounts

**8(vi) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2011	2,956	354	3,310
Additions	178	2	180
Disposals	-	(82)	(82)
Revaluations	152	3	155
Reclassifications	9	-	9
<b>At 31 March 2012</b>	<b>3,295</b>	<b>277</b>	<b>3,572</b>
<b>Amortisation</b>			
At 1 April 2011	1,848	311	2,159
Charged in year	424	16	440
Disposals	-	(82)	(82)
Revaluations	110	2	112
<b>At 31 March 2012</b>	<b>2,382</b>	<b>247</b>	<b>2,629</b>
<b>Carrying amount at 31 March 2012</b>	<b>913</b>	<b>30</b>	<b>943</b>
<b>Carrying amount at 31 March 2011</b>	<b>1,108</b>	<b>43</b>	<b>1,151</b>
<b>Asset financing:</b>			
<b>Owned 2012</b>	<b>913</b>	<b>30</b>	<b>943</b>

## 9. Statement of Operating Costs by Operating Segment

	Environmental Protection £000	Natural Heritage £000	Built Heritage £000	Shared Services £000	Total £000
<b>Administration Costs 2012-13</b>					
Staff Costs	13,277	5,893	3,398	714	23,282
Other administration costs - Cash	1,225	830	406	1,031	3,492
Other administration costs - Non Cash	3,617	1,680	1,082	71	6,450
Operating Income	(4,811)	(7)	(4)	(5)	(4,827)
<b>Programme Costs 2012-13</b>					
Staff costs	3,045	508	173	-	3,726
Other Programme Costs	2,919	2,988	2,174	92	8,173
Grants	680	1,751	3,786	3,358	9,575
Non Cash Expenditure	1,330	618	398	26	2,372
Income	(2,044)	(449)	(232)	(2,529)	(5,254)
<b>Net Operating Cost 2012-13</b>	<b>19,238</b>	<b>13,812</b>	<b>11,181</b>	<b>2,758</b>	<b>46,989</b>

	Environmental Protection £000	Natural Heritage £000	Built Heritage £000	Shared Services £000	Total £000
<b>Administration Costs 2011-12</b>					
Staff Costs	13,799	5,877	3,127	678	23,481
Other administration costs - Cash	1,213	877	457	999	3,546
Other administration costs – Non Cash	3,791	1,427	817	118	6,153
Operating Income	(4,635)	(11)	-	(1)	(4,647)
<b>Programme Costs 2011-12</b>					
Staff costs	1,930	309	176	-	2,415
Other Programme Costs	2,814	4,131	1,997	117	9,059
Grants	517	2,375	5,635	1,891	10,418
Non Cash Expenditure	2,029	2,317	217	3	4,566
Income	(1,934)	(428)	(1)	(1,418)	(3,781)
<b>Net Operating Cost 2011-12</b>	<b>19,524</b>	<b>16,874</b>	<b>12,425</b>	<b>2,387</b>	<b>51,210</b>

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

## 9. Statement of Operating Costs by Operating Segment (continued)

During 2012-13 the Agency comprised 4 Directorates; Environmental Protection, Natural Heritage, Built Heritage and Shared Services, each Directorate fulfilling a role in achieving the overall Agency objective to protect, conserve and promote the natural environment and build heritage of Northern Ireland for the benefit of present and future generations. The management board review financial information at Directorate level for decision making purposes and this information is analysed into Administration and Programme costs. Reportable segments have been identified on this basis. There have been no changes to the methods used to identify reportable segments since the prior year.

The work performed by each Directorate is varied. Among other expenses Built Heritage incurs spend on Archaeology and the protection of scheduled monuments, Natural Heritage on the maintenance of Country Parks and the protection of ASSIs and the prevention of pollution incidents and the regulation of potential polluters is performed by our Environmental Protection Directorate. All Directorates issue grants to Non Government Organisations (NGOs) including District Councils and Churches and to private individuals. Full details of the roles performed by each Directorate are disclosed in the Annual Report.

## 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

	2012-13 £000	2011-12 £000
Retail	66	62
Operational	122	131
<b>Total</b>	<b>188</b>	<b>193</b>

## 12. Trade receivables and other current assets

	2012-13 £000	2011-12 £000
<b>Amounts falling due within one year:</b>		
Trade Receivables	768	1,312
Other Receivables	599	577
Amounts due from EU	184	160
Prepayments & Accrued Income	496	154
<b>Total</b>	<b>2,047</b>	<b>2,203</b>

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

	2012-13 £000	2011-12 £000
Balance at start of year	(104)	(148)
Impairment losses recognised/ derecognised on receivables	(59)	44
Impairment losses not required written back	-	-
<b>Balance at end of year</b>	<b>(163)</b>	<b>(104)</b>

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

No interest is charged on the trade receivables. The Agency has provided fully for all receivables over 361 days, because historical experience is such that receivables that are past due beyond 361 days are generally not recoverable, unless there is evidence to suggest the debt is still recoverable.

Notes to the Agency Accounts

## 12. Trade receivables and other current assets (continued)

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:

	2012-13 £000	2011-12 £000
Neither past due nor impaired trade receivables	320	866
1 – 30 days	229	95
31 – 60 days	24	63
61 – 90 days	1	7
91 – 180 days	22	206
181 – 361 days	102	75
361 days plus	70	-
<b>Gross carrying value</b>	<b>768</b>	<b>1,312</b>

### 12.1 Intra-Government Balances

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

	2012-13 £000	2011-12 £000
Balances with other central government bodies	696	808
Balances with local authorities	21	61
Balances with public corporations and trading funds	358	170
Balances with NHS trusts	8	12
Balances with bodies external to government	964	1,152
<b>Total</b>	<b>2,047</b>	<b>2,203</b>

## 13. Cash and cash equivalents

	2012-13 £000	2011-12 £000
Balance at 1 April	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March	<b>3</b>	<b>3</b>
The following balances at 31 March 2013 were held:		
Cash in hand	<b>3</b>	<b>3</b>

## 14. Trade Payables and other current liabilities

	2012-13 £000	2011-12 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	174	47
Accruals & Deferred Income	6,956	7,931
Other Payables ERDF	-	476
<b>Total</b>	<b>7,130</b>	<b>8,454</b>

### 14.1 Intra-Government Balances

<b>Payables: Amounts falling due within one year</b>	2012-13 £000	2011-12 £000
Balances with other central government bodies	786	1,539
Balances with local authorities	493	326
Balances with public corporations and trading funds	28	12
Balances with NHS trusts	-	7
Balances with bodies external to government	5,823	6,570
<b>Total</b>	<b>7,130</b>	<b>8,454</b>

Notes to the Agency Accounts

**15. Provisions for liabilities and charges**

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Total £000
Balance at 1 April 2012	306	7	4	317
Provisions not required written back	(20)	-	-	(20)
Provided in the year	311	4	-	315
Provisions utilised in the year	(27)	(10)	-	(37)
Unwinding of discount	-	-	-	-
<b>Balance at 31 March 2013</b>	<b>570</b>	<b>1</b>	<b>4</b>	<b>575</b>

**Analysed as follows:**

Current provision	570	1	4	575
Non current provision	-	-	-	-

Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Total £000
Not later than 1 year	570	1	4	575
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Balance at 31 March 2013</b>	<b>570</b>	<b>1</b>	<b>4</b>	<b>575</b>

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Total £000
Balance at 1 April 2011	102	22	43	167
Provisions not required written back	(13)	-	(37)	(50)
Provided in the year	224	-	1	225
Provisions utilised in the year	(7)	(15)	(3)	(25)
Unwinding of discount	-	-	-	-
<b>Balance at 31 March 2012</b>	<b>306</b>	<b>7</b>	<b>4</b>	<b>317</b>

**Analysed as follows:**

Current provision	306	7	4	317
Non current provision	-	-	-	-

Notes to the Agency Accounts

## 15. Provisions for liabilities and charges (continued)

Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Total £000
Not later than 1 year	306	7	4	317
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Balance at 31 March 2012</b>	<b>306</b>	<b>7</b>	<b>4</b>	<b>317</b>

Provisions for liabilities and charges relates to public and employer's liability claims. 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. The provision is discounted by the Treasury discount rate of 2.35% in real terms.

## 16. Contingent Liabilities

	Public Liability (Number of cases)	Employer's Liability (Number of cases)	Total cases
Natural Heritage	3	-	3
Built Heritage	2	-	2
<b>Total</b>	<b>5</b>	<b>-</b>	<b>5</b>

Public liability claims relate to claims against the Agency by members of the public in respect of alleged injuries sustained at the Agency's visitor sites. Employers' liability claims relate to claims against the Agency by employees allegedly injured at work.

Notes to the Agency Accounts

## 17. Commitments

The Agency has commitments to pay grants in respect of historic buildings, environmental protection and natural heritage. The payments to which the Agency is committed during 2012-13, analysed by the period during which the commitment expires, are as follows:

	2012-13 £000	2011-12 £000
Not later than one year	5,120	3,847
Later than one year and not later than five years	6,256	6,681
Later than five years	-	-
<b>Balance at 31 March</b>	<b>11,376</b>	<b>10,528</b>

## 18. Commitments under leases

### *Operating leases*

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

	2012-13 £000	2011-12 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year	35	35
Later than one year and not later than five years	140	140
Later than five years	12	47
	<b>187</b>	<b>222</b>
Information Technology		
Not later than one year	14	21
Later than one year and not later than five years	5	23
Later than five years	-	-
	<b>19</b>	<b>44</b>
<b>Total</b>	<b>206</b>	<b>266</b>

Notes to the Agency Accounts

## 19. Losses and Special Payments

### 19(i) Losses Statement

	Number of cases	2012-13 £000	Number of cases	2011-12 £000
Store losses	-	-	19	7
Other losses	28	14	6	12
Administrative write offs	31	25	17	3
Abandoned claims	-	-	16	16
<b>Total losses</b>	<b>59</b>	<b>39</b>	<b>58</b>	<b>38</b>

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

### 19(ii) Special Payments

	Number of cases	2012-13 £000	Number of cases	2011-12 £000
Employer liability	3	23	2	7
Public liability	1	4	3	7
<b>Total special payments</b>	<b>4</b>	<b>27</b>	<b>5</b>	<b>14</b>

## 20. Financial Targets

The Department of the Environment does not consider it appropriate to set financial targets for the Agency.

## 21. Related Party Transactions

The Department of the Environment is regarded as a related party as it is the Agency's parent department. During the year NIEA has had various material transactions with the Department, and with other entities to which the Department is regarded the parent department such as, DVAL and DVAT.

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 of Agriculture and Rural Development
- Department of Education and Learning
- Department for Regional Development
- Department of Finance and Personnel
- Department of Health, Social Services and Public Services

## **21. Related Party Transactions (continued)**

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 favourable 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.

## **22. Events after the Reporting Period**

The annual report and accounts were authorised to be issued and laid before the Assembly on 21 June 2013.





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