



2019-20

Annual Report & Resource Accounts

For the year ended 31 March 2020

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



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

www.daera-ni.gov.uk



**INVESTORS
IN PEOPLE**

Department of Agriculture, Environment and Rural Affairs

Annual Report and Accounts for the year ended 31 March 2020

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Department of Finance under
section 10(4) of the Government Resources
and Accounts Act (Northern Ireland) 2001*

5 November 2020

Annual Report and Accounts for the year ended 31 March 2020



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Department of Agriculture, Environment and Rural Affairs Annual Report and Accounts for the year ended 31 March 2020

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Introduction

The Department of Agriculture, Environment and Rural Affairs (DAERA) presents its Accounts for the financial year ended 31 March 2020.

Performance Report

Permanent Secretary Overview

I am very pleased to present the Department of Agriculture, Environment and Rural Affairs (DAERA, the Department) 2019-20 Annual Report and Accounts.

Firstly I would like to congratulate Minister Poots MLA on his appointment and offer him a very warm welcome to DAERA. I also welcome the restoration of accountable government by the Assembly and the Executive, particularly in these challenging times.



Coronavirus (COVID-19), had a sudden and dramatic impact on our work towards the end of the 2019-20 financial year. The impact of this continues to profoundly affect the health of our people and will drive economic, social and environmental change. In response to COVID-19 our work was, and remains, focused on meeting our vital requirements as a Department. We continued with vital meat inspections, water quality monitoring, payments, introduced press and social media announcements on COVID-19, ensured online and remote support from our DAERA Direct offices as well as finding new ways to work with our customers and stakeholders.

We made it our priority to work together across the system and the Department has been able to provide 30 powered respirator units, provided veterinary resources to assist with COVID-19 contact tracing and our College of Agriculture, Food and Rural Enterprise (CAFRE) has made over 20,000 coveralls and other Personal Protective Equipment (PPE) available to the Health and Social Care Trusts. DAERA's Agri-Food and Biosciences Institute (AFBI) has assisted the health service in testing up to 1,000 samples a day from suspect COVID-19 cases via a newly established consortium with Queen's University Belfast (QUB) and Ulster University (UU).

When we come through this challenge - and we will - there will need to be a period of reflection and renewal. We will be different people, living in a different society. What we do as a Department, and how we do it, will change.

DAERA has a huge spread of responsibility, including the agri-food industry, waste, fisheries, the environment and rural sector. We provide food for some 10 million people so it is crucial that our supply chains do not falter and we ensure food security. Our global reputation for producing high-quality and home-grown food is evident and the Department has a significant role to play in supporting the agri-food industry in the recovery from this pandemic and facing the challenges and opportunities which our

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transition from our exit from the European Union (EU) presents. We will continue to engage and listen to our industry partners and deliver support as needed.

Our approach to recovery needs to be holistic and sustainable, supporting the new DAERA purpose, launched by the Minister in February 2020, of **'Sustainability at the heart of a living, working, active landscape valued by everyone'**. Sustainability needs to be at the heart of everything we do in DAERA, taking a partnership approach with communities, supporting them to look after the environment and to be custodians of the landscape for future generations.

DAERA is committed to ensuring we maintain the safe delivery of essential services, working in new ways to deliver for the citizens of Northern Ireland, while making every possible effort to protect the health and well-being of our staff, our customers and the general public.

The Department began work, in late 2019-20, on its renewal plans with a focus on green growth. Our framework will inform the route map of DAERA's future activities and will play a key part contributing into the Executives' society-wide recovery plan. Our recovery from this current crisis gives us an opportunity to create an environment in which people, businesses and the environment work in harmony.

Another major impact to the Department in 2019-20 has been the UK's exit from the EU. Up to our exit on 31 January 2020, much of the work within the Department focused on a co-ordinated response to a range of *No Deal* preparations related to EU withdrawal. The core work concerned DAERA operational readiness as well as agri-food industry readiness for the various deadlines and extensions to Article 50. A series of industry focused workshops were held across Northern Ireland in September and October 2019 in order to assist business preparations. Post 31 October 2019, as the focus moved from *No Deal to Deal* planning, a new focus for organisation and preparation emerged on *No Trade Deal* operational appreciations.

The impact of the Protocol for Northern Ireland is still being assessed and further clarification on many of the details is needed. As the lead NICS Department on food supply and agri-food trade (including fisheries) and the environment, the Department's policy and delivery activity will contribute to implementing the Protocol in full by 31 December 2020.

While the issues above have been very much at the forefront, the Department has still delivered across a wide range of areas over the past year to support the draft Programme for Government (PfG) 2019-20.

In supporting the rural economy under Outcome 1 - *'We prosper through a strong, competitive, regionally balanced economy'*, £287m EU Common Agricultural Policy (CAP) grants were paid out under the Basic Payment, Greening and Young Farmer Schemes. Further payments of over £7m were made under Tier 1 of the Farm Business Improvement Scheme (FBIS) and over £3m were made under the European Maritime and Fisheries Fund (EMFF). Over 430 full time jobs were also created under the LEADER element of the Rural Development Programme (RDP).

DAERA led on Outcome 2 - *'We live and work sustainably - protecting the environment'* and progress has been made on the indicators supporting this. The household recycling rate continued to increase up to 52.3% by December 2019, exceeding the Northern Ireland Waste Management Strategy household waste recycling target of 50% by 2020, over 14,500 hectares (ha) of terrestrial protected area are under favourable management, over 230 ha of new woodland have been planted and a draft Ammonia Action Plan has been scrutinised by DAERA's Strategy Committee.

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

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

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

DAERA has 3,281 staff (equating to 3,167 FTE) working across more than 230 sites who between them manage almost 10% of the Northern Ireland landmass, waterways and coast; who support a thriving £4.5 billion agri-food industry creating employment for up to 100,000 people directly and indirectly; and who serve our 1.8 million people, protecting and promoting the environment. Although we are facing huge challenges we will be at the forefront of the work to help Northern Ireland adapt. The Department will continue to deliver for the citizens of Northern Ireland.

Internally, we continue to work on being an inclusive and diverse workplace with a keen focus on staff engagement. Over the last two years our Employee Engagement Index has increased by 8 percentage points, against the wider trend across the NICS.

I continue to be incredibly impressed by the commitment and talent of our people who have worked hard throughout the year to support the delivery of DAERA's purpose and their response to the COVID-19 crisis. I am extremely proud of what has been achieved and would like to thank all DAERA staff for their dedication to our 1.8 million people, their continuing hard work, for being innovative and rising above and beyond in the unique circumstances we have all found ourselves having to operate in. I am confident that we will continue this in the year ahead.

Non-Executive Directors' Report

The past year has been one of immense activity and development for DAERA. While the main themes continued to be delivering environmental and economic outcomes, transforming the way people work across DAERA and focusing on customers. Significant effort and resource has been focused on preparing for the opportunities and challenges of operating outside the EU.

DAERA has an Audit & Risk Committee (ARAC) which is chaired by a Non Executive member with three additional independent members one of whom is also a Non Executive. ARAC contributes independently to the Departmental Board's overall process for ensuring that governance, risk management and internal control processes operate effectively. Included in the ARAC agenda is a high level assurance report from each of the Arms' Length Bodies. The Chair of ARAC has presented a number of reports outlining the work of the Committee to Departmental Board and the Non Executives meet on a regular basis with the Accounting Officer to discuss and provide advice on emerging issues.

The Non Executive members contributed to the discussion on all issues discussed by the Board throughout the year providing an independent challenge function which contributed to the development of policies and programmes. They also brought an additional external focus to the discussion from the perspective of the citizen. This included discussion on EU Exit and beyond, International Trade, new animal health information system and development of environmental policies.

The Non Executive Members have supported the Departmental Board in progressing a range of activities aimed at reviewing achievement of targets, financial performance, risk management and staff engagement as well as capacity building within the Department which included:

- **Staffing**

During the year the Board met members of the Staff Engagement and Leadership Forum and participated in roundtable discussions and a Q&A session which highlighted issues and concerns for staff across the Department. The Board also discussed DAERA's culture, values and behaviours and the importance of how we work with our stakeholders and customers and supported the steps being taken to bring younger employees to widen the diversity of the workforce.

The Board received updates from NICSHR at each meeting covering various staff related topics including vacancies, absence levels and mandatory training.

- **Cyber Security**

The importance of cyber security was recognised by the Board and the steps taken by the department to address threats such as Phishing and access via third party suppliers and that appropriate incident response plans were in place. Training and communication to all staff and specific training for the Board on cyber security was recognised as being essential to minimising the risk.

- **Health & Safety**

The Board continued to receive H&S updates throughout the year and worked alongside NICSHR to maximise the uptake of mandatory training in this vitally important area.

- **New Programme Project Support Office (PPSO)**

The Departmental Board endorsed the setting up of a new Programme Project Support Office (PPSO) within Finance Division. It is envisaged that the PPSO will work collaboratively across the Department, building on existing strong and robust programme and project arrangements while increasing the development and transfer of skills with the ability to collect and handover vital lessons learned from one initiative to the next. This will help to ensure effective strategic alignment and achievement of Programme for Government objectives based on Outcome Delivery Plans.

- **Risk Management**

DAERA's range of strategic and major operational risks can broadly be categorised into those derived from the group's environmental responsibilities and natural risks, operational and financial risks. The Department had two separate reviews of our Risk Management processes during the year. There was an independent Review of the Operation of Risk Management in DAERA and the Thematic Review of Risk Management across the NICS led by DoF. Both reports have been considered by DB and will inform the revised DAERA Risk Management Strategy and Guidance. The Departmental Corporate Risk Register (CRR) has been reviewed throughout the year at DB, Audit and Risk Assurance Committee (ARAC) and Delivery Committee.

- **Financial Performance**

The Finance Committee and the Resourcing and People Committee both sub committees of the DB have ensured sound financial management is in place and scrutinised in the allocation of financial and human resources to achieve strategic objectives. The Department had a target of Provisional Resource and Capital Outturn to be between 99% and 100% of the Final Budget for 2019/20. This has been achieved with Resource provisional outturn of 99.8% and Capital provisional outturn of 99.2%.

- **Achievement of Targets and Objectives**

DAERA had 50 targets which were split into four Strategic Outcomes. Progress is reported on a quarterly basis to the DB and the Non-Executive members contribute to the discussion. Of the total 50 targets, 36 were achieved, 2 partially achieved and 12 not achieved.

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Board Effectiveness

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

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

In March 2019, all Board Members completed an on-line Self-Assessment Questionnaire of 20 mandatory statements which rated Members' views on the relative strengths of the Board's effectiveness. Members were asked to either agree, or disagree with each statement and the resulting summary of responses was reviewed by an independent adjudicator who determined that the findings were mainly very positive.

During 2019-2020 the Board held a number of strategic planning days and implemented changes to address any identified weaknesses from the 2018-2019 review. There was to have been another survey completed in March 2020, however this has been delayed as the Department's priority work at this time was on dealing with the COVID-19 emergency. A survey will be conducted at the earliest opportunity.

In addition a self-assessment exercise was carried out by ARAC members to consider the workings of the Committee during the year in line with best practice. The few areas highlighted in the exercise were progressed.

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

Overview

This section provides a concise description of the Department, our purpose, key risks that we face in achieving our objectives and how we have performed during 2019-20.

Departmental Aims and Objectives

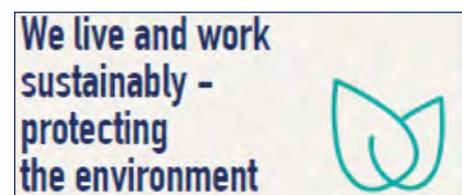
The Northern Ireland (NI) Executive gave a commitment in the Stormont House Agreement to reduce the number of government departments from twelve to nine. As a result, DAERA was established in May 2016.

DAERA's purpose is **"Sustainability at the heart of a living, working, active landscape valued by everyone"**. In pursuit of this purpose, the four key Strategic Outcomes of the Department for the 2019-20 year were as follows:

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

The Department's Business Plan, supported by Business Unit Plans, sets out the operational detail that contributes to the achievement of annual targets and also provides staff with a clear view of how their personal contribution aids the Department's task on delivering an improved service to the customers and stakeholders.

Our purpose complements achievement of the PfG in which DAERA has the lead responsibility for PfG Outcome 2:



The main DAERA activities relating to the delivery of PfG Outcome 2 are the protection of the environment through regulation and enforcement, statutory designations, research and monitoring, funded interventions, raising public awareness of the environment and their role in protecting it. However, DAERA also contributes to other PfG outcomes as follows:



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Organisation

The Department operates under the direction and control of the Minister. Following the reestablishment of the NI Executive in January 2020, Minister Poots MLA was appointed to Department on 14 January 2020. This is a leadership role of central importance to the environment, the agri-food industry and wider society (including rural society).

DAERA has responsibility for food, farming, environment, fisheries, forestry, sustainability policy and the development of the rural sector in Northern Ireland. The Department is structured into five groups (including two Executive Agencies) to support the delivery of its strategic objectives:



Principal Activities



The Department is responsible for the following key activities:

- overseeing the application of agricultural, environmental, marine, inland fisheries and rural development policy in NI;
- leading and co-ordinating input to the EU Exit delivery programme to ensure we secure the best outcome for the citizens of NI;
- developing and delivering policy in relation to food and farming policy, including the implementation of programmes to support the sustainable development of the agri-food sector;

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- developing and delivering policy and legislation to protect, conserve and enhance the environment, ensure effective waste management, mitigate and adapt to climate change and to ensure the sustainable use of our seas and inland fishery resources;
- implementing policy through inspection, payments, enforcement, licensing, certification and advice and guidance;
- ensuring animal health and welfare, including the eradication of animal disease, protection of health through veterinary public health controls and prevention of entry of exotic animals into NI;
- enabling exports of agri-food products through veterinary certification based on official controls whilst assisting cross government efforts to access new markets;
- supporting and managing the protection of, and access to, the environment including the management of country parks and nature reserves, acting as the Statutory Nature Conservation Body (SNCB) in NI;
- through the RDP, supporting sustainable economic growth in NI's rural areas, tackling poverty and promoting social inclusion in rural areas and supporting rural communities;
- through CAFRE, developing the skills and competence of people wishing to enter, or already working in, the NI agri-food industry and rural community;
- supporting Forest Service in Plant Health and its management of a natural capital asset of 65,000 ha of productive forest and green space and providing public goods and services through sustainable management of this asset to deliver a balanced mix of ecosystem service;
- managing the Department's 84,000 ha estate (75,000 ha managed by Forest Service) which comprised of 900 buildings (either owned or leased) across 236 sites throughout Northern Ireland;
- developing new digital technologies to better deliver enhanced customer services; and
- ensuring that departmental expenditure is incurred appropriately and delivers value for money for the public.

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

On-Vote Executive Agencies

During 2019-20 the Department had two Executive Agencies, the Forest Service and NIEA, which operated in accordance with their Framework Documents that describe the relationships and responsibilities between the Executive Agencies, the Department and the Minister.

Executive Non-Departmental Public Bodies

During 2019-20 the Department sponsored the following Executive Non-Departmental Public Bodies (NDPBs):

- Agri-Food and Biosciences Institute (AFBI)*#;
- Livestock and Meat Commission for NI (LMC)*#;
- NI Fishery Harbour Authority (NIFHA⁴)*#; and
- Agricultural Wages Board (AWB) for NI.

Statutory Advisory Body

Council for Nature Conservation and the Countryside (CNCC).

North South Body

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

Governance of Arm's Length Bodies

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

*Separate Reports and Accounts are produced for these entities.

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

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

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

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

Other Bodies

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

Business Plan Monitoring and Reporting Arrangements

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

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

The Performance Analysis Section below identifies the outcome at 31 March 2020 in relation to each of the targets included in the Department's 2019-20 Business Plan under each of the four Strategic Outcomes. Of the total 50 targets, 36 were achieved, 2 partially achieved and 12 not achieved.

In addition, the Performance Analysis Section details all the key issues facing the Department during the 2019-20 financial year.

Corporate Risks

A DAERA Corporate Risk Register (CRR) has been prepared on the basis of an assessment of the key risks impacting on the achievement of DAERA Key Performance targets. Key risks to the Department achieving its objectives are outlined in the Governance Statement as are details of our risk management arrangements, see page 73.

Performance Report Overview for the year ended 31 March 2020.

This chapter shows how we performed in relation to delivering our key targets as set out in the 2019-20 Business Plan.

How we measure Performance

Progress is reported on a quarterly basis to Delivery Committee and the Departmental Board and is done so in line with the methodology previously adopted for the PfG Commitment Reports to the Executive.

What we Achieved

Our targets were spilt into four Strategic Outcomes. Of the total 50 targets, 36 were achieved, 2 partially achieved and 12 not achieved.

	Strategic Objectives	Number of actions with Green status	Number of actions with Green/Amber status	Number of actions with Red status
SO1	Sustainable, Agri Food, Fisheries, Forestry and Industrial Sectors	12	-	2
SO2	A clean, healthy environment, benefiting people, nature and the economy.	10	1	4
SO3	A thriving rural economy, contributing to prosperity and wellbeing.	3	1	2
SO4	A well led, high performing organisation focused on outcomes.	11	2	4
	Total	36	2	12

Performance Analysis

Strategic Outcome 1 - Sustainable, Agri Food, Fisheries, Forestry and Industrial Sectors.



Summary

Inward Mission	European Maritime Fisheries Fund and Coastal Communities Funding	International Action Plan	Agri Environment Policy	bTB Action Plan
Research and Development	AFBI Work Programme	EU Exit Policy	bTB Compensation	Farmers Training
Qualifications and Education	Food Policy Framework	Farm Business Investment Scheme 2 nd Tranche	Animal Health Strategy	

TARGET	POSITION AT 31 MARCH 2020
By 31 March 2020, open the second tranche of Farm Business Improvement Scheme (FBIS) - Capital Tier 2 scheme, subject to greater certainty in relation to the United Kingdom's (UK) exit from the EU and taking account of any further guidance developed by DAERA on ammonia reduction and mitigation.	Not achieved. Dependent upon DAERA Ammonia Action Plan/operational policy which is yet to be consulted on.
By 31 March 2020 manage one inward mission from a priority third country market.	Achieved. <ul style="list-style-type: none"> • May 2019 - China (beef); • July 2019 - United States of America (beef); and • Feb 2020 - Mexico (pork).

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TARGET	POSITION AT 31 MARCH 2020
<p>By 31 March 2020:</p> <ul style="list-style-type: none"> • issue Letters of Offer for at least £2m European, Marine and Fisheries Fund (EMFF) funding to eligible projects consistent with the UK's Operational Programme priorities; and • issue Letters of Offer for £880k under Round 5 of the Coastal Communities Fund (CCF). 	<p>Achieved.</p> <ul style="list-style-type: none"> • £2.6m EMFF Letters of Offer. • £835k has been committed under CCF to 9 projects.
<p>By December 2019, deliver an action plan to ensure greater international focus across DAERA's business areas.</p>	<p>Achieved.</p>
<p>Agree the framework approach for future agri-environment policy development by 30 September 2019 and develop informal stakeholder engagement on policy development by 31 October 2019.</p>	<p>Achieved.</p>
<p>Agree the framework approach for future agri-environment policy development by 30 September 2019 and develop informal stakeholder engagement on policy development by 31 October 2019.</p>	<p>Achieved.</p>
<p>By 30 September 2019, to have an agreed action plan for the eradication of bTB by 2048 in response to TB Strategic Partnership Group's (TBSPG's) TB Eradication Strategy.</p>	<p>Achieved.</p>
<p>By 30 September 2019, to publish an Animal Health Strategy Framework subject to necessary approval.</p>	<p>Not achieved.</p> <p>The Animal Health and Welfare Strategic Framework was subject to public consultation in August/September 2019.</p>
<p>By 31 March 2020 Assist in the delivery of DAERA's Strategic Outcomes through the commissioning of up to £4.3m of new Research and Development (R&D) work from Northern Ireland Research organisations within international collaborative projects with an overall value of £18m.</p>	<p>Achieved.</p> <p>Chief Scientific Advisors Office (CSAO) commissioned £4.8m R&D work from Northern Ireland Research Organisations with international collaborative projects with an overall value of £22m.</p>

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TARGET	POSITION AT 31 MARCH 2020
<p>During 2019-20, direct, monitor and evaluate the assigned AFBI work programme within budget and on time to meet the Department's:</p> <ul style="list-style-type: none"> • research and development; • scientific services; and • emergency response needs. 	<p>Achieved.</p>
<p>Throughout 2019-20, take forward the development of agricultural policy, and associated legislation, as required as a result of the repatriation of EU policy to the UK.</p>	<p>Achieved.</p> <p>The Department for Environment, Food and Rural Affairs (Defra) and the Devolved Administrations worked together to progress the completion of the planned Defra Statutory Instrument (SI) Implementation Plan.</p>
<p>Manage the TB compensation bill in 2019-20 to £23.52m.</p>	<p>Achieved.</p> <p>The final compensation bill for 2019-20 was £19.5m.</p>
<p>By 31 March 2020, have:</p> <ul style="list-style-type: none"> • 3000 farmers developing their business through benchmarking, peer learning and knowledge & technology transfer, within Business Development Groups (BDGs); <p>and</p> <ul style="list-style-type: none"> • 2,700 farmers receiving training in Farm Family Key Skills (FFKS) and develop Innovation Programmes to improve the uptake/adoption of research outcomes in the agri-food sector. 	<p>Achieved.</p> <ul style="list-style-type: none"> • 3,591 farmers and growers are participating in BDGs. • 4,706 Farmers received training in Farm Family Key Skills.
<p>By 31 March 2020, have 2,200 people achieving nationally validated qualifications at Level II and above and deliver a suite of education and industry training programmes to 8,500 people.</p>	<p>Achieved.</p> <ul style="list-style-type: none"> • 2,244 people at Level II and above. • Education and industry training programmes delivered to 10,378 people
<p>By 31 October 2019, use a cross-departmental Innovation Lab approach to develop a possible vision for a food policy framework for NI that will inform consideration of next steps.</p>	<p>Achieved.</p>

Strategic Outcome 2 - A clean, healthy environment, benefiting people, nature and the economy.



Summary

Household Recycling	Environment Strategy	Plastic Pollution	Climate Change Adaption	Mobuoy Remediation
Environment Bill	Climate Change Mitigation	Protected Areas	Regulation Compliance	New Woodland
EFS Agreements	Ammonia Action Plan	Clean Air Strategy	SFP Decrease	

TARGET	POSITION AT 31 MARCH 2020
By 31 January 2020 issue Environmental Farming Scheme (EFS) agreements to all successful 2019 higher and wider level applicants.	Not achieved. Tranche 3 paused for further assessment of scheme uptake. Review completed by 11 March with almost all agreements issued by 18 March 2020.
By 31 March 2020, increase household recycling by >1% point over 2018-19 levels in order to support PfG Outcome 2 and Indicator 36 (increase household waste recycling) and to meet the 2020 EU Waste Framework Directive household waste recycling target. [Note: the provisional 2018-19 household waste recycling rate is 50%].	Achieved (with COVID-19 caveat). The Northern Ireland Statistics and Research Agency (NISRA) Local Authority Collected Municipal Waste report published in April 2020 showed that the provisional estimate for the 12 month rolling household waste recycling rate, up to 31 December 2019, was 52.3%. Recycling rate has increased by 2.3% points up to the end of Quarter 3 of the financial year. COVID-19 impact on Quarter 4 not known until August 2020.

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TARGET	POSITION AT 31 MARCH 2020
By 30 November 2019, launch a 14 week public discussion on a future Northern Ireland Environment Strategy, to include a large scale stakeholder event and utilising digital platforms to maximise public engagement.	Achieved. 14 week discussion period launched 18 September 2019, then extended to 20 weeks - 2,500 responses received.
By 31 March 2020 mitigate the impact of plastic pollution by: (a) Developing and agreeing a plan to reduce the use of single use plastic in the Northern Ireland government estate; and (b) Developing and delivering a behavioural change campaign on single use plastics (working with the Eco Schools Programme, Waste and Resource Action Programme (WRAP) and Keep Northern Ireland Beautiful).	Achieved.
By 31 December 2019, publish a draft Ammonia Action Plan for consultation.	Not achieved. Consultation delayed until the conclusion of the review of operational protocol on planning permission for farm development. Draft work on the consultation continues in the interim.
By 30 September 2019, ensure a second NI Climate Change Adaptation Programme is laid before the NI Assembly which will contribute to PfG Outcome 2 we live and work sustainably - protecting the environment.	Achieved. Programme laid in the Assembly in September 2019.
By 31 March 2020, implement the 2019-20 actions for delivery of the Mobuoy Remediation Programme within agreed timeframes (approval of Outline Business Case 1 (OBC 1), development of a Procurement Strategy and development of Site Vision).	Achieved.

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TARGET	POSITION AT 31 MARCH 2020
By 31 March 2020, publish a draft Northern Ireland Clean Air Strategy public discussion document, review consultation responses and produce a final draft strategy for Ministerial approval. The Strategy will support PfG Outcome 2 and Indicator 37 (Improve air quality - annual mean nitrogen dioxide concentration at monitored urban roadside locations).	<p>Not achieved.</p> <p>Following the issue of an inter-Departmental write round, and the time needed to consider the subsequent responses, it was not possible to complete the final draft by 31 March 2020.</p> <p>Officials continue to work to finalise the Clean Air Strategy Discussion Document prior to consideration by the Minister.</p>
By 31 December 2019, provide input on the Northern Ireland provisions in the Environment (Principles and Governance) Bill prior to the Bill's introduction to Parliament.	<p>Achieved.</p> <p>Appropriate input for the Environment Bill prior to its introduction to Parliament in October 2019. The Bill fell with the calling of a General Election but was reintroduced to the new Parliament on 30 January 2020 and has progressed to Committee Stage but this has been suspended due to COVID-19.</p>
By 31 December 2019, establish a suite of DAERA climate change mitigations to support our evolving Future Generations Programme.	<p>Achieved.</p> <p>A suite of mitigation actions across DAERA collated to support Future Generations work.</p>
By 31 March 2020 achieve 5,000 ha of terrestrial protected areas under favourable management. This will contribute directly to the delivery of PfG Outcome 2 indicator associated with protecting biodiversity.	<p>Achieved.</p> <p>5,983 ha of additional land now under favourable management.</p>
By 31 March 2020, help protect the environment by providing effective and efficient regulation and enforcement to regulated businesses and industry, aiming for 90% compliance with all authorisations and regulatory requirements using agreed compliance assessment methodology.	<p>Achieved.</p> <ul style="list-style-type: none"> • Total Inspected - 2,521 • Total compliant - 2,334 • Total not compliant - 187 <p>Overall Compliance - 92.6%</p>

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TARGET	POSITION AT 31 MARCH 2020
<p>By 31 March 2020, secure a 5% decrease in Soluble Reactive Phosphorus (SRP) against the average in order to support the draft Programme for Government Outcome 2 indicator (improve water quality) and the 2021 EU Water Framework Directive water quality status target.</p>	<p>Not achieved.</p> <p>Programme for Government Indicator for River Phosphorus due for publication 28 May 2020 in the Northern Ireland Environmental Statistics Report. The annual SRP monitoring for 2018 year showed an increase of 3%. Monitoring of rivers and lakes, catchment work, pollution investigations and engagement and partnership working with key stakeholders is continuing.</p> <p>In December 2019 the Department launched a public consultation on Significant Water Management Issues to help inform future measures on improving water quality.</p>
<p>By 31 March 2020, have 200ha of new woodland supplying a range of ecosystem services and supply at least 400,000m³ of sustainable timber to industry.</p>	<p>Achieved.</p> <p>202.1ha of woodland created and 410,948m³ of sustainable timber supplied to industry.</p>

Strategic Outcome 3 - A thriving rural economy, contributing to prosperity and wellbeing.



Summary

Rural Dwellers	150 Full-Time jobs	Equine Report	Rural Policy Framework	Equine Strategy
TARGET		POSITION AT 31 MARCH 2020		
By March 2020, in partnership with government bodies and organisations, 45,000 rural dwellers to benefit through the development and implementation of measures to tackle rural poverty and social isolation.		Achieved. 178,677 beneficiaries recorded to date.		
By March 2020, create 150 full time equivalent jobs in rural areas using the LEADER component of the Rural Development Programme.		Achieved. 220 full time equivalent jobs created.		
By 31 March 2020, have developed and consulted on a draft rural policy framework for NI which has been informed by working collaboratively across government and with external stakeholders.		Not achieved. This was due to absence of the Executive. External Stakeholder engagement carried out. Reports from 5 main working groups. Consultation for Rural Policy Framework planned for Summer 2020.		
By 31 March 2020, prepare an Equine Strategy and Action Plan, following publication of a report commissioned to analyse the economic value of the equine industry in NI, including identifying areas with the potential for growth and development.		Not achieved. Due to the diversion of resources to deal with EU Exit priorities work was unable to progress as intended.		
By 30 June 2019 take receipt of the report commissioned to analyse the economic value of the equine industry in Northern Ireland, including identifying areas with the potential for growth and development.		Achieved. The report was received by the Department on 28 June 2019.		

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Strategic Outcome 4 -
A well led, high performing
organisation focused on
outcomes.



Summary

Advance Payments	Bovine Births	Online Satisfaction Rating	Science Transformation	Green: EU Exit
ISO 27001	Estate Transformation	Online Transaction	Provisional Outturn	DAERA People Strategy
Heads of Profession	Withdrawal Agreement	Performance Management	Veterinary ICT	NIFAIS
Employee Engagement	Sickness Absence			

TARGET	POSITION AT 31 MARCH 2020
Make advance payments to 90% of eligible Direct Payment applicants (€140m and 20k applicants), and by 31 December 2019, make payments in full to 95% of eligible Direct Payment applicants (€280m and 22k applicants).	Achieved. 99% of eligible farm businesses received an advance payment in October/November with a total of £195.4m paid out and 99% of eligible claims received balance payments on 2nd December 2020 and additional £87m. A total of £284.3m paid to 23,856 farm businesses.
By 31 March 2020 the percentage of bovine births registered by MC1 paper notifications will be below 20%.	Achieved. Target on calf birth registrations notified to be below 20% was achieved. Final figure 18.8%.
To achieve a 4 star (80%) satisfaction rating or above from customers on quality of online services throughout 2019-20.	Achieved. Current rating across online services 87% or 4.3 star rating final rating figures.

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TARGET	POSITION AT 31 MARCH 2020
By 31 December 2019, to have agreed the programme plan for the science transformation programme including incorporation of the findings of the science scoping study and AFBI review; and by 31 March 2020, to have sufficiently progressed the design specification and planning permission application for the veterinary sciences new building, in preparation for the Integrated Supply Team (IST) tender to commence in November 2020.	Achieved. The DAERA Science Strategy Framework is being finalised in preparation for Ministerial approval.
To ensure that by EU Exit day we have in place appropriate contingency measures for a 'reasonable worst case' scenario.	Achieved. Contingency measures were ready but not required following the acceptance of the Exit deal.
By 31 March 2020 to have completed an Options Analysis & Business Case and begun procurement for VSAHG's Information and Communication Technology (ICT) needs to 2025.	Not achieved. Options Analysis completed by NI Food and Animal Information System (NIFAIS) Programme Team Summer 2019. "ICT Needs" Business Case under development.
To demonstrate General Data Protection Regulations (GDPR) and cyber security compliance through achievement of formal International Organisation for Standardisation (ISO) 27001 information security certification for priority systems by 31 March 2020.	Achieved. ISO 270001 security certification achieved on 21 February 2020.
By 30 September 2019 have established the Estate Transformation Oversight Board (ETOB) and have agreed year 1 of the DAERA estate transformation programme.	Achieved. ETOB established in year and interim estate transformation programme agreed.
To move 125K transactions from paper to online channels by 31 March 2020.	Achieved. 125,380 transactions moved from paper to online.

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TARGET	POSITION AT 31 MARCH 2020
Provisional Resource and Capital outturn to be between 99% and 100% of Final Budget for 2019-20.	Achieved. Resource Provisional Outturn of 99.8% and Capital Provisional Outturn of 99.2%.
By 30 June 2020 to have concluded development of NIFAIS Cattle Disease Control, Movement etc software; while maintaining Animal and Public Health Information System (APHIS) services in a secure manner.	Not achieved. The Department continues to engage with the supplier to resolve the issues in delivery.
Throughout 2019-20, develop and refine strategic deal issues such as repatriated policy, common frameworks, legislation, future funding, and operationalisation of the Withdrawal Agreement through liaison with Departmental officials, the wider NICS, Whitehall Departments and regular engagement with key stakeholders.	Partially achieved. A significant amount of work has been undertaken to date across the Department on all these issues and engagement with NICS and United Kingdom Government (UKG) Departments remains productive. DAERA Exit governance structures have been revised to focus on planning for a Deal scenario and guide the future strategic direction of the Department post Exit. Significant concerns remain over the potential implications for the Department arising from the RoI/NI Protocol and DAERA's ability to deliver a fully operational regime by the end of 2020.
By 31 March 2020, achieve a 5% increase in the DAERA Employee Engagement Index score (from 55% to 60%) through the implementation of actions detailed in the DAERA People Strategy Action Plan.	Not achieved. The Department achieved an Employee Engagement Index score of 58%. Whilst the target of 5% was not achieved this represents an encouraging improvement against the overall NICS rate of 51% (which did not increase from the previous year).
By 31 March 2020, to have implemented actions detailed in the DAERA People Strategy Action Plan.	Achieved.

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TARGET	POSITION AT 31 MARCH 2020
By 31 March 2020, reduce sickness absence (based on average days lost per person) by 10%. The opening baseline will be reported in due course when it is provided by NICS Human Resources (HR)/NISRA.	<p>Not achieved.</p> <p>Based on the latest NISRA projections the Department will achieve an outturn of 9.9 working days against a target of 9.27 days</p>
<p>Performance management compliance</p> <ul style="list-style-type: none"> • By 31 May 2019, achieve 90% completion of 2018-19 End of Year Reviews. • By 30 June 2019, achieve 90% completion of 2019-20 Personal Development Plans; and • By 31 October 2019, achieve 90% completion of 2019-20 Mid-Year Reviews Personal Development Plans. 	<p>Partially achieved.</p> <p>96.3% completed</p> <p>92.9% completed</p> <p>89.2% completed</p>
By 31 December 2019, DAERA Heads of Profession will have developed plans for the professional and technical training and development of relevant staff.	<p>Achieved.</p> <p>Professional and technical training plan are in place for all branches where appropriate.</p>

Performance Analysis

The following were the key issues for the Department during the 2019-20 year:

COVID-19

DAERA is at the heart of our society and during these challenging and unprecedented times it was imperative that the Department's contingency planning arrangements ensured the continuation of the delivery of quality public services during the COVID-19 pandemic.



The Department was and remains committed to maintaining the safe delivery of essential services, working in new ways to deliver for the citizens of Northern Ireland, while making every possible effort to protect the health and well-being of our staff, our customers and the general public.

In line with the wider NICS, DAERA's Top Management Team (TMT) met daily to review and plan the Department's response to the ever changing situation and implemented the Department's Major Emergency Response Plan (MERP). They also actively engaged and continue to engage with industry and stakeholders to determine how best to work collaboratively to mitigate the impacts of COVID-19.

The priority of the Department was to work together across the system and by doing this was able to provide 30 powered respirator units, provided veterinary resources to assist with COVID-19 contact tracing and our CAFRE has made over 20,000 coveralls and other PPE available to the Health and Social Care Trusts. DAERA's AFBI has assisted the health service in testing up to 1,000 samples a day from suspect COVID-19 cases via a newly established consortium with Queen's University Belfast and Ulster University.

The way departmental staff are working has also changed rapidly with the vast majority of staff working at home and will change again as COVID-19 restrictions are reduced and removed. Analysis work within the Department has highlighted that by working at home this is saving approximately 55,000 commuter miles a day within the Department, with major benefits to our environment. This equates to approximately 2 million miles over the first 35 days of lockdown or 445 tonnes of CO₂. It would take 500 trees 40 years to absorb this level of CO₂. In the 2019-20 reporting impact on staff absence levels was minimal. At the year end approximately 1.7% of staff were absent either due to special leave or COVID-19 related sickness.

The Department has been successful in securing an additional £30.3m COVID-19 funding for the 2020-21 financial year as at 18 May 2020. £25m has been allocated to market interventions in the agri food sector. This will help deal with short term issues that substantially threaten otherwise viable businesses. £3.8m has been allocated to help cover higher waste collection, treatment and disposal costs in councils. This funding will also help support the additional costs of implementing social distancing measures and ensure that staff across councils are able to fulfil critical roles in a safe environment.

A £1.5m support package has also been secured for the fishing sector and will help the fishing fleet to cover their fixed costs for three months.

Going forward DAERA will have a major role to play in the economic growth of our society especially in helping to overcome the impacts of COVID-19. We have the opportunity in the aftermath of this crisis to be forward thinking in our approach and to be at the forefront in stimulating and supporting sustainability in agri-food, fisheries and forestry sectors.

EU Exit

The Department is uniquely placed to promote prosperity across NI by supporting a competitive, regionally balanced economy and sustainable environment. The sectors that fall under DAERA's areas of responsibility are very significant in relation to the NI economy.



They include environment, agriculture, forestry, fisheries, animal health and rural society. Together they play a key role in underpinning the social and economic fabric of rural communities. These sectors are currently heavily supported by funding from the EU.

It is essential that DAERA remains equipped to support the agri-food sector which is vital to the local economy. This is a sector that has an annual turnover of £5 billion and supports well in excess of 100,000 jobs either directly or indirectly.

During the last year the EU Exit Contingency Planning team coordinated DAERA's responses to a range of No Deal preparations related to EU withdrawal. The core work concerned DAERA operational readiness as well as agri-food and fisheries industry readiness for the various deadlines and extensions to Article 50 in March and April 2019 and also on 31 October 2019. Additional operational preparations, including staff recruitment as well as exercising was undertaken. Also, a series of industry focused workshops were held across NI in September and October 2019 in order to assist business preparations.

DAERA's preparations for the UK's exit from the EU included the development of an operational delivery model for field delivery of thousands of export health certificates (EHCs) daily, development and delivery of a new IT System (DAERA Export Certification Online (DECOL)) for exports of animals and animal products from NI and the delivery of a significant number of Statutory Instruments amending legislation.

Post 31 October 2019, as the focus moved from No Deal to Deal planning, a new focus for organisation and preparation emerged on No Trade Deal operational appreciations. This focus allowed the establishment of a new DAERA Transition Programme in January 2020 to focus on planning for a Deal scenario and guide the future strategic direction of the Department post EU Exit, whilst still maintaining No Trade Deal readiness. At 31 March 2020 DAERA had 295 staff working in EU Exit posts.

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Successfully managing transition pre and post EU Exit provides a significant challenge for the department. Work is ongoing to ensure that the Department is able to deliver the best deal possible and discharge its duties effectively. As a start DAERA has secured £293m for Farm Support Direct Payments from Her Majesty's (HM) Treasury in 2020-21 which maintains the funding received in 2019-20.

Sustainability



In the United Nations (UN) Sustainable Development Summit in September 2015, world leaders adopted Transforming Our World: the 2030 Agenda for Sustainable Development which includes a set of 17 Sustainable Development Goals (SDGs) and 169 associated targets to end poverty, fight inequality and injustice and tackle climate change by 2030. The goals and targets came into effect on 1 January 2016 and cover a wide range of areas which cut across the work of all government departments. Work has been undertaken to provide cross departmental input to the UK Voluntary National Review on the UN SDGs.

Key sustainable development actioned throughout DAERA is summarised as follows:

- in February 2020 DAERA Minister Poots MLA and Permanent Secretary, Dr Denis McMahon, launched the revised DAERA Purpose of, Sustainability at the heart of a living, working, active landscape valued by everyone. The Minister commented: "This sustainable approach creates a healthy environment to live in, enhanced profitability for the wider agri-food, forestry and fishing industries and improves economic and social wellbeing;"

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- continuation with the rollout of the Sustainable Agricultural Land Management Strategy (SALMS) which has included ongoing evaluation of pilot projects for soil testing and nutrient management plan training, including an ongoing one year soil analysis training survey which will be evaluated to inform future Agri Environmental policies;
- through the enforcement of the NI Cross-Compliance requirements for those in receipt of direct agricultural support (including Direct Payments), the Department contributed to maintaining land in good agricultural and environmental condition;
- through the work of the NIEA we have achieved a household waste recycling rate, up to 31 December 2019, of 52.3%. This is an increase of 2.3 points on last year;
- continued roll out of the Northern Ireland Rural Development Programme (NIRDP) 2014-2020 in line with the Europe 2020 strategic objectives of smart, sustainable and inclusive growth, incorporating action on climate change as a cross-cutting objective;
- DAERA's agri-environment scheme, the EFS, opened for applications in 2017. After 3 tranches there are 4,963 agreements in place and further application tranches are planned;
- the Department launched a public consultation on a future Northern Ireland Environment Strategy, received 2,500 responses;
- The Unified Communication and New Ways of Working Project within DAERA, aims to promote the use of different methods of communication technologies. This has identified that reductions in staff travel due to enhanced technology usage has resulted in a projected saving in the region of 770 tonnes of CO₂ per annum (based on an average diesel car). It would take approximately 3,850 trees per annum to reduce the same amount from our atmosphere. In the 2019-20 financial year the Department made on average 1,400 video conferencing calls per month;
- the UK government has now legislated to achieve Net Zero greenhouse gas emissions target by 2050 and DAERA is continuing to collaborate across central and local Government on how we achieve this;
- development of a draft Clean Air Strategy public discussion document;
- development of long term management plans for fisheries in the Irish Sea continued by working with the UK Fisheries Administrations and the Commission;
- the Forest Service afforestation programme continues to provide a range of ecosystem services including carbon capture to mitigate climate change including 202.1 hectares of woodland created to supply a range of ecosystem services. During the year and in the promotion of forest expansion, it grant aided the planting of 144ha of new woodland under the NIRDP and planted a further 56ha of Forest Service estate;

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- the Ammonia Reduction Project Board has been working with stakeholders to develop an Ammonia Action Plan which will deliver tangible and sustained reductions in ammonia. A series of measures for ammonia reduction have been developed and a consultation on a comprehensive approach to ammonia is currently ongoing; and
- the Department ensures that its procurement activity meets the best practice levels set out in the DoF guidance on Equality of Opportunity and Sustainable Development in Public Sector Procurement.

Digital Transformation

The three year DAERA Digital Transformation Programme (DTP) commenced in April 2019, aiming to deliver better public services to all our customers and service users, and providing 24/7 access to a wide range of online DAERA services and data.



Year 1 of the programme (2019-20) aimed to move 125,000 transactions from manual to online channels, deliver DAERA wide alignment with ISO 270001 Information security standards, deliver phase one of an online environmental controls system and establish a secure authentication and verification service, aligned with the wider NICS digital transformation.

Each of the key Year 1 targets have been fully achieved. DAERA has introduced an information security management system that adheres to ISO 27001 standards and has gone on to successfully achieve ISO 27001 accreditation for the Paying Agency areas of the Department. DAERA is the first Department within the NICS to successfully achieve ISO 27001 certification. This gives our customers confidence that when they apply to funding streams managed by the Department, they can be reassured that the information they provide is securely protected and only used on well managed digital platforms within a secure network. By the end of year three of the Digital Transformation programme, the target is to deliver 1.6 million online transactions per annum.

Estate Transformation

During the 2019-20 year to support the work of the Department's Estate Transformation Division (ETD) an ETOB was established within the Department as a sub-committee of the Departmental Board.



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

Common Agricultural Policy



The Department administers Direct Payments to farmers under CAP support schemes. These schemes, which include the Basic Payment, the Greening Payment and the Young Farmers Payment, are fully funded by the European Commission. During 2019 we maintained our focus of maximising the use of technology with 100% of applications made online. NI remains the only region to deliver advance payments. In 2019, the target to pay 90% of applicants an advance was surpassed, with 99% of eligible applicants receiving a payment.

We have now made full payments to 99.6% of eligible claims for Basic Payment and Greening. Where successful application to the Young Farmers Payment has been confirmed, this has also been paid. This is a significantly better payment performance than any other region within the UK. 1,260 businesses were selected for the 2019 controls campaign and these inspections have been completed. In 2019 the target to have at least 50% of On the Spot Checks (OTSC) cases paid by December was exceeded, with 96.9% of OTSC cases being paid by this time. At the end of March 2020, payment has been finalised for 99% of OTSC cases. In December 2019, payments commenced for the EFS. By the end of March 2020, payment had been released to 90.9% of cases. These payments equated to £15.8m.

Area Aids Disallowance

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

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

Supporting Local Industry and Rural Society

Tackling Rural Poverty and Social Isolation (TRPSI)

The Department manages a TRPSI Programme. Through the TRPSI funded Community Development Support Service Programme, support has been provided through six contract holders to some 1,200 rural community groups operating across Northern Ireland. This has included support for 7,500 individuals and communities, including farmers and farm families. The Community Development programme also aims to increase capacity and leadership in rural communities.

The majority of TRPSI funded initiatives are delivered in partnership with other Departments, Agencies or Councils and this has helped in leveraging in extensive additional funding to rural areas to address a range of poverty, isolation and health and well-being issues. This illustrates the strength in partnership working to resolve rural issues and also the ability of this work to lever in additional funding for rural areas. Work continues to develop existing and new initiatives.

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During 2019-20, intervention on the ground continued through a number of initiatives depicted as follows:



DAERA Direct

The DAERA Direct offices provide local admin support to DAERA business areas such as: VSAHG, Countryside Management Unit (CMU), Grants & Funding staff and CAFRE Advisors. The 12 office DAERA Direct network was established around 10 years ago to improve the delivery of the Department's services to its customers. It also provided more choice of how, when and where the customer can access the Department's services.

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During 2019-20 in the DAERA Direct Offices:

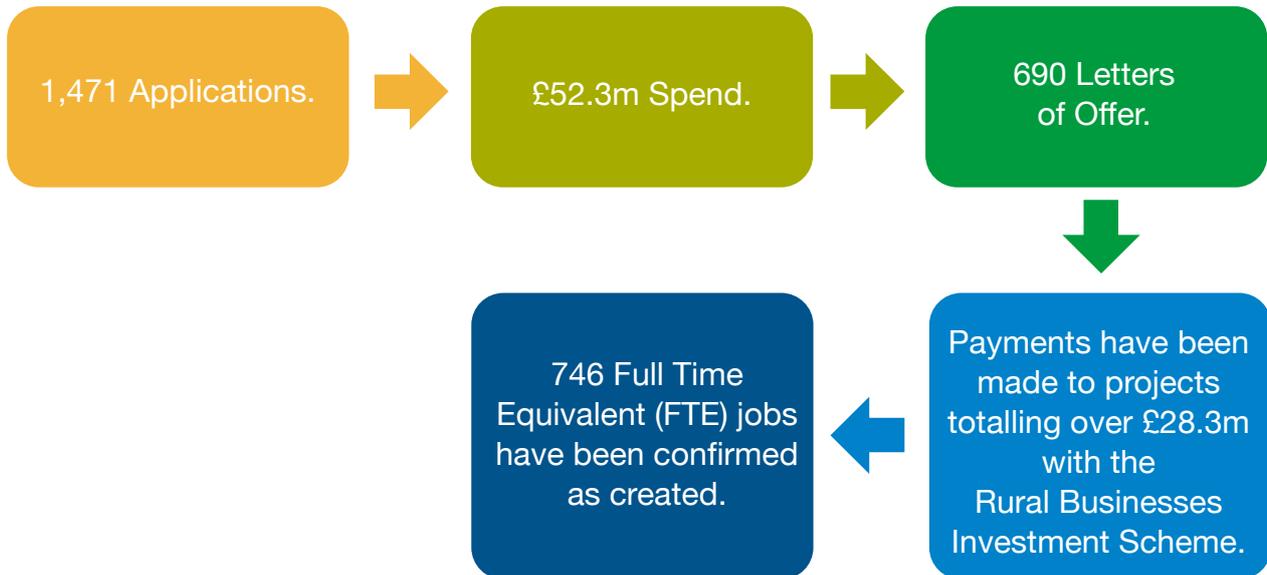
<p>Queries</p> <ul style="list-style-type: none"> • 20,564 Basic Payment Scheme (BPS). This includes 3,600 Digital Assistance appointments, telephone calls and queries at the front counter. Some customers may have availed of multiple appointments. • 160,000 Frontline Customer Transactions were conducted. These include queries at the counter, receipting documents etc. • 1,836 Environmental Farming Scheme including 570 Digital Assistance appointments for the Sept 2019 Wider Scheme. 	<p>Edits</p> <ul style="list-style-type: none"> • 79,358 - Map edits were carried out. Mainly as a result of (BPS) and EFS inspections but also due to Farm Notified Changes (FNCs). 	<p>Processed</p> <ul style="list-style-type: none"> • 215,000 documents in relation to the identification, registration and movement (IRM) of cattle & sheep. • 40,000 TB tests & 6,000 BR test results. • 18,000 Export Health Certificates.
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Rural Development

Support is included for LEADER measures, a bottom up approach being delivered by Local Action Groups (LAGs) with administrative support from Councils. The key themes under LEADER focus on:

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

To date the LEADER Programme has received:

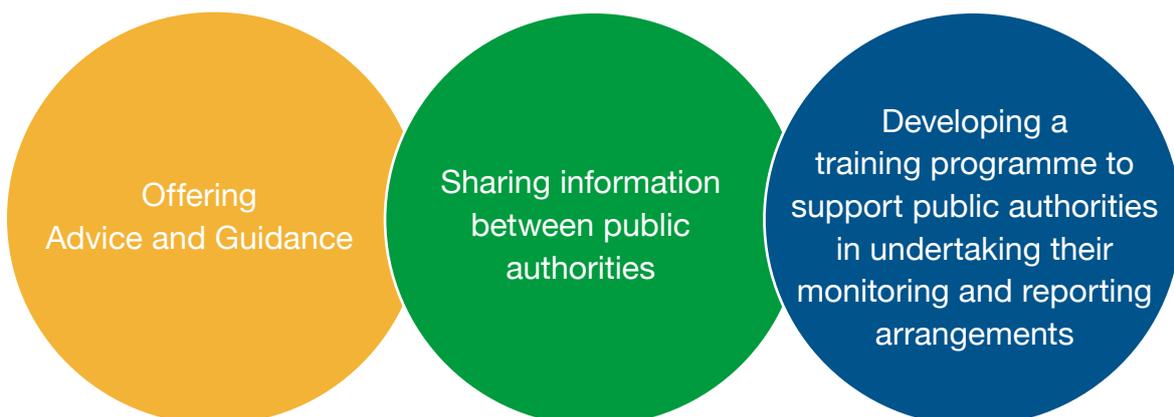


Under Rural Development support is also provided for the Rural Tourism Scheme, the aim of this scheme is to create unique and innovative visitor attractions in rural areas to encourage visitors to dwell longer and therefore possibly increase overnight stays. To date twelve applications have been approved to receive funding totalling £5.9m.

Rural Needs Act

The Rural Needs Act (NI) 2016 (the Act) requires policy makers and public authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services.

To meet its obligations DAERA has completed Rural Needs Impact Assessments for the 2019-20 year. The Department has a number of additional responsibilities under the Act such as providing advice, making arrangements to secure co-operation and exchange of information between public authorities and publishing an Annual Report. The department continues to offer a range of support measures to assist public authorities in implementing the legislation effectively. These include:



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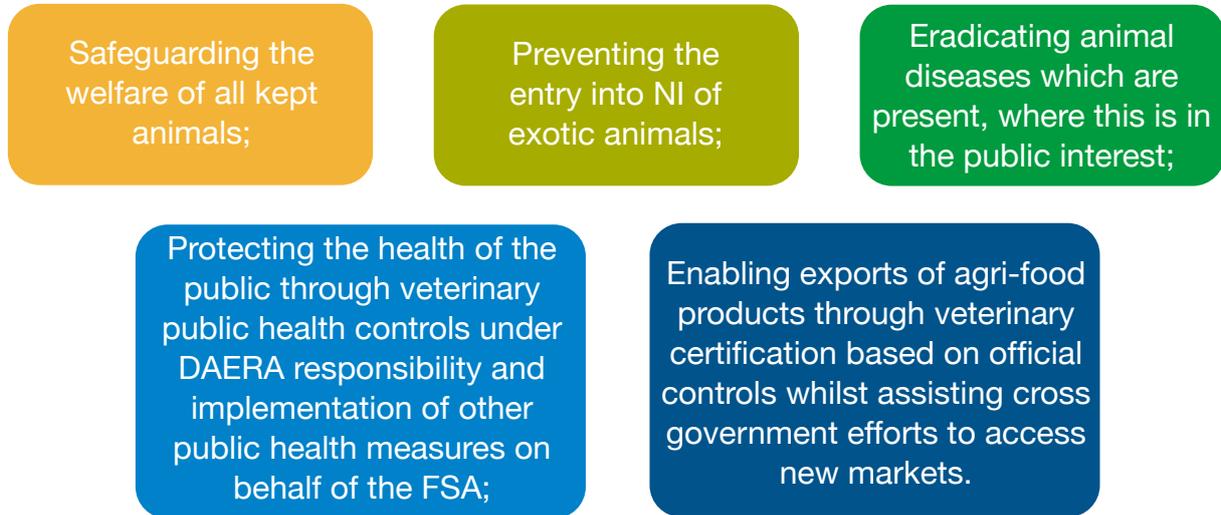
College of Agriculture, Food and Rural Enterprise

CAFRE continues to deliver Education and Knowledge Transfer programmes across the agri-food industry to people entering (students) and people within the industry. The programmes are delivered on a part and full-time basis across the disciplines of agriculture, horticulture, food, equine and agri-food business. During 2019-20:



Veterinary Service and Animal Health Group

The principal activities of VSHAG are as follows:



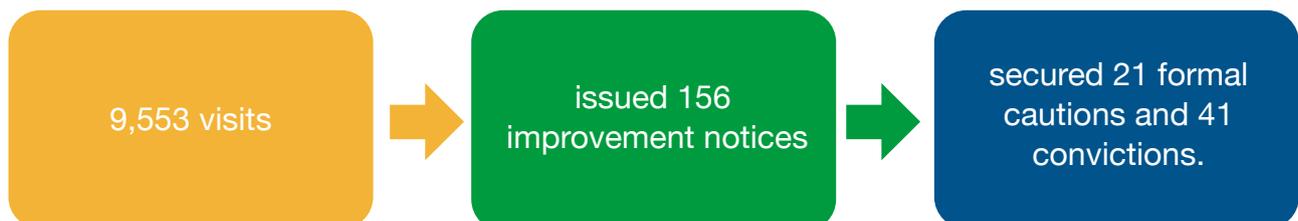
Some of the major performance and outcomes included:

Welfare of Animals

The third annual animal welfare report was published in December 2019 and provides details of how the three welfare enforcement agencies, local councils, the Department and the Police Service of Northern Ireland (PSNI), perform their role. During 2018 (the last complete year for which statistics are available) the Department undertook:



Councils undertook:



In addition, the Department continues to work with the relevant public bodies and build relationships with the charity and voluntary sector to raise public awareness of animal welfare needs in NI.

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Control of Bovine Tuberculosis (bTB)

The latest statistics show a 17% reduction from the high point in November 2017 and has occurred since DAERA introduced additional testing measures in March 2018, including an increased application of the severe interpretation of the bTB skin test. These lower disease levels have contributed to a reduction in NI bTB compensation costs.

Work has also been progressing on the development of a new bTB Eradication Strategy for NI. In August 2019, four of the six themes were approved at Departmental level, with proposals for a potential wildlife intervention and compensation reduction remaining for Ministerial consideration.

Avian Influenza

In December 2019 low pathogenic AI of the H5N3 strain was confirmed at a commercial chicken farm in Mid Suffolk, resulting in restriction zones around the affected area. Trading restrictions on poultry and poultry products between Great Britain (GB) and NI were applied as a precautionary measure until the restrictions in GB were lifted.

From January to March 2020, 15 cases of non-notifiable avian flu (H6N1) were detected in NI. While this was the less serious strain of avian influenza, it still had significant impact on the affected flocks and DAERA provided advice and assistance to farmers in mitigating the impact and preventing further spread of the disease.

Antimicrobial Resistance (AMR) - Actions from Northern Ireland AMR Action Plan

The NI AMR Action Plan - "Changing the Culture 2019-2024: One Health" was published in May 2019. It was officially launched at the Balmoral Show by the Chief Veterinary Officer, Chief Medical Officer and the Director of the FSA. This 'One Health' action plan encourages the responsible use of antimicrobials, particularly antibiotics in human medicine, in veterinary medicine, in food producing animals and in pets. The plan also highlights the need to address the spread of AMR in the environment.

The Department continues to work towards meeting the commitments which are detailed in this Action Plan. This includes the establishment of a DAERA AMR Governance Group, DAERA AMR Project Board and the continued engagement with the AMR Stakeholder Forum.

The UK Veterinary Antimicrobial Resistance and Sales Surveillance (VARSS) Report for 2018 (published in October 2019), which calculates sales of antibiotics, confirmed that the UK agriculture sector has achieved the set target of a 25% reduction in antibiotic use between 2016 and 2020 - two years ahead of schedule.

NIFAIS (the replacement for APHIS)

Delivery of NIFAIS is behind schedule. Design, development and testing of the software has been more difficult than originally anticipated. The Department is engaging closely with the contractors to look at how the technical and delivery issues that have hindered delivery of the Programme so far can be overcome.

Work on the Programme has been temporarily put on hold to facilitate this and to consider options around future delivery. The Department fully intends to deliver a viable product that meets the Department's and agri-food industry's needs and provides value for money to the Department and the taxpayer.

Other performance items to note for the 2019-20 financial year are:

- the new EU Official Controls Regulation (2017/625) (OCR) was introduced in December 2019;
- portal staff seized almost four tons of products of animal origin, and almost one ton of illegal plant imports;
- completion in excess of 6,000 official control inspections across the dairy, poultry (eggs) and animal feed sectors of the food supply chain, interacting with over 4,000 businesses. This work underpins the competitiveness of the local NI Agri-food Sector and provides the necessary assurances to all trading partner; and
- cross-governmental Strategy Steering Group has been established with membership from across central government departments in order to consider the findings and recommendations of the Deloitte Analysis on the Equine Industry.

Environment

DAERA's work recognises the vital importance of sustaining the environment that we all share. This is reflected in the draft PfG Outcome 2: we live and work sustainably - protecting the environment. Key indicators on climate change, recycling, sustainable transport (DfI), air quality, water quality and biodiversity are being used to assess how we are doing against this outcome and during 2019-20 DAERA continued to progress its delivery plans for the environmental indicators. Further details are available at: <https://www.executiveoffice-ni.gov.uk/publications/outcomes-delivery-plan-december-2019>

During 2019-20 DAERA began the process of developing an Environment Strategy for Northern Ireland. In May 2019 an interactive stakeholder event was held incorporating business, the voluntary and community sector, local government and environmental organisations. The output from this event helped inform the Department's public discussion document which was launched in September 2019 and generated nearly 2,500 responses from across society which are now being considered.

Climate Change

Northern Ireland Climate Change Adaptation Programme 2019-2024

Climate change is a global challenge and during 2019-20 DAERA has been continuing to respond to this - in September 2019 DAERA published Northern Ireland's second Climate Change

Adaptation Programme. This provides an integrated cross departmental response to the potential risks and opportunities which we face from our changing climate with particular focus on the priority areas identified as requiring urgent adaptation action over the next five years.

The UK government has now legislated to achieve Net Zero greenhouse gas emissions target by 2050 and DAERA is continuing to collaborate across central and local Government on how we achieve this - individuals and organisations, public and private sector must all play their part.

Environment Bill

The UK Government and Devolved Administrations launched a public consultation on the Future of UK Carbon Pricing on 2 May 2019. This consultation was seeking views on a UK scheme that would replace the EU Emissions Trading Scheme (ETS) upon leaving the EU whilst remaining committed to achieving climate change goals and maximising economic growth. DAERA has been working closely with the Department for Business, Energy and Industrial Strategy (BEIS) and the other Devolved Administrations to develop a UK ETS, to be in place by January 2021.

Throughout 2019-20 DAERA has worked closely with Defra counterparts to have Northern Ireland provisions included in the UK Government's Environment Bill. This Bill provides a legal framework for environmental governance and accountability once the UK leaves the EU and implementation of the Northern Ireland provisions will be a matter for Northern Ireland Ministers and the Assembly.

Waste and Recycling

During 2019-20 the Northern Ireland household waste recycling rate for 2018-19 was confirmed as 50%, which meant the Northern Ireland Waste Management Strategy household waste recycling target of 50% by 2020 has been met. Further progress continued to be made with the latest provisional estimate showing that the 12 month rolling household waste recycling rate up to 31 December 2019, was 52.3%.

In support of Programme for Government and the Waste Management Strategy, DAERA has continued to collaborate with stakeholders on a number of initiatives:

- DAERA launched the 3 year £23m Household Waste Recycling Collaborative Change Programme in June 2019. This programme allows local councils to further increase recycling rates and improve the quality of recycling thereby realising benefits for the environment and the local economy.
- During 2019-20 £3.45m of this funding was allocated to 3 councils for 4 projects to improve household waste recycling centres. It is estimated that these 4 projects will deliver annually an additional 7,500 tonnes of recycling and 7,821 tonnes of CO₂ savings.
- WRAP, through its DAERA funded delivery plan and in partnership with local councils, delivered a number of recycling communications campaigns during 2019-20 with a focus on paper, card, plastics and food waste.
- The Keep Northern Ireland Beautiful (KNIB) Tackling Plastic Project, which DAERA has continued to fund and support in 2019-20, developed and delivered workshops, toolkits and other resources on single-use plastics for schools, businesses and local councils. KNIB also delivered public-facing information campaigns and used a variety of communication methods to reach a total of 350,000 people, including a social media campaigns that had a total of 1.4 million impressions.
- DAERA co-designed an educational theatre piece with the Lyric Theatre dealing with the issues of litter and plastic pollution and then funded the Lyric to deliver it to 2,350 primary school children throughout Northern Ireland.
- DAERA published a Waste Management Plan in December 2019 and a Waste Prevention Programme in January 2020 in line with the requirements of the revised EU Waste Framework Directive 2008.

Carrier Bags

DAERA published the annual Carrier Bag Levy validated statistics in August 2019 for year 6 of the levy (2018-19) which showed that a reduction in bag numbers of 68.8% was achieved compared to the baseline figure of 300m bags in April 2013. The Department will publish validated statistics in August 2020 for year 7 (2019-20). Since implementation, the levy has already delivered the removal in excess of 1.2 billion bags from circulation.

Air Quality



Throughout 2019-20 DAERA has been developing a draft Clean Air Strategy public discussion document. Officials have been collaborating with other Departments and are moving towards finalising the draft discussion document with the intention of issuing it for public consultation to seek views on a wide range of matters.

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Development work has also continued on a comprehensive action plan to achieve sustained and tangible reductions in ammonia emissions with a consultation expected during 2020-21 following the conclusion of the review of operational protocol on planning permission for farm development.

Water Quality

DAERA is currently implementing a 6 year programme which aims to have 70% of all water bodies within NI classified as achieving 'Good Status' or better by 2021 under the Water Framework Directive (WFD). An interim update on WFD status in September 2018 showed no overall improvement with 37% at good or better status, and that status in rivers alone had declined from 32.7% to 31.3%.

Despite the ongoing programme of measures to improve water quality further interventions will be necessary to reverse this position and it is essential that these are considered as part of joined up policies on environment, land use, agriculture and economy. DAERA launched a consultation in December 2019 on its Significant Water Management Issues Report to help inform what additional measures should be included in the next cycle of our River Basin Management Plans to address these issues.

Biodiversity

Throughout 2019-20 DAERA has continued to manage nature reserves and worked with partners to deliver additional land that is now under favourable management, helping protect habitats and species utilising funding from the NIRDP 2014-20 and the EU INTERREG VA Programme 2014-2020. Work has also been undertaken on the development of a peatland strategy and taking forward the concept of natural capital.

Sea Fisheries



During 2019-20, all EMFF measures remained open for applications. To date under EMFF a total of £12.4m public funding has been committed to 202 projects. During 2019-20, £2.6m was committed to 66 projects and payments of grants to successful applicants totalled £6.97m.

2020 is the target for all EU fish stocks to be fished at Maximum Sustainable Yield (MSY) levels, therefore the December 2019 Fisheries Council was the last chance to set quotas to achieve this. Based on scientific advice the overall Nephrops Total Allowable Catch had to be reduced which means 15% less Nephrops for our fishing fleet in 2020. However, the Irish Sea herring stock continues to do well and the stock and quota has increased. Scientific evidence submitted by the DAERA and AFBI also led to a sustainable quota being set for Irish Sea cod, which was lower than 2018 but greater than initial proposals.

Marine Environment

A targeted programme of Marine Protected Area designations will be required in future years to meet the Department's obligations under both national and international legislation and agreements. During 2019-20 the Department's focus has been on developing fisheries management measures for marine protected areas and also developing regional management plans through INTERREG VA funding.

This year the Department has also been giving full consideration to representations made by consultees following consultation on a Marine Plan for NI. The Marine Plan (when adopted) will be used by public authorities in taking decisions which affect or might affect the marine area, including authorisation or enforcement decisions, and decisions that relate to the exercise of any function capable of affecting the marine area.

Inland Fisheries

During 2019-20 DAERA's Inland Fisheries team has continued to manage the public angling estate and oversee the sustainable management of this fishery resource. The DAERA Inland Fisheries Community Outreach Team has also continued to work with a wide range of groups throughout 2019-20 to organise events using angling as a vehicle to address a wide range of issues including health, well-being and social exclusion.

Northern Ireland Environment Agency



NIEA is an Executive Agency within DAERA operating within the context of the Department's overall vision, strategic objectives and policies.

The Agency's primary purpose is to protect and

enhance Northern Ireland's environment and in doing so, deliver health and well-being benefits and support economic growth. This purpose remains at the core of the organisation and contributes to DAERA's vision of "*Sustainability at the heart of a living, working, active landscape valued by everyone*".

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

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

Forest Service



Forest Service is an Agency of the Department delivering on the Department's responsibilities for Forestry and Plant Health.

The Forest Service afforestation programme continues to provide a range of ecosystem services including carbon capture to mitigate climate change. Forest Service supplied 410,948 m³ of timber from its sustainably managed forests as a resource for local industry while continuing to enhance the environment and landscape, and extending opportunities for public access for recreation and health benefits.

The Service operates by working in partnership with industry, local government and environmental charities, so that forests continue to meet local needs and involve others in getting best value from publicly owned forests. During 2019-20 Forest Service continued to engage with partners to maximise and build upon the recreational development potential of its forests contributing to the promotion of healthy, active lifestyles. This year Forest Service were pleased to open recreational facilities in Garvagh and Knockmany forests in partnership with Causeway Coast and Glens District Council and Mid Ulster District Council respectively, as well as a childrens outdoor play area in Gortin Glen Forest Park together with Fermanagh and Omagh District Council.

The Service implements a regulatory framework as part of a UK Plant Health partnership, guided by policy, for forestry, plant and bee health, and seed certification schemes to protect the productive capacity of agriculture and forestry. This includes a cooperative approach to relevant plant health to the benefit of our land based industries and the wider environment on an island of Ireland basis.

Forest Service remains focussed on safeguarding the plant health status of our productive land based industries and our wider environment applying updated policies and strategies to deliver in the complex and changing environment of a post EU Exit transitional period. The Agency publishes its own Annual Report and Accounts and a fuller explanation of its performance may be found there.

Protecting Against Emergencies

DAERA is responsible for protecting against outbreaks of animal, fish, and plant disease and has a key role in responding to Food and Feed Safety emergencies. DAERA is the Lead Government Department (LGD) for the response to a radiological or nuclear incident. The Department of Justice are LGD on Chemical, Biological, Radiological and Nuclear (CBRN) planning and preparedness.

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

Human Rights

The Department is committed to respecting human rights. We aim to ensure that the services we provide and the activities that we undertake have a positive impact on society. DAERA also complies with Section 75 statutory equality obligations in the delivery of policy and delivery of services. DAERA's annual report to the equality commission on compliance with its statutory duties for 2018-19 has been endorsed by the Equality Commission for NI. Work is ongoing to prepare DAERA's annual progress report for 2019-20 which will be sent to the Equality Commission by the end of December 2020.

Anti-Corruption and Bribery

In line with the principles of the NICS Code of conduct, the Department is committed to maintaining high ethical standards. DAERA does not tolerate fraud, bribery any form of corruption or any illegal or unethical activity. DAERA's Governance and EU Funding Branch has responsibility for leading on Counter Fraud related matters within the Department. DAERA's Principal Accounting Officer established the Departmental Counter Fraud Forum (CFF) which reports to ARAC. The role of the CFF, which includes representation from the Agency, is to oversee, promote and provide guidance in relation to all Departmental activities associated with the prevention and detection of fraud.

Payment of Suppliers

The Department is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code and British Standard BS 7890: "Achieving Good Payment performance in Commercial Transactions". Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or on presentation of a valid invoice or similar demand, whichever is later. During 2019-20, 96.58% of DAERA bills were paid within this standard (the 2018-19 DAERA figure was 97.00%)

From 1 December 2008, the Department has operated a policy of paying for goods and services within 10 working days. This is in accordance with the "Supporting Businesses: Prompt Payment of Invoices" initiative within the NICS. All Business areas have been informed of the policy and are committed to carrying it out. During 2019-20, 92.01% of DAERA bills were paid within the 10 day target (the 2018-19 DAERA figure was 92.16%).

The Department continues to work closely with the Account NI Shared Service Centre and DAERA business areas to improve the performance in monitoring the payment to suppliers and has taken additional actions to reduce the impact of COVID-19 on supplier payments.

The Department's payment performance for 2019-20 is available at the following link:

https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/NICS%20Prompt%20Payment%20Table%20for%202019-2020_3.pdf

Financial Performance 2019-20

We have had a strong year, successfully delivering our objectives in line with the budget allocation whilst at the same time preparing for the EU Exit, utilising our £13.9m budget for this, and diverting resources to where needed in respect of our initial response to COVID-19.

Robust forecasting has underpinned our outturn for Non Ringfenced Resource Provisional Outturn (PO) of 99.9%, Ringfenced Resource PO of 99.1% giving a total Resource PO of 99.8% and Capital PO of 99.2% for 2019-20. This is in line with our Business Plan Strategic Outcome Target “Provisional Resource and Capital outturn to be between 99% and 100% of Final Budget for 2019-20.” This means that we have been able to maximise our budget to continue to deliver our objectives.

Key achievements:

- continuing with preparations for exiting the EU, making sure the Department has robust plans in place for a smooth and orderly EU Exit including effective arrangements to implement domestic schemes and functions;
- supporting the NI rural economy with: £287m EU CAP grants comprising of the Basic Payment, Greening and Young Farmer Schemes; £31m EU CAP grants mainly from schemes within the RDP and matched with £43m National grants funded from the Exchequer; and £49m of grant in aid to our NDPBs;
- maximising our capital budget in order to invest in information and communications technology to improve our services, carrying out essential development of estate, including improving our education and science facilities. This was achieved by rigorous prioritisation of investment and saw us spend almost 99.2% of our capital budget.

Departmental Resource Accounts are required under legislation and are published on an annual basis. The financial results of DAERA are on pages 111 to 150.

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

The Statement of Assembly Supply (SoAS) shows that our net resource outturn for the 2019-20 financial year was £279m. This consisted of £222m in Departmental Expenditure Limit (DEL), (£10m) in Annually Managed Expenditure (AME) and £67m in Non Budget.

Outturn against Budget Control Totals

Following the conclusion of January Monitoring Stage 2, the Department had the following final budgets for 2019-20 to support the delivery of its strategic objectives:



On Resource DEL there is a £0.40m (0.17%) underspend against a budget of £230.8m. On Capital DEL there is a £0.7m (0.82%) underspend against a budget of £81.7m. This equates to a Total DEL underspend of £1.1m (0.34%) of the Total DEL budget of £312.8m.

The table below shows Resource and Capital DEL Outturn Compared to Budget from 2016-17 to 2019-20 (£m).

	2016-17	2017-18	2018-19	2019-20
Resource DEL budget	216.0	184.1	213.3	230.7
Resource DEL outturn	198.8	183.9	213.1	230.3
Underspend	17.2	0.2	0.2	0.4
Capital DEL budget	38.8	38.9	63.8	81.7
Capital DEL outturn	38.7	38.8	63.8	81.0
Underspend	0.1	0.1	0.0	0.7

Annually Managed Expenditure Outturn against Budget

Particular areas of departmental expenditure are more volatile and difficult to forecast with accuracy beyond a 12 month period. Such items are budgeted for as AME, with the Department having a Final AME Budget of £21.9m. The Provisional AME Outturn of £(9.4m) resulted in an underspend of £31.4m which was mainly due to the £23.6m underspend on the revaluation of Forest Service biological assets and an underspend in the CAP Disallowance provision (£12.0m) offset by a new provision for holiday pay costs (£2.2m).

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Net Cash Requirement

The Department's net cash requirement outturn was £281.1m against an estimate of £300.5m.

Reconciliation of Resource expenditure between Estimates, Accounts and Budgets

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

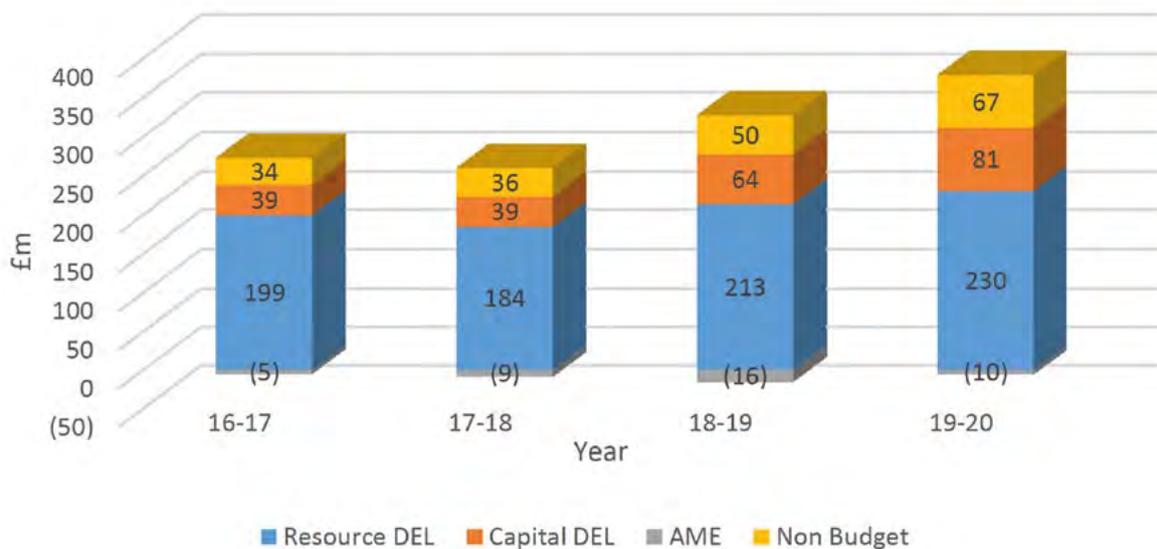
DAERA Resource Allocation	2019-20 £'000	2018-19 £'000
Net Resource Outturn (Estimates)	279,164	260,405
Other Adjustments (unrealised exchange gain)	5	109
Net Operating Cost (Accounts)	279,169	260,514
Less Capital Grants	(53,300)	(50,642)
Less European Union Income related to capital grants	22,923	18,384
Less notional inter-departmental charges	(18,282)	(18,032)
Less non-budget grants payable to NDPB's	(48,713)	(49,507)
Less non-voted expenditure that is outside the Resource Budget	(5)	(109)
Add NDPB Resource Expenditure	39,124	36,935
Resource Budget Outturn	220,916	197,543
Of which:		
Departmental Expenditure Limit (DEL)	230,348	213,058
Annually Managed Expenditure (AME)	(9,432)	(15,515)

Long Term Expenditure Analysis and Trends

The graph below shows the trends in departmental expenditure for the past four years since DAERA was formed at the beginning in 2016-17.

The reduction in 2017-18 related mainly to the release of the CAP Disallowance accrual. The increase in 2019-20 Resource and Capital DEL is explained further below.

Breakdown of Total DAERA Expenditure



Resource DEL includes the administrative costs of running DAERA and programme spend on delivering our outcomes in environmental quality; food, farming, the agri-food sector and biosecurity; EU Exit requirements, marine and fisheries; and natural environment and rural.

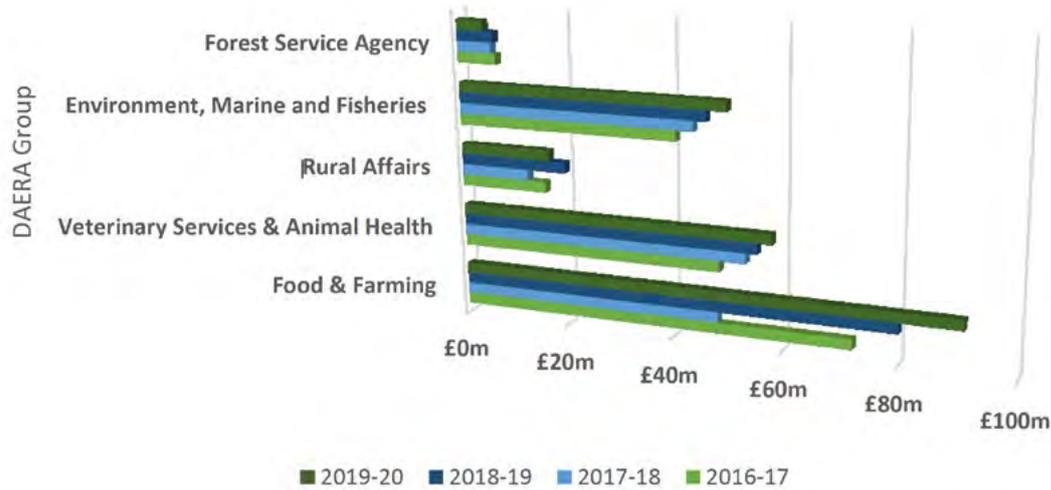
It also includes an allowance for the consumption of our assets over time (depreciation: £24.6m in 2019-20).

Compared to 2018-19 the Resource DEL outturn increased by 8% mainly due to increased expenditure on our preparations for EU Exit (£8.0m), increased Employer Contribution costs (£8.7m) and increased depreciation charges (£1.5m) consistent with increases in capital spend over the last number of years.

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

Resource DEL by Group

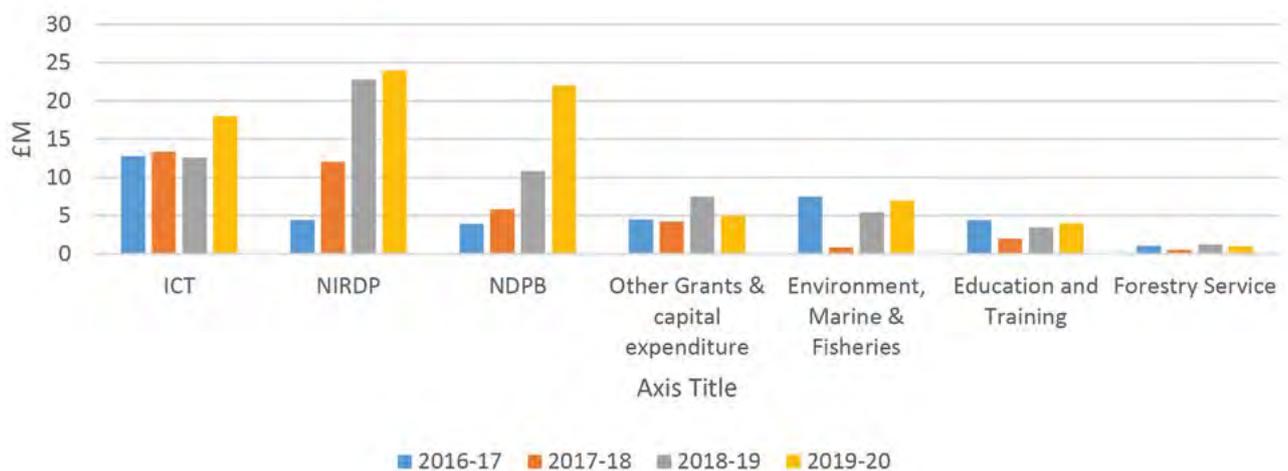


The largest area of spend is within Food and Farming which includes education and grants provided to farm businesses. The increase on the prior year is largely due to increased work in year in relation to EU Exit and payments across a number of grant schemes.

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

A breakdown of capital by expenditure type is shown below:

Capital Expenditure by type



The increase in DAERA's NDPB Capital budget in 2019-20 has primarily been in relation to capital support provided to AFBI for R&D investment and in relation to reduced levels of royalty income in year. Additionally there has been continued increased investment in ICT in year as part of the Department's Digital Transformation programme.

Our gross spending in the economy is actually more than twice the size indicated by our DEL budget, because it includes payments made, mainly to farmers, in respect of CAP and rural development schemes, for which income is received from the EC. This income was £319m in 2019-20.

Budget 2020-21



On 31 March 2020 the Minister of Finance made a Statement to the Assembly on Budget 2020-21. The Resource budget for DAERA rolled over from 2019-20 (£195.5m) with the following additional allocations:

- £18.8m our crucial work in relation to our Exit from the EU and work associated with administering the Protocol;
- £7.0m for additional Employers Pension Contributions;
- £1.8m Confidence and Supply funding for TRPSI programme; and
- £3.0m in respect of other allocations to be allocated by the Minister.

When these additional allocations of £30.6m are added to our rolled forward baseline of £195.5m they provide an opening 2020-21 Resource baseline of £226.1m (excluding EU Replacement Funding). Only the £7.0m allocation for Employers Pension Contributions and the £3.0m Other Allocation have been baselined and will roll forward to Budget 2021-22.

DAERA has also been successful in securing a commitment of £293m confirmed by HM Treasury, of which 95%, i.e. £278.6m was allocated in 2020-21 for Farm Support Direct Payments for the 2020 scheme year. The balance will be allocated at in-year Monitoring Rounds. This funding will provide the same level of support that was previously provided by the EU in 2019.

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The Department has Resource Ringfenced budgets amounting to £25.3 million for depreciation and impairment charges in year. This amount when combined with the Non Ringfenced allocation of £504.7 million gives the Department a total Resource DEL allocation of £530 million for 2020-21.

The Capital budget allocation of £98.5m is the Department's highest ever allocation and will allow DAERA to invest in:

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

These allocations provide a good platform for the Department to continue to undertake its wide range of functions and responsibilities in 2020-21.

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

DAERA Resource Allocation	2020-21
Non Ring-Fenced Resource DEL	504,681
Ring-Fenced Resource DEL	25,345
NET RESOURCE DEL	530,026
NET CAPITAL DEL	98,540

The 2020-21 Opening Baselines above do not include any specific allocation as a result of the Department's response to the COVID-19 pandemic. The Department will continue to liaise closely with the DoF on additional funding that may be required as a result of COVID-19.

Budgetary Outlook

The 'New Decade, New Approach' (NDNA) agreement advises that from 2021-22 the Executive will put in place multi-year budgets (minimum 3 years) where the UK Government has provided multi-year funding. The Executive commits to delivering a balanced budget for Northern Ireland and to take steps to put Northern Ireland's finances on a sustainable footing. It also advises that there will be a multi-year Programme for Government, which this budget will underpin. Given the current constrained economic outlook, Resource pressures will be significant as the Department deals with the additional demands of COVID-19, EU Exit, leads on and seeks to deliver the Programme for Government while faced with pay inflation. A total of £30.3m of specific additional COVID-19 allocations has been received in 2020-21 as at 18 May 2020 in relation to agri food sector support (£25.0m), waste management (£3.8m) and fishery support (£1.5m).

On Capital there is an ongoing need to invest in DAERA's programmes, IT systems, R&D and ageing estate. Whilst there have been comparatively low levels of Capital investment in the past, the Department will be seeking for this to be addressed over the short to medium term and has seen an annually increasing capital baseline since 2018-19.

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



Dr Denis McMahan

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

14 October 2020

Accountability Report

Corporate Governance Report

Director's Report

Departmental Accounting Boundary

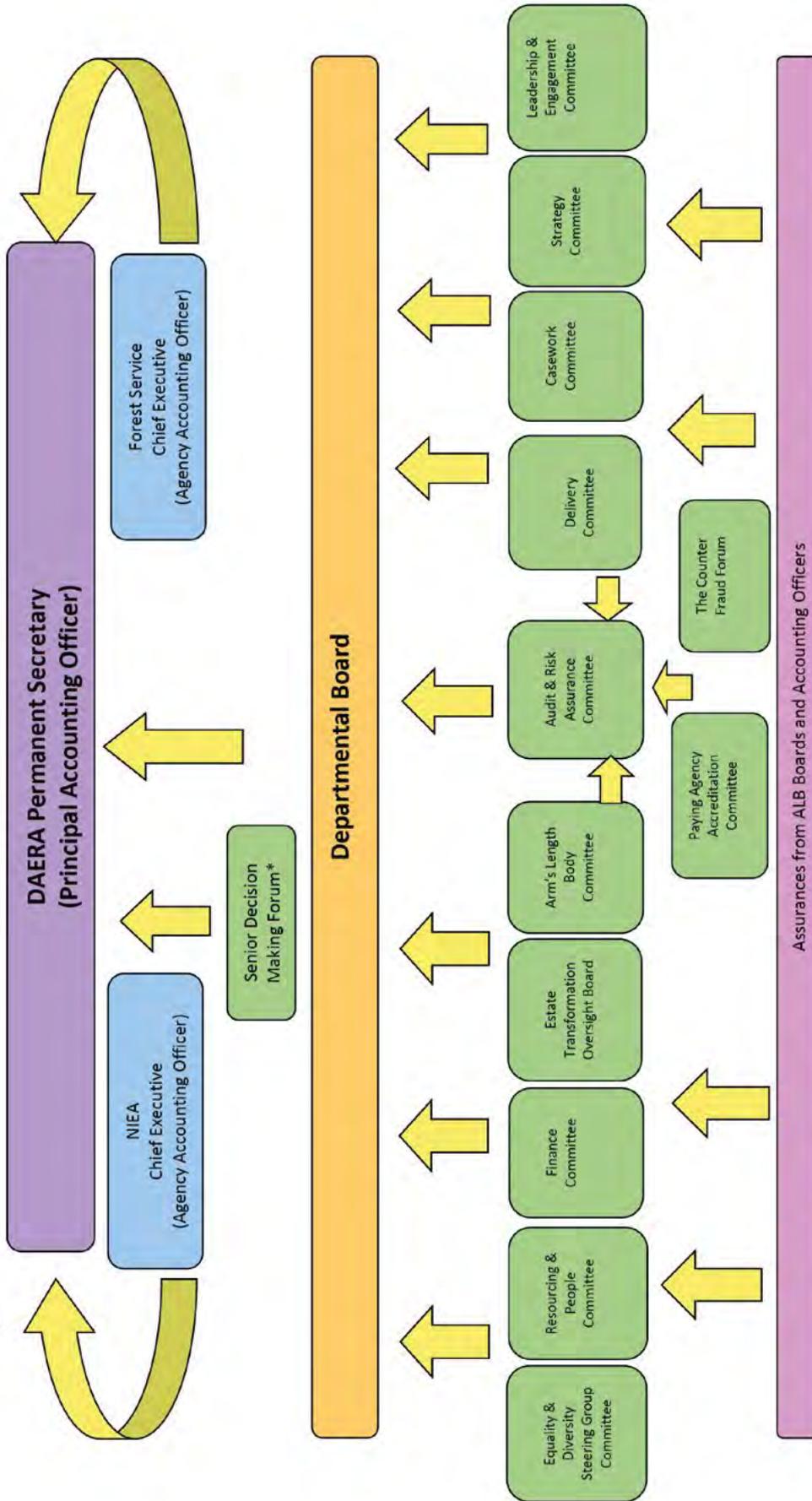
DAERA is a devolved Government Department in the NI Executive. On the 10 January 2020 the Northern Ireland Executive was re-established and Minister Poots MLA was appointed on 14 January 2020. Up until this point the Department had operated without a Minister since 26 January 2017 when the Assembly was dissolved.

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

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

DAERA's Accounts for the financial year ended 31 March 2020 comprise a consolidation of the income and expenditure, assets and liabilities of those entities falling within the Departmental Resource Accounting boundary, being the Core Department, Forest Service and NIEA.

DAERA Corporate Governance Structure



*The Senior Decision Making Forum operated until Minister Poots MLA was appointed in January 2020
** The Arm's Length Body Committee ceased to operate after December 2019 following the centralisation of sponsorship activities and the agreement of the Departmental Board.

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Departmental Board

The Department is headed by its Permanent Secretary, who in 2019-20 was supported by a DB of nine senior DAERA officials, NICS HR Strategic Business Partner and up to two Non Executive Members (NEMs). The Board usually meets at least ten times a year to discuss Departmental business at a strategic level. During 2019-20 year the Board met eight times. Meetings were cancelled due to EU Exit and the COVID-19 situation. During 2019-20, the composition of the Board was as follows:

Dr D McMahon	Permanent Secretary
Mr B Doherty	Senior Finance Director/Central Services and Contingency Planning Group (responsible for Digital Services Division; Corporate Services Division; Finance Division; EU Exit Contingency Planning; and Staff Engagement & Leadership)
Mrs F McCandless	Rural Affairs, Forest Service and Estate Transformation Group
Mr D Small	Environment, Marine and Fisheries Group (responsible for NIEA; Environmental Policy; Regulatory & Natural Resources; Marine & Fisheries Division)
Mr N Fulton	Food and Farming Group (responsible for CAFRE); CAP Policy Economics & Statistics; Food & Farming Policy; Science Evidence & Innovation Policy; EU Area Based Schemes)
Mr R Huey	Chief Veterinary Officer (responsible for Veterinary Service and Animal Health Group)
Mrs T Teague	Director NIEA from 24 February 2020
Mr D Reid	Finance Director (until 27 November 2019)
Mr R Downey	Finance Director from 28 November 2019
Mr S McGrade	Director of Corporate Services
Mrs G Downey	Human Resources Business Partner (NICS HR)
Mrs P Bratton (Deputising for Mrs G Downey)	Human Resources Business Partner (NICS HR) (27 January 2020 - 31 March 2020)
Mrs S McCue	Non-Executive Member
Dr B Stuart	Non-Executive Member

Interests of Board Members

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

Board Committees

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

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

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

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

Departmental Reporting Cycle

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

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

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

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Security of Personal Data

DAERA is compliant with the GDPR introduced in May 2018. The security of our business information assets and our IT Systems is an extremely important issue for the Department and involves everyone and anyone who works for, or with, the Department in any capacity. DAERA has implemented an Information Security Management System (ISMS) that includes the publication of an Information Security Policy which describes the guiding principles that must be applied in this context. A complimentary set of Information Security Standards provides business areas with information and guidance on how these principles should be implemented. The Department has sought independent assessment of the information security measures it has in place around its most important information assets and to that end, has successfully achieved ISO27001 certification of the Paying Agency activities. Alignment of all other areas to the ISO27001 standard is now being considered. The Department's Annual Report, Departmental Security Health Check return and Governance Statement reflect that necessary controls are in place to safeguard information assets; that when information assets are shared or disposed of as no longer necessary, that this is done safely and securely; that necessary controls are in place to deal with any information loss incident; and that staff and contractors are appropriately trained. The Department has launched an innovative cloud based training programme that enables effective delivery and management of Information Security and Data Protection training content to all staff across DAERA and AFBI.

Should such an incident occur, each business area in DAERA has an Information Asset Register in place, and a Data Breach Management Plan and assurances are sought that these are reviewed and tested annually. DAERA has introduced an online incident reporting facility that promotes timely reporting and escalation of incidents for appropriate action.

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

There were no breaches of data security or unauthorised releases of data in Financial Year 2019-20 that needed to be reported to the Information Commissioner.

Complaints Handling

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

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

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

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

There were 53 new complaints relating to quality of service received by the Department in 2019-20. Of these 6 were escalated to step two by the end of March 2020. The Department will publish a breakdown of the levels and categories of complaints received during 2019-20 on its website during 2020-21.

Departmental Auditor

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

The audit of the financial statements for 2019-20 resulted in a notional audit fee of £137k. This is included in non-staff administration costs in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE).

The NIAO also undertakes the audit of DAERA's (an accredited Paying Agency) European Agricultural Funds Accounts. NIAO acts as part of a UK consortium of audit bodies that undertakes the work of the UK Certification Body for the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) Accounts of the UK. The 2019 EAF accounts were cleared by the European Commission on 30 April 2020.

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



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

14 October 2020

Statement of Accounting Officer's Responsibilities

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

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

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the *FReM* have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

DoF has appointed the Permanent Head of the Department as Accounting Officer of DAERA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the department for which the Accounting Officer is responsible, are set out in the Accounting Officers' Memorandum issued by DoF and published in MPMNI.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding DAERA's assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in MPMNI.

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Disclosure to Auditor

So far as I am aware, as Accounting Officer, there is no relevant audit information of which the Department's auditors are unaware; and, as Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and establish that the Department's auditors are aware of that information.

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



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

14th October 2020

Governance Statement

This is the Annual Governance Statement for DAERA as required by DAO (DFP) 10/12. This Statement sets out the governance, risk management and internal control arrangements that have operated in the Department from 1 April 2019 to 31 March 2020.

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

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

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

The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments for the 2019-20 year, based on the Executive’s final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments’ access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.

Governance Framework

The Governance Framework, which includes the system of internal control, is designed to manage the Department’s risks to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. A system of internal control has been in place for the year ended 31 March 2020, and up to the date of approval of the Annual Report and Accounts, in accordance with HM Treasury and DoF guidance.

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

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

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

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

Departmental Board

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

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

Conflict of Interest

During 2019-20, no declared interests were deemed to conflict with the overall conduct of Board business. Members have undertaken to excuse themselves from participation if potential conflicts of interests arise during normal course of business.

The Board usually meets at least ten times a year to discuss Departmental business at a strategic level. During 2019- 20 the Board met eight times. Meetings were cancelled due to EU Exit and the COVID-19 situation.

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Details of the Board membership, responsibilities and attendance at meetings are as follows.

ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (8)
Dr D McMahon	Permanent Secretary.	8/8
Mr B Doherty	Senior Finance Director/Central Services and Contingency Planning (responsible for Digital Services Division; Corporate Services Division; Finance Division; EU Exit Contingency Planning; and Staff Engagement & Leadership).	7/8
Mrs F McCandless	Rural Affairs, Forest Service and Estate Transformation Group.	6/8
Mr D Small	Environment Marine and Fisheries Group (responsible for NIEA, Environmental Policy; Regulatory & Natural Resources and Marine & Fisheries Division).	8/8
Mr N Fulton	Food and Farming Group (responsible for the CAFRE; CAP Policy Economics & Statistics; Food & Farming Policy; Science Evidence & Innovation Policy and EU Area Based Schemes).	4/8
Mr R Huey	Chief Veterinary Officer (responsible for Veterinary Service and Animal Health Group).	6/8
Mrs T Teague	Director NIEA.	1/1
Mr D Reid	Finance Director.	7/8
Mr R Downey	Finance Director.	2/2
Mr S McGrade	Director of Corporate Services.	7/8
Mrs G Downey	Human Resource Business Partner (NICS HR).	4/8
Mrs P Bratton	Human Resource Business Partner (NICS HR).	1/1
Mrs S McCue	Non Executive Member.	8/8
Dr B Stuart	Non Executive Member.	8/8

Roles and Responsibilities of the Board

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

- provide strategic clarity for the Department, including its mission, vision, values and strategic objectives and oversee the implementation of the Department's strategic and business plans, including its contribution to the NI Executive's PfG, Budget, and Investment Strategy;

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

The main areas of responsibility for the Board are:

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

Review of Board Effectiveness

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

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

In March 2019, all Board Members completed an on-line Self-Assessment Questionnaire of 20 mandatory statements which rated Members' views on the relative strengths of the Board's effectiveness. Members were asked to either agree, or disagree with each statement and the resulting summary of responses was reviewed by an independent adjudicator who determined that the findings were mainly very positive. During 2019-20 the Board held a number of strategic planning days and implemented changes to address

any identified weaknesses from the 2018-19 review. There was to have been another survey completed in March 2020, however this has been delayed as the Department's priority work at this time was on dealing with the COVID-19 emergency. A survey will be conducted at the earliest opportunity.

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

Quality of the Data used by the Board

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

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

Committees of the Departmental Board

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

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

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

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

Audit and Risk Assurance Committee

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

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

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

ARAC comprises four members, appointed by myself Principal Accounting Officer on the advice of the DB. Membership during the year consisted of the two DAERA NEMs (Sharon McCue and Dr Bernie Stuart) and two independent External members (Sharon Hetherington, NI Courts and Tribunals Service and Donald Henry, Utility Regulator) drawn from the wider NICS. ARAC was chaired during 2019-20 by the NEM Sharon McCue.

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

During the past year ARAC held four formal routine meetings (on 9 April 2019, 6 August 2019, 5 November 2019 and 6 February 2020). A further meeting was held on 28 January 2020 to review DAERA EU Accounts for EAGF/EAFRD and ARAC also met at Final Accounts stage (24 June 2019) to provide me with the level of assurance that I require before signing the Departmental Accounts. Another meeting on the Thematic Review of Risk was also held on 10 December 2019.

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

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

ARAC Annual Report

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

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

Finance Committee

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

Resourcing and People Committee

The Resourcing and People Committee is responsible for considering DAERA strategic workforce planning including how best to manage priority resourcing requirements at a Departmental level against the backdrop of reduced resources and affordability. The Committee provided assurance to the Permanent Secretary that the Department was operating within its affordable staffing limit and applied a corporate approach to ensure that staff resources had been effectively allocated across the organisation. The Committee is chaired by the Group Head of Central Services and Contingency Planning and included Departmental Group Heads, the Finance Director, the Director of Corporate Services, the Head of Business Management Branch, the Director of Forest Service, and the NICS Strategic HR Business Partner.

Casework Committee

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

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Equality and Diversity Steering Group Committee

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

Leadership and Engagement Committee

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

Strategy Committee

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

Delivery Committee

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

Estate Transformation Oversight Board

The ETOB is chaired by the Group Head of Rural Affairs, Forest Service & Estate Transformation. The Oversight Board was established in July 2019 and consists of Departmental representatives from business areas with estate interests. Its purpose is to oversee the development and delivery of a programme of estate transformation for DAERA. As such the Board is responsible for considering the key initiatives and projects which need to be undertaken to achieve a strategic and long term planning approach for the DAERA estate.

Arm's Length Body Committee

The ALB Committee is chaired by the Finance Director and ensured that there was a coherent and strategic approach across DAERA in the management of ALBs and reported to DB. The Committee held its final meeting on 10 December 2019. Following the centralisation of the sponsorship activities within Corporate Services Division the Departmental Board agreed there was no longer a requirement for this Committee.

Paying Agency Accreditation Committee

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

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

The 2019 EAF Accounts (covering the period 16 October 2018 to 15 October 2019) have been submitted and successfully cleared by the Commission under the annual "Clearance of Accounts" process. The EAF accounts were qualified in respect to EAFRD expenditure with the Commission proposing a financial correction of €438,454.

Senior Decision Making Forum

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

When the SDMF agreed that it was appropriate to exercise a function of the Department, the decision was elevated to the Permanent Secretary, who was ultimately responsible for the action. A monthly record of decisions taken within the Department under the new

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Act was provided to The Executive Office (TEO). TEO subsequently compiled a monthly summary report of decisions taken by all Departments. This was provided to the Secretary of State and subsequently published on the TEO website.

Risk and Control Framework

The Department's corporate governance arrangements are underpinned by a robust risk management process embedded into DAERA's systems and procedures. The DAERA Corporate Risk Register was based upon the Department's key strategic risks and its format was in line with best practice guidance. In total 14 key risks were identified during the course of 2019-20. The following 11 were still on the Corporate Risk Register at the end of the 2019-20 year:

1. Available financial resources are insufficient and are not deployed effectively to ensure that essential services are maintained and the department's strategic objectives are progressed and a failure to meet corporate objectives;
2. Failure to have appropriate staff resources in place in a timely manner to deliver Departmental objectives;
3. Significant business impact resulting from ineffective information assurance;
4. Failure to adequately address the range of EU Exit and Transition requirements being faced the Department;
5. Inability to prevent entry or detect promptly incursion of significant Trans-boundary Animal Disease;
6. Failure to maintain the plant health status of Northern Ireland through inadequate delivery of plant health official controls within a trade policy to implement the Northern Ireland/Ireland protocol;
7. That following EC conformity audits, financial corrections (Disallowances) could be applied by the European Commission because of:
 - The level of risk to the Fund created by Pillar 1 and 2 IACS Schemes; and
 - Pillar 2 non IACS Schemes are not delivered in compliance with the EU Regulations leading to financial correction
8. Protection of a major drinking water source (Faughan River) from significant environmental pollution from the Mobuoy Road illegal landfill;
9. Enhanced Strategy to control and eradicate bTB not agreed and implemented; and subsequent Departmental spend on programme;
10. Risk that Environmental Farming Scheme (EFS) does not deliver the environmental outcomes expected and that EFS has an element of spend deemed irregular; and
11. Risk to supply links, farm incomes and waste management as a result of COVID-19.

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

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

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

- scrutiny of the Corporate Risk Register by DB;
- receipt of ad hoc and regular reports on specific risks by DB and Top Management Team (TMT) meetings;
- assurances received from ARAC, as advised by the Delivery Committee;
- the work undertaken by the Department's Internal Audit Branch; and
- Risk Registers produced and monitored at Group and Divisional level.

Reviews of Risk Processes

The Department had two separate reviews of our Risk Management processes during the year. There was an independent Review of the Operation of Risk Management in DAERA and the Thematic Review of Risk Management across the NICS led by DoF. Both reports have been considered by DB and will inform the revised DAERA Risk Management Strategy and Guidance. This guidance will also take account of the recently revised edition of HM Treasury's Orange Book Management of Risk - Principles and Concept.

Assurances

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

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Information Risk

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

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

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

Whistleblowing

During 2019-20 the Department continued to operate the Whistleblowing recording system. This requires all Divisions to maintain a Whistleblowing Register to record all disclosures received in each Division, or ALB. The maintenance of Registers is a mandatory requirement across the Department.

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

During 2019-20 a total of 31 whistleblowing notifications were received by the Department and reported to ARAC. These notifications included allegations of corruption, misconduct by staff members and conflicts of interest. This compared to 39 notifications in 2018-19.

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

Internal Audit

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

IAB's Annual Report for 2019 - 20 confirmed an overall satisfactory opinion in respect of the Department's governance, risk management and control framework.

Enterprise Shared Services

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

Ministerial Directions

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

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

I had no Ministerial Directions issued to me during the 2019-20 year.

Review of the effectiveness of the system of internal control

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

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

In addition, the Head of Internal Audit has provided me with a satisfactory opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control for 2019-20.

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

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

Internal Audit

For 2019-20, the Annual Internal Audit report provided a satisfactory opinion. The opinion of DAERA IAB was based on the results of 38 Final Reports and 5 Draft Reports. 32 of these reports had positive opinions, 2 issued with a 'limited' opinion (1 uplifted to Satisfactory after follow-up) and there were 10 Special Exercises where no opinion was relevant.

Key issues reported by DAERA IAB over the period

Limited Opinion Audit Reports 2018-19

There was two limited opinion reports issued during 2019-20. A subsequent follow-up review was completed in respect of one of the limited opinion reports, namely Trade Certification (issued in 2018-19), and the opinion uplifted to Satisfactory.

Trade, Certification (OFFC)

The Final Report for the audit of Trade Certification issued in May 2018 and attracted an overall 'limited' opinion. A follow-up was carried out in September 2019 but concluded that significant weaknesses remained in regards to oversight and monitoring arrangements for export certification by Authorised Veterinary Inspectors (AVI's) for live animals and products of animal origin. A further follow-up audit was completed in May 2020 and confirmed significant progress towards implementing the audit recommendations. Internal Audit therefore concluded that the control framework had improved sufficiently to justify upgrading the audit opinion to Satisfactory.

Waste Recycling Grants

A draft report for the audit of Waste Recycling Grants issued on 30 October 2019 with an overall 'Limited' opinion. Internal Audit highlighted concerns in regards a decision to fund standalone waste projects rather than assess collectively, which they considered has the potential to be construed as disaggregation with the associated risk of expenditure being deemed irregular. Other issues raised included business case(s) not completed at the outset to justify allocation of spend and a lack of segregation of duties. A final report was issued in June 2020 with a follow-up review to be scheduled.

A further 3 reports issued by Internal Audit included Priority 1 recommendations and will therefore be subject to follow-up review during 2020-21. These were the audit of NIFAIS System (UAT) testing of Financial Controls; TB Prevention & Control (Financial Controls) and the review of NIEA Enforcement Division.

Other Control Issues Reported

Other control issues identified through stewardship reporting include:

COVID-19

The Department has been affected by the lockdown restrictions announced on the 23 March 2020, with the closure of DAERA buildings and home working for staff. Business Continuity Plans and Major Emergency Response Plan were activated across the Department. The impact on business processes will be assessed and monitored into 2020-21.

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 came into operation on 24 April 2020 and allows those workers who are unable to take annual leave as result of the pandemic to carry over up to four weeks' annual leave into the next two leave years. Any exemption will apply only to circumstances where workers are unable to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by the department. It is not possible for the department to give a reasonable estimate of the impact at this time.

Environmental Farming Scheme

The National Audit Office C&AG certified the European Agriculture Fund 2019 accounts with an 'Unqualified Opinion' in respect of EAGF, and a 'Qualification of limitation on scope' in respect of EAFRD on the 12 February 2020. The qualification was in respect of EAFRD and limited to the EFS. The Commission have proposed financial correction of €438,454 on EAFRD funding. Enhanced controls have been discussed with NIAO for future tranches of the scheme, and remedial actions are in place to address existing claims.

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EU Payment Entitlements Audit

The initial Letter of Findings from an EU Entitlements Audit in October 2019 included four observations of deficiencies in key controls in three areas, and proposed a provisional flat rate disallowance penalty of 10%. The findings have been robustly rejected by the Department and we await the Commission's response.

Northern Ireland Food Animal Information System (NIFAIS)

The programme has been paused due to concerns over the ability to deliver on key objectives which has been further extended by COVID 19.

EU Exit

The continuing uncertainty regarding the potential impact of the NI Protocol and GB listed status create a significant risk that progress on developing policy and passing sufficient legislation to ensure the impact on NI trade is minimised at the end of the transition period may be affected.

Bovine TB Compensation Fraud

Bovine TB Compensation Fraud has emerged as a risk to TB Programme and public funds with evidence of test site interference. From 01 April 2020 through to 31 March 2021 VSAHG business plan objective to enhance bTB Scheme fraud prevention and detection through policy, legislative, scientific and operational measures.

Transmissible Spongiform Encephalopathies (TSE) testing contract

The TSE testing contract has expired, with a new contract under development and availing of old contract in the interim.

Staffing levels

A significant amount of work has been undertaken in the Department to identify and fill those priority posts needed to deliver EU Exit operational readiness by the end of the Transition period. The Department has filled 295 EU Exit posts but there are still approximately 159 identified vacancies based on a projected need of 454 additional permanent posts. As the final operational requirements will be determined by the outcome of negotiations on a Trade Deal and the staff needed to fully implement the NI Protocol, the resourcing profile remains subject to review in cognisance of issues emerging during the Transition period.

We have continued to work very closely with NICS HR to take forward a range of vacancy management activities including recruitment competitions, promotion boards and trawls to fill posts. Shortfall, especially in relation to Professional and Technical roles, remains

a serious risk, particularly in view of the suspension of most vacancy resourcing due to the COVID-19 crisis. This has significant potential to impact available staff supply going forward. A 12 month resourcing plan has been developed and will be updated if resourcing needs change.

A new Directorate, EU Exit Operational Readiness has been established to draw the various EU Exit operational streams together. This includes understanding the processes required to deliver both frictionless trade whilst meeting legal requirements of continuing to have a statutory role in carrying out Sanitary and Phytosanitary (SPS) checks at the point of entry.

North South Body

In the absence of a DAERA Minister until 11 January 2020, it was not possible to secure North South Ministerial Council (NSMC) approval of 2019 and 2020 Business Plans for the Loughs Agency. While arrangements have been made with DoF to ensure legality of payments in the absence of business plans, expenditure will be irregular until the NSMC approves Business Plans.

In this period, contingency arrangements were issued by DoF on 23 November 2018. These arrangements were triggered by the Loughs Agency, in conjunction with Sponsor Departments, resulting in DoF approving a Grant payment of £2,649,500 on 16 May 2019, to cover the Agency in 2019. The Department paid £2,157,174 to the Loughs Agency in 2019-20 (2018-19, £2,257,631).

Insurance

The Northern Ireland Fishery Harbour Authority (NIFHA) have a number of insurance policies in place which did not have the appropriate approvals in place prior to commencement. These policies included Equipment Damage and Legal expenses. The expenditure was circa £59k.

Remuneration and Staff Report

The purpose of this remuneration and staff report is to set out DAERA's remuneration policy for ministers and directors, how that policy has been implemented and the amount awarded to directors. In addition this report provides details on remuneration of staff and other important key staff related issues which are key to accountability.

1. Departmental Remuneration Report 2019-20

Remuneration Policy

The pay policy for the NI public sector, including Senior Civil Service (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the DoF's Permanent Secretary set the 2019-20 NI public sector pay policy (October 2019) in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS staff, for 2019-20 has been finalised but not yet paid.

The pay of SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Service Contracts

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

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

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

Remuneration and pension entitlements [Audited Information]

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the department.

Remuneration and pension entitlements - Ministers

Ministers	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (to nearest £1,000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Minister Poots MLA (from 14 January 2020)	11,000 (48k FYE)	-	-	-	3,000	-	14,000	-

There was no Minister in place during 2018-19.

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

Remuneration and pension entitlements - Officials

Officials	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Dr D McMahon Permanent Secretary	115-120	115-120	50,000	49,000	165-70	165-70
Mr B Doherty Deputy Secretary	85-90	80-85	135,000	108,000	220-225	185-190
Mr N Fulton Deputy Secretary	95-100	90-95	49,000	41,000	145-150	130-135
Mr R Huey Deputy Secretary	95-100	90-95	32,000	24,000	125-130	115-120
Mrs F McCandless Deputy Secretary	95-100	75-80 (90-95 FYE)	45,000	23,000	140-145	100-105
Mr D Small Deputy Secretary	95-100	95-100	37,000	26,000	135-140	120-125
Mrs T Teague Deputy Secretary	5-10 (90-95 FYE)	-	1,000	-	5-10	-
Mr D Reid Finance Director (until 27 November 19)	45-50 (70-75 FYE)	70-75	25,000	23,000	70-75	90-95

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Officials	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Mr R Downey Finance Director (from 28 November 19)	20-25 (70-75 FYE)	-	10,000	-	30-35	-
Mr S McGrade Corporate Services Director	70-75	15-20 (65-75 FYE)	140,000	36,000	210-215	50-55
Mr C Lewis Deputy Secretary (until 30 September 18)	-	50-55 (100-105 FYE)	-	23,000	-	75-80
Ms S McCue Non-Executive Board Member	5-10	5-10	-	-	5-10	5-10
Dr B Stuart Non-Executive Board Member	10-15	5-10	-	-	10-15	5-10

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

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments.

The Northern Ireland Assembly was dissolved from 26 January 2017 until an Executive was formed on 11 January 2020. Ministers were not in place during this time. From 14 January 2020, DAERA was under the direction and control of Minister Poots MLA. His salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the appropriate legislature accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No members of senior management disclosed above received Benefits In Kind in 2019-20 or 2018-19.

Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were paid to senior officials in the years 2019-20 or 2018-19.

Pay Multiples [Audited Information]

	2019-20	2018-19
Band of Highest Paid Director's Total Remuneration	£115-120k	£115-120k
Median Total Remuneration*	£30,635	£30,149
Ratio	3.8	3.9

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

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

The banded remuneration of the highest-paid director in DAERA in the financial year 2019-20 was £115k - £120k (2018-19, £115k - £120k). This was 3.8 times (2018-19, 3.9) the median remuneration of the workforce, which was £30,635 (2018-19, £30,149).

No employees received remuneration in excess of the highest paid director in either year. Remuneration ranged from £18k to £117k (2018-19, £17k to £115k).

Pension Entitlements - Ministers [Audited Information]

Minister	Accrued pension at pension age as at 31-3-20	Real increase in pension at pension age	CETV at 31-3-20	CETV at 31-3-19	Real increase/ (decrease) in CETV*
	£'000	£'000	£'000	£'000	£'000
Minister Poots MLA (from 14 January 2020)	5-10	0-2.5	108	105	2

There was no Minister in place during 2018-19.

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011 the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable

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to members of the Northern Ireland Assembly. In April 2016 the Independent Financial Review Panel issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The new scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016 and replaces the 2012 scheme. Existing members born on or before 1 April 1960 retain their Final Salary pension arrangements under transitional protection until 6 May 2021. The final decision on the McCloud judgement has yet to be agreed and the outcome may have an impact on Members affected by the Transitional Protection policy.

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 14.4% of the Ministerial salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

The Cash Equivalent Transfer Value

This 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. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the increase in accrued pension due to the department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period.

Pension Entitlements [Audited Information]

Officials	Accrued pension at pension age as at 31-3-20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-20 or date of leaving if earlier	CETV at 31-3-19 or date of commencement if later	Real increase/ (decrease) in CETV*	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr D McMahon Permanent Secretary	20 - 25	2.5 - 5	359	309	29	-
Mr B Doherty Deputy Secretary	40 - 45 plus lump sum of 120 - 125	5 - 7.5 plus lump sum of 12.5 - 15	929	777	114	-
Mr N Fulton Deputy Secretary	50-55	2.5 - 5	949	870	36	-
Mr R Huey Deputy Secretary	35 - 40 plus lump sum of 110 - 115	0 - 2.5 plus lump sum of 5 - 7.5	877	822	34	-
Mrs F McCandless Deputy Secretary	30 - 35 plus lump sum of 55 - 60	2.5 - 5 plus lump sum of 0 - 2.5	527	473	27	-
Mr D Small Deputy Secretary	45 - 50 plus lump sum of 145 - 150	0 - 2.5 plus lump sum of 5 - 7.5	1,138	1,049	37	-
Mrs T Teague Deputy Secretary (from 26 February 20)	30 - 35 plus lump sum of 70 - 75	0 - 2.5 plus lump sum of 0 - 2.5	566	554	11	-
Mr D Reid Finance Director (until 27 November 19)	20 - 25 plus lump sum of 40 - 45	0 - 2.5 plus lump sum of 0 - 2.5	310	278	16	-
Mr R Downey Finance Director (from 28 November 19)	20 - 25 plus lump sum of 40 - 45	0 - 2.5 plus lump sum of 2.5 - 5	325	294	19	-
Mr S McGrade Corporate Services Director	30 - 35 plus lump sum of 75 - 80	5 - 7.5 plus lump sum of 12.5 - 15	599	466	110	-

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Northern Ireland Civil Service Pension Schemes

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

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

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

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

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2019 was 1.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2020.

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Employee contribution rates for all members for the period covering 1 April 2020 - 31 March 2021 are as follows:

Scheme Year 1 April 2020 to 31 March 2021

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2020 to 31 March 2021
£0	£23,999.99	4.6%
£24,000.00	£55,499.99	5.45%
£55,500.00	£152,499.99	7.35%
£152,500.00 and above		8.05%

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

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

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

Cash Equivalent Transfer Values

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's

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accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Compensation for loss of office [Audited Information]

No compensation payments were made or due to any of the senior management of DAERA under Civil Service Compensation Scheme (NI) (CSCS (NI)) in the year ending 31 March 2020 or 31 March 2019.

2. Staff Report

DAERA has seen increased staffing levels in 2019-20 due in the main to the requirements of the UK leaving the EU.

2.1 Staff costs comprise [Audited Information]:

	2019-20				2018-19	
	Permanently employed staff* £'000	Others £'000	Minister £'000	Special Advisor* £'000	Total £'000	Total £'000
Wages and salaries	94,034	5,164	8	7	99,213	92,521
Social security costs	9,941	1	1	1	9,944	9,190
Other pension costs	28,764	1	1	2	28,768	20,080
Sub total	132,739	5,166	10	10	137,925	121,791
Recoveries from outward secondments	-	-	-	-	-	(72)
Total net costs**	132,739	5,166	10	10	137,925	121,719

Of which:

	Charged to Administration £'000	Charged to Programme £'000	Total £'000
Core Department	35,980	67,092	103,072
Agencies	-	34,853	34,853
Total net costs	35,980	101,945	137,925

*The Department's Special Advisor was appointed on 10 Feb 2020 and their annual pay is set at £50k.

** Excluded from the total is £3,675,392 (2018-19 £1,472,411) which has been charged to capital.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but DAERA is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2021.

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For 2019-20, employers' contributions of £28,689k were payable to the NICS pension arrangements (2018-19 £20,015k) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

This change is primarily due to the reduction in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate (as announced at Budget 2018) to 2.4% per annum above the Consumer Price Index (CPI). The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £79k (2018-19 £65k) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2018-19, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £2k, 0.5% (2018-19 £2k, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £NIL. Contributions prepaid at that date were £NIL.

4 persons (2018-19: 9 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £4k (2018-19: £36k).

2.2 Average number of persons employed [Audited Information]

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

					2019-20	2018-19
Departmental Strategic Objective	Permanent staff	Others	Minister*	Special adviser*	Total Number	Total Number
RFR A	2,983	131	-	-	3,114	2,953
Staff engaged on capital projects	53	-	-	-	53	42
Total	3,036	131	-	-	3,167	2,995
Core Department	2,322	73	-	-	2,395	2,250
Agencies	714	58	-	-	772	745

*The Minister was in post from 14 January 2020 and the Special Advisor was in post from 10 February 2020.

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

	2019-20 Core Department & Agencies	2018-19 Core Department & Agencies
Exit package cost band	No of other departures agreed	No of other departures agreed
<£10,000	9	40
£10,000 - £25,000	-	-
£25,000 -£50,000	2	2
£50,000 -£100,000	2	1
Total number of exit packages	13	43
Total Resource Cost £'000	228	186

There were no compulsory redundancies in 2019-20 or 2018-19.

Staff Composition

The following is an analysis of staff numbers at the 31 March 2020:

Group	Male	Female	Total
Board Members	8	2*	10
Senior Managers	32	11	43
Other Employees	1,771	1,457	3,228
Total	1,811	1,470	3,281

* This excludes 2 female Non Executive board members.

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The following graph shows the split by gender across the Grade within DAERA in 2019-20.

DAERA Gender split by grade



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

There were no Equal Pay payments made to a member of DAERA staff in the 2019-20 financial year. There are 51 DAERA staff to sign agreements totalling £34,276.

Sickness absence rates for the Department for the period April 2019 to March 2020 were, provisionally, 9.9 working days lost per staff year equivalent. A target was set for 2019-20 of 9.27 days. In the previous year, 2018-19, the Department achieved 10.3 working days lost per staff year equivalent.

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

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

Off Payroll engagements

There were no off payroll engagements at a cost of over £58,200 per annum in place during the financial year 2019-20 or 2018-19.

Off Payroll engagements of Board Members and/or Senior Officials

The following tables disclose off payroll engagements of Board Members and or Senior Officials with significant financial responsibility between 1 April 2019 and 31 March 2020:

	Main Department	Agencies
Number of off payroll engagements of Board Members, and or senior officials with significant financial responsibility, during the financial year.	-	-
Total number of individuals on payroll and off payroll that have been deemed “Board Members and or Senior Officials with significant financial responsibility,” during the financial year. This figure should include both on payroll and off payroll engagements.	15	-

Consultancy Costs

The following table is an analysis of consultancy and temporary staff costs for 2019-20:

	2019-20		2018-19	
	£'000 Core	£'000 Consolidated	£'000 Core	£'000 Consolidated
Consultancy	73	73	168	169
Temporary staff costs	2,298	5,164	1,249	4,326
Total	2,371	5,237	1,417	4,495

Employment, training and advancement of disabled persons

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

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

The NICS has a wide and active network of Diversity Champions and has appointed one of its' Deputy Secretaries as the NICS Diversity Lead for Disability. The NICS has a committed Disability Working Group and is a lead partner with Employers for Disability

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

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Northern Ireland. Through this collaboration the NICS is working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled colleagues, including a Work Experience Scheme for People with Disabilities.

Other Employee Matters

The 2018-21 NICS People Strategy sets out the shared view of the people priorities across the NICS under the following themes:

- a well-led NICS;
- high performing NICS;
- outcomes-focused NICS; and
- an inclusive NICS in which diversity is truly valued - a great place to work

People Survey 2019 Areas of Success

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

DAERA's 2019 People Survey results, include:

- the engagement index was 58 percent, with an increase of three points on the previous year point, against the trend of the wider NICS;
- leadership and managing change results showed a significant increase of five points, to 39 percent; and
- five of the nine individual engagement theme scores increased since 2018, three remained the same and one score decreased.

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

Equality, Diversity and Inclusion

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

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

Learning and Development

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

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

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

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

Employee Consultation and Trade Union Relationships

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

Health and Safety

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

The main Health & Safety focus for 2019-20 has been actions towards compliance with DAERA Health & Safety Management Framework, approved by the DAERA Board in June 2017:

- Health & Safety has been integrated into the Departments governance process, with inclusion in the DAERA Strategy, Risk Management process and senior management Stewardship Reports;
- The DAERA Board review Health and Safety performance on a regular basis;
- A Department wide “Health and Safety Organisation” document, establishing staff Health and Safety responsibilities, is in place;
- Seven new Department wide “Health and Safety Arrangements”, outlining how key Health and Safety issues should be managed, has been drafted in 2019-20; and
- Health and Safety articles are a regular feature in Team Brief and Officers in Charge/Premises Officers are supported with regular Health and Safety Updates.

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Staff consultation has been encouraged at Departmental level through the Whitley Sub-committee and various Health and Safety Committees are in place at a more local level. A DAERA representatives also attend the Interdepartmental Health and Safety Forum and Commercial Crown Fire Committee.

Estate Transformation

In line with a previous PfG target the DAERA Ballykelly relocation project was completed by the end of April 2018 with over 250 posts relocated to the new building. Since then a further 80 posts have been either relocated or created and as at March 2020 the total number of posts based at Ballykelly now stands at 334. The Department's overall objective, agreed in 2016 with the then Minister, was to have at least 320 posts in Ballykelly by 2021.

Assembly Accountability and Audit Report

Statement of Assembly Supply [Audited Information]

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (*FReM*) requires DAERA to prepare a Statement of Assembly Supply (SoAS) and supporting notes.

The SoAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SoAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SoAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (Note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SoAS to the financial statements (Note 2); a reconciliation of net resource outturn to net cash requirement (Note 3); an analysis of income payable to the Consolidated Fund (Note 4), a reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (Note 5); and detail on non-operating income - excess Accruing Resources (Note 6).

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Summary Table of Resource Outturn 2019-20

								2019-20	2018-19
Estimate				Outturn				Net total outturn compared with estimate: saving/(excess)	Prior Year Outturn
Request for Resources		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total		Net Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Request for Resources A	SoAS 1	732,290	(402,137)	330,153	649,932	(370,768)	279,164	50,989	260,405
Total resources		732,290	(402,137)	330,153	649,932	(370,768)	279,164	50,989	260,405
Non-operating cost Accruing Resources		-	(334)	(334)	-	(107)	(107)	(227)	(820)

Net Cash Requirement 2019-20

					2019-20	2018-19
		Estimate	Outturn	Net total outturn compared with estimate: saving/(excess)		Prior Year Outturn
	Note	£'000	£'000	£'000	£'000	£'000
Net cash requirement	SoAS3	300,551	281,133	19,418	251,708	

Summary of income payable to the Consolidated Fund

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

	2019-20 Forecast			2019-20 Outturn	
	Note	Income £'000	<i>Receipts</i> £'000	Income £'000	<i>Receipts</i> £'000
Total	SoAS4	-	-	-	-

Explanations of variances between estimate and outturn are given in Note SoAS1 and in the Performance Report.

The notes on pages 117 to 150 form part of these accounts

Notes to the Statement of Assembly Supply - 2019-20
SoAS Note 1 - Outturn detail by Estimate Line

2019-20 Outturn						2019-20 Estimate			2018-19 Outturn
Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Virement	Net total outturn with Virement	Net total outturn compared with Estimate adjusted for virements	Prior-year Outturn
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

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

Departmental Expenditure in DEL:

1. Food and Farming Group	28,066	43,575	29,946	101,587	(10,686)	90,901	94,847	(2,024)	92,823	1,922	80,027
2. Veterinary Service and Animal Health Group	6,510	65,577	171	72,258	(13,838)	58,420	56,526	1,894	58,420	-	55,354
3. Rural Affairs Group	5,531	8,250	3,128	16,909	(255)	16,654	17,169	553	17,722	1,068	20,052
4. Environment, Marine and Fisheries Group	12,377	45,838	8,902	67,117	(16,627)	50,490	51,404	(323)	51,081	591	46,363
5. Forest Service Agency	2,265	14,897	433	17,595	(12,681)	4,914	5,143	(100)	5,043	129	6,923
6. Common Agricultural Policy (CAP)	-	287,759	22,326	310,085	(310,085)	-	-	-	-	-	-
7. EU Community Initiatives	-	-	7,761	7,761	(6,596)	1,165	1,184	-	1,184	19	631

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	2019-20 Outturn					2019-20 Estimate				2018-19 Outturn
	Admin £'000	Other Current £'000	Grants £'000	Gross Resource Expenditure £'000	Accruing Resources £'000	Net Total £'000	Virement £'000	Net total outturn with Virement £'000	Net total outturn compared with Estimate adjusted for virements £'000	
Annually Managed Expenditure:										
8. Forest Service Timber	-	(18,553)	-	(18,553)	-	(18,553)	(892)	4,108	22,661	(16,437)
9. Provisions	-	4,143	-	4,143	-	4,143	-	13,270	9,127	339
10. Revaluations due to changes in market values	-	3,942	-	3,942	-	3,942	892	3,942	-	(478)
11. Fisheries	-	93	-	93	-	93	-	100	7	92
Non-Budget:										
12. Agri-Food and Biosciences Institute	-	-	46,556	46,556	-	46,556	-	54,437	7,881	47,249
13. The Loughs Agency of the Foyle, Carlingford and Irish Lights Commission	-	-	2,157	2,157	-	2,157	-	2,922	765	2,258
14. Notional Charges	18,282	-	-	18,282	-	18,282	-	25,101	6,819	18,032
Total	73,031	455,521	121,380	649,932	(370,768)	279,164	-	330,153	50,989	260,405

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Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

The main reasons for the underspend of £51m are as follows:

- Within AME, the Forest Service Timber underspend of £22.6m is as a result of a revaluation of Forest Service Timber in line with International Accounting Standards (IAS) 41. Growing Timber is valued on a fair value basis by applying the present value of future revenues based on the sale of Mature Timber and deducting the costs to sell. A key requirement of IAS 41 is that all in year movements in the timber valuation must be charged directly to the CSoCNE. The potential for large movements in the timber value is high given the number of variables outside of the control of Forest Service such as the volatility of timber sales prices due to world timber market conditions;
- Provision had been made in the estimates for CAP disallowance however these amounts were not required, this was netted against a new provision made for a liability on holiday pay and led to an underspend of £9.1m in AME; and
- The overall underspend in Non-Budget totalled £15.5m. Notional costs across a range of categories were less than estimated at the January Monitoring Round resulting in an underspend of £6.8m, combined with a reduction in the draw down of NDPB cash of £8.6m.

SoAS Note 2 Reconciliation of outturn to net operating expenditure

		2019-20			2018-19
	Note	Outturn £'000	Supply Estimate £'000	Outturn compared with Estimate £'000	Outturn £'000
Net Resource outturn (Note a)	SoAS1	279,164	330,153	50,989	260,405
Unrealised exchange loss (Note b)		5	-	(5)	109
Non-supply income (CFERs)	SoAS4	-	-	-	-
Net Operating Cost in Consolidated Statement of Comprehensive Net Expenditure (Note a)	SoCNE	279,169	330,153	50,984	260,514

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As noted in the introduction to the SoAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SoAS to the financial statements.

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

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

SoAS Note 3 Reconciliation of net resource outturn to net cash requirement for 2019-20

2019-20				
	Note	Estimate £'000	Outturn £'000	Net total outturn compared with Estimate: saving/ (excess) £'000
Resource Outturn	SoAS1	330,153	279,164	47,160
Capital:				
Acquisition of property, plant and equipment	7,8	24,864	28,486	(3,622)
Non-operating Accruing Resources				
Net Book value of asset disposals	4,5	(334)	(107)	(227)
Accruals to cash adjustments				
<i>Adjustments to remove non-cash items</i>	4,5			
Depreciation		(28,376)	(20,580)	(7,796)
New provisions, and adjustments to previous provisions		(13,270)	(4,108)	(5,334)
Other non-cash items		(25,101)	(3,588)	(21,512)
Adjustments to reflect movements in working balances				
- Increase/(Decrease) in inventories			(62)	
- Increase/(Decrease) in receivables			848	
- (Increase)/Decrease payables due within one year			973	
Total changes in working capital other than cash		12,500	1,759	10,741
Changes in payables falling due after more than one year		-	-	-
Use of provision	18	115	107	8
Net cash requirement		300,551	281,133	19,418

As noted in the introduction to the SoAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

Explanation of variance between Estimate and Outturn

A prudent estimate was made in December 2019 when forecasting the cash requirements of the Department to 31 March 2020. The variance of £19m mainly related to the year end when there were larger than expected grant accruals.

SoAS4: Income Payable to the Consolidated Fund

The Department had no income or receipts in 2019-20 (2018-19 income nil and receipts nil).

SoAS Note 5: Reconciliation of income recorded within the CSoCNE to operating income payable to the Consolidated Fund

		2019-20	2018-19
	Note	£'000	£'000
Operating income	6	370,768	369,453
Gross income		370,768	369,453
Income authorised to be Accruing Resources	SoAS1	(370,768)	(369,453)
Operating income payable to the Consolidated Fund	SoAS4	-	-

SoAS Note 6: Non-operating income - Excess Accruing Resources

The Department had no non-operating income in 2019-20 (2018-19: nil).

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Assembly Accountability Disclosure

Business activities attracting fees and charges [Audited Information]

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

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

Income Source	2019-20 Income	2019-20 Full Cost	2019-20 Surplus/ (Deficit)	Financial Objective
	£'000	£'000	£'000	
Timber and Other Forest Products	10,887	1,276	9,611	Recover full cost plus rate of return in line with comparable businesses - achieved.
NIEA - Resource Efficiency Pollution	8,541	8,432	109	Full cost recovery* - achieved with marginal over recovery.
Food Standards Agency	7,291	7,544	(253)	Full cost recovery* - achieved with marginal under recovery.
Total	26,719	17,252	9,467	

*Small portion of over/under recovery

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

Remote Contingent Liabilities [Audited Information]

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

For 2019-20, in addition to the items covered in the Provisions Note 18 and the contingent liabilities Note 19, one of the Department's agencies is currently considering various options that may be required in relation to an illegal landfill site (2018-19: nil).

Departure of the UK from the EU

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. On 31 January 2020, the Withdrawal Agreement between the UK and the EU became legally binding and the UK left the EU. The future relationship between the EU and the UK will be determined by negotiations taking place during a transition period ending 31 December 2020.

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

Regularity of Expenditure [Audited Information]

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

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

Losses and special payments [Audited Information]

Losses Statement

	2019-20	2018-19
	Core Dept & Agency	Core Dept & Agency
Total number of losses/cases	69	131
Total value of losses £'000	268	545

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

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Special Payments

	2019-20	2018-19
	Core Dept & Agency	Core Dept & Agency
Total number of special payments	9	8
Total value of special payments £'000	33	7

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

North/South Bodies

The Business Plan and Budget of North/South Implementation Bodies is subject to the approval of the North South Ministerial Council, including Finance Ministers. The continued absence of the political institutions in 2019, it was not possible to secure NSMC approval of 2017, 2018 and 2019 Business Plans for the Loughs Agency. While arrangements have been made with DoF to ensure legality of payments in the absence of business plans, expenditure will be irregular until NSMC approves Business Plans.

There were no gifts made by the Department where the total value exceeds £250,000.



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

14 October 2020

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Department of Agriculture, Environment and Rural Affairs for the year ended 31 March 2020 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Department's affairs as at 31 March 2020 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Emphasis of Matter

I draw attention to Note 7.1 of the financial statements, which describes the material valuation uncertainties for Land due to the consequences of the COVID-19 pandemic. My opinion is not modified in respect of the matter.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2020 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

The notes on pages 117 to 150 form part of these accounts

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Basis of opinions

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

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Department of Agriculture, Environment and Rural Affairs's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Department of Agriculture, Environment and Rural Affairs have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Department of Agriculture, Environment and Rural Affairs's ability to continue to adopt the going concern basis.

Other Information

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

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

Opinion on other matters

In my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Annual Report and Accounts for the year ended 31 March 2020

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



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

30 October 2020

The notes on pages 117 to 150 form part of these accounts

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Comprehensive Net Expenditure for the Year ended 31 March 2020

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

		2019-20	2018-19
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Revenue from contracts with customers	6	(50,116)	(47,456)
Other Operating Income	6	(320,652)	(321,997)
Total Operating Income		(370,768)	(369,453)
Staff costs	3	137,925	121,791
EU expenditure	4,5	319,034	317,801
National grant expenditure and disallowance	4,5	92,227	94,608
Purchase of goods and services	4,5	33,978	32,161
Depreciation and impairment charges	4,5	24,522	18,264
Provision expense	4,5	4,186	599
Other operating expenditure	4,5	56,618	61,180
Growing Timber Revaluation	4,5	(18,553)	(16,437)
Total Operating Expenditure		649,937	629,967
Net Operating Expenditure		279,169	260,514
Net Expenditure for the year		279,169	260,514
Other Comprehensive Net Expenditure Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	7	23,534	(12,813)
Net (gain)/loss on revaluation of Intangible Assets	8	(963)	(985)
Comprehensive Net Expenditure for the year ended 31 March 2020		301,740	246,716

All income and expenditure are derived from continuing operations.

The notes on pages 117 to 150 form part of these accounts

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Financial Position as at 31 March 2020

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

		2019-20	2018-19
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Non-current assets			
Property, plant and equipment	7.1	320,509	347,151
Biological assets	7.2	232,990	213,420
Heritage assets	7.3	2,735	2,735
Intangible assets	8	50,902	42,976
Financial assets		26	26
Total non-current assets		607,162	606,308
Current assets			
Assets classified as held for sale	13	1,535	1,198
Inventories	14	950	2,282
Trade and other receivables	16	36,959	35,629
Cash and cash equivalents	15	821	629
Total current assets		40,265	39,738
Total assets		647,427	646,046
Current liabilities			
Trade and other payables	17	(71,678)	(72,646)
Cash and cash equivalents	15	(2,154)	(1,480)
Provisions	18	(1,911)	(553)
Total current liabilities		(75,743)	(74,679)
Total assets less current liabilities		571,684	571,367

The notes on pages 117 to 150 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2020

		2019-20	2018-19
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Non-current liabilities			
Provisions	18	(2,791)	(149)
Total non-current liabilities		(2,791)	(149)
Total assets less total liabilities		568,893	571,218
Taxpayers' equity & other reserves:			
General fund		435,060	410,874
Revaluation reserve		133,833	160,344
Total equity		568,893	571,218



Dr Denis McMahon

Accounting Officer

Department of Agriculture, Environment and Rural Affairs

14 October 2020

The notes on pages 117 to 150 form part of these accounts

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Cash Flows for the year ended 31 March 2020

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

		2019-20	2018-19
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Cash flows from operating activities			
Net operating cost	CSoCNE	(279,169)	(260,514)
Adjustments for non-cash transactions		28,290	20,666
(Increase)/Decrease in trade and other receivables <i>less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>	16	(1,330)	963
		482	(1,841)
(Increase)/Decrease in inventories	14	62	(78)
Increase/(Decrease) in trade and other payables <i>less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure</i>	17	(968)	11,414
		(1,053)	(5,042)
Use of Provisions	18	(107)	(588)
Net cash outflow from operating activities		(253,793)	(235,020)
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,774)	(3,979)
Purchase of intangible assets	8.1	(17,680)	(12,795)
Proceeds of disposal of property, plant and equipment		114	86
Net cash outflow from investing activities		(27,340)	(16,688)

The notes on pages 117 to 150 form part of these accounts

Annual Report and Accounts for the year ended 31 March 2020

		2019-20	2018-19
	Notes	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year	CSoCITE	279,800	250,857
From the Consolidated Fund (Supply) - prior year	CSoCITE	851	2,692
Net financing		280,651	253,549
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to the Consolidated Fund	15	(482)	1,841
Payments of amounts due to the Consolidated Fund		-	-
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		(482)	1,841
Cash and cash equivalents at the beginning of the year	15	(851)	(2,692)
Cash and cash equivalents at the end of the year	15	(1,333)	(851)

The notes on pages 117 to 150 form part of these accounts

Department of Agriculture, Environment and Rural Affairs

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

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

	Notes	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2018		397,188	151,008	548,196
Net Assembly Funding - drawn down		250,857	-	250,857
Supply receivable adjustment		851	-	851
Comprehensive Net Expenditure for the year		(260,514)	13,798	(246,716)
Non-Cash Adjustments				
Accommodation and other charges		17,905	-	17,905
Auditor's remuneration		125	-	125
Movements in Reserves				
Transfers between reserves		4,462	(4,462)	-
Balance at 31 March 2019		410,874	160,344	571,218
Net Assembly Funding - drawn down		279,800	-	279,800
Supply receivable adjustment	15	1,333	-	1,333
Comprehensive Net Expenditure for the year	CSoCNE	(279,169)	(22,571)	(301,740)
Non-Cash Adjustments				
Accommodation and other charges	4,5	18,151	-	18,151
Auditor's remuneration	4	131	-	131
Movements in Reserves				
Transfers between reserves		3,940	(3,940)	-
Balance at 31 March 2020		435,060	133,833	568,893

Department of Agriculture, Environment and Rural Affairs

Resource Accounts at 31 March 2020

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by DoF. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of DAERA for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material to the accounts.

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

1.1 Accounting convention

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

1.2 Basis of consolidation

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

1.3 Property, plant & equipment and biological assets

Capitalisation

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

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On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Statement of Financial Position (SoFP) to the extent that money has been paid or a liability has been incurred.

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

Valuation

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenue Rating and Valuation (IRRV).

Professional revaluations of land and buildings (with the exception of Forest Land) are undertaken every five years by LPS Division of DoF. LPS practices comply with RICS Valuation Standards (The Red Book) which provides a regulated framework and practice guidance and standards, including compliance with International Valuation Standards. LPS revalued all Core Land and Buildings at 1 April 2015, NIEA buildings at 1 April 2016 and Forest Service was revalued at 1 April 2019.

Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

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

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

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

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

Assets under Construction are carried at cost.

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

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

In accordance with IAS41 livestock and fish stocks are included in Biological Assets. Due to difficulty in calculating fair value reliably, livestock is valued at market value and fish stocks are valued at the lower of cost and net realisable value at the end of the reporting period.

Depreciation

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

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

Assets under Construction are not depreciated until they are commissioned.

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

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

1.4 Intangible Assets

Software Licences

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

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Land Rights

Other intangibles relate to Forest Service land rights (shooting and turbary rights). The forest land rights, being land based, are as a consequence revalued every 5 years by a professional valuer. The valuation of land rights used in these accounts was provided by LPS as at 1 April 2019. There is no in year amortisation charge as the life span is land-based and therefore assumed to be infinite.

Developed Software

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

Sporting and Fishing Rights

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

1.5 Financial Assets

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

1.6 Current Assets Held for Sale

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

1.7 Inventories

Consumable materials and supplies are valued at the lower of cost and net realisable value.

1.8 Income

Revenue from contracts with customers is income that relates directly to operating activities of the Department and comprises fees and charges, to be recovered for services provided to external customers, sale of timber, and public repayment work. It includes the Department's accruing resources and any income payable to the Consolidated Fund. Other Operating Income is Income received from the EU under CAP for Peace and Reconciliation, and other EU initiatives.

1.9 Foreign Exchange

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

1.10 Grants

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

1.11 Provisions

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

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

1.12 Value Added Tax (VAT)

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

1.13 Third-Party Assets

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

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1.14 Administration and Programme Expenditure

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

1.15 Employee Benefits including pensions

Under the requirements of “IAS 19: Employee Benefits”, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. Expenditure is based on a specific report run from the Personnel system which calculates the year-end balance using leave balances on the system.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI) (PCSPS (NI)). The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the year during which it benefits from employees’ services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year. See Remuneration note.

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

1.16 Contingent Liabilities

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

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

1.17 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is de-recognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for de-recognition. A financial liability is de-recognised when, and only when, it is extinguished.

Trade Receivables

Trade receivables are recognised and carried at fair value less a provision for non-recovery. The Department applies the simplified approach for expected credit losses as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and balances at commercial banks.

Trade payables

Trade payables are not interest bearing and are recognised initially at fair value.

1.18 Related Party Transactions

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

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

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

1.19 Functional Currency and Rounding

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

1.20 Critical Accounting Estimates and Key Adjustments

As a result of the uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with *FReM*,

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management have used judgements based on the latest available, reliable information. Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.21 Changes to accounting standards not yet effective

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

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the *FReM*, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

The impact of adopting IFRS 16 in 2021-22 will be:

SoCNE Impacts IFRS 16	£'000
Depreciation expected - 2021-22	3,453
Interest expense expected - 2021-22	675
IAS 17 basis rental payments expected - 2021-22	3,817
Increased Expenditure	311
SoFP Impacts IFRS 16	£'000
Existing IAS 17 Operating Leases - Right of Use Assets - 1 April 2021	35,054
Existing IAS 17 Operating Leases - Lease Liabilities - 1 April 2021	(33,909)

IFRS 10, IFRS 11, IFRS 12

The IASB 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 were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS are currently adapted in the *FReM* so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards.

2. Statement of Operating Costs by Operating Segment

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

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

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

	2019-20			2018-19		
	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Veterinary Services & Animal Health	67,408	13,784	53,624	67,225	16,356	50,869
Food & Farming	366,905	307,410	59,495	418,450	315,057	103,393
Environment, Marine & Fisheries	74,541	23,227	51,314	66,292	20,439	45,853
Rural Affairs, Forest Service & Estates Transformation	44,670	19,788	24,882	39,384	17,173	22,211
Central Services & Contingency Planning	96,413	6,559	89,854	38,616	428	38,188
Total	649,937	370,768	279,169	629,967	369,453	260,514

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

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2.1 Reconciliation between Operating Segments and CSoCNE

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

2.2 Reconciliation between Operating Segments and CSoFP

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

3. Staff Costs

	2019-20	2018-19
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Wages and salaries	99,213	92,521
Social security costs	9,944	9,190
Other pension costs	28,768	20,080
Sub Total	137,925	121,791
Less recoveries in respect of outward secondments	-	(72)
Total Net Costs	137,925	121,791

of which:

Charged to Administration	35,980	31,384
Charged to Programme	101,945	90,407
	137,925	121,791

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4. Other Administration Costs

4 (a) Administration Costs

	2019-20	2018-20
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Purchase of Goods & Services		
Office services	2,219	2,073
Contracted out services	3,019	2,908
Professional costs	986	763
Consultancy costs	61	34
Other expenses	549	283
Total Purchases of Goods & Services	6,834	6,061
Depreciation & impairment charges		
Non - cash costs :		
Depreciation - property, plant and equipment	348	276
Amortisation of intangible assets	9,033	7,033
Impairment/revaluation of asset	(3)	-
Total	9,378	7,309
Other operating expenditure		
Rentals under operating leases	130	143
Staff related costs	2,048	1,739
Accommodation costs	389	305
Loss on disposal of assets	-	1
Sub-Total Other operating expenditure	2,567	2,188
Notional Charges		
Notional auditor's remuneration	131	127
Notional accommodation	6,799	6,790
Other notional costs	11,342	11,115
Sub-Total Notional Charges	18,272	18,032
Total Administration Costs	37,051	33,590

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4 (b) Total Operating Expenditure Reconciliation

			2019-20
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Staff costs	35,980	101,945	137,925
EU expenditure	-	319,034	319,034
National grant expenditure and disallowance	-	92,227	92,227
Purchase of goods & services	6,834	27,144	33,978
Depreciation & impairment	9,378	15,144	24,522
Provision expenses	-	4,186	4,186
Other operating expenditure	20,839	35,779	56,618
Growing timber revaluation	-	(18,553)	(18,553)
Total	73,031	576,906	649,937

Total Operating Expenditure Reconciliation

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

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5. Programme Costs

5 (a) Programme Costs

	2019-20	2018-19
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Grant Expenditure		
EU Grants & Subsidies:		
Capital grants & subsidies	22,923	18,384
Current grants & subsidies - Area Aids Basic Payment Scheme	287,360	290,438
Current grants & subsidies - other	8,751	8,979
	319,034	317,801
National Grants & Subsidies:		
Grant in aid	48,713	49,507
Capital grants & subsidies	30,543	31,594
Current grants & subsidies	12,876	13,356
	92,132	94,457
CAP Disallowance	95	151
Total	411,261	412,409
Purchase of Goods & Services		
Office services	1,959	1,874
Contracted out services	5,531	5,293
Private veterinary practitioners fees & expenses	8,439	8,403
Professional & legal costs	4,988	4,481
Consultancy costs	12	165
Consumables & materials	2,787	2,830
Other goods and services	3,428	3,054
Total	27,144	26,100
Depreciation & Impairment Charges Non Cash Costs:		
Depreciation - property, plant & equipment	9,495	9,410
Amortisation of intangible assets	1,704	1,070
Impairment/revaluation of assets	3,945	475
Total	15,144	10,955

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	2019-20	2018-19
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Bad Debts	78	525
Provision expense	4,108	74
Provisions Total	4,186	599
Other Operating Expenditure		
Rentals under operating lease	591	609
Staff related costs	3,428	3,245
Accommodation costs	7,551	8,309
Exchange rate losses/(gains) - realised	(13)	(471)
Exchange Rate losses - unrealised	5	109
Diseased animals compensation	19,520	23,678
Non-capital plant and equipment purchases	2,393	1,899
Vehicle and plant costs	2,286	2,592
Sub Total	35,761	39,970
Non cash items		
(Gain)/loss on disposal of assets	(8)	733
Provision for doubtful debt	26	257
Non Cash Total	18	990
Total	35,779	40,960
Growing timber revaluation	(18,553)	(16,437)
Total Programme Expenditure	474,961	474,586

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5 (b) Non Cash Costs

2019-20			
	Administration Expenditure £'000	Programme Expenditure £'000	Total £'000
Ministers Notional Salary	11	-	11
Depreciation & impairment	9,378	15,144	24,522
Provision expenses	-	4,107	4,107
Other operating expenditure	18,272	18	18,290
Growing Timber Revaluation	-	(18,553)	(18,553)
Total	27,661	716	28,377

Non Cash Costs

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

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6. Income

	2019-20	2018-19
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Income from contracts with customers		
Timber and other forest produce	10,887	8,774
Inspection & testing	8,328	7,924
Rent & recreation income	8,976	8,089
Resource efficiency pollution costs recovered	8,541	8,288
Diseased animal salvage	4,193	4,476
Carrier bag levy	4,403	4,574
Education	1,860	2,129
Farm sales	1,029	1,061
Seconded staff	-	72
Other	1,899	2,069
Total	50,116	47,456
Other Operating income		
Area Aids and Basic Payment Scheme	287,360	290,438
Other EU programme income	31,678	27,399
Veterinary fund receipts	1,614	4,160
	320,652	321,997
Total Income	370,768	369,453

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7.1 (a) Property, Plant and Equipment 2019-20

	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or valuation						
At 1 April 2019	355,745	26,091	11,782	4,556	6,038	404,212
Additions	1,342	1,915	583	1,071	5,895	10,806
Disposals	(34)	(749)	(450)	(213)	-	(1,446)
Reclassifications	1,966	805	90	60	(2,931)	(10)
Revaluations to CSoCNE	(4,011)	2	-	-	-	(4,009)
Revaluations through revaluation reserve	(24,439)	452	272	5	9	(23,701)
At 31 March 2020	330,569	28,516	12,277	5,479	9,011	385,852
Depreciation						
At 1 April 2019	30,913	15,979	7,356	2,813	-	57,061
Charged in year	6,914	1,457	888	584	-	9,843
Disposals	(10)	(699)	(422)	(208)	-	(1,339)
Reclassification	(50)	42	5	3	-	-
Transfers	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Revaluations to CSoCNE	(81)	21	3	2	-	(55)
Revaluations through revaluation reserve	(565)	245	169	(16)	-	(167)
At 31 March 2020	37,121	17,045	7,999	3,178	-	65,343
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151
Carrying amount at 31 March 2020	293,448	11,471	4,278	2,301	9,011	320,509
Asset financing:						
Owned	293,154	11,471	4,278	2,301	9,011	320,215
Land at Baronscourt	294	-	-	-	-	294
Carrying amount at 31 March 2020	293,448	11,471	4,278	2,301	9,011	320,509

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	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Of the total:						
Core Department	186,793	7,036	3,050	1,929	5,841	204,649
Agencies	106,655	4,435	1,228	372	3,170	115,860
Carrying Amount at 31 March 2020	293,448	11,471	4,278	2,301	9,011	320,509

Land and Buildings includes land with a net book value of £124.5m.

During the previous year the Department donated the Colin Glen & Colin Park assets worth £670k to the Colin Glen Trust. There were no donations in 2019-20.

Within Land and Buildings £80.1m relates to Forest Service land, a decrease of 29.2% on 2019 value of £113.2m. Forest Service land is valued annually by Land and Property Services (LPS)

LPS have advised, that the outbreak of the novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11th March 2020, has impacted global financial markets. As a consequence LPS have reported that as at the valuation date, they consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation of the combined forest estate is reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty - and a higher degree of caution - should be attached to them than would normally be the case.

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

	Land & Buildings	Plant & Machinery	Transport & Equipment	Information Technology	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2018	340,791	23,769	11,512	3,802	4,528	384,402
Additions	854	2,136	728	768	4,522	9,008
Disposals	(1,887)	(686)	(502)	(127)	-	(3,202)
Reclassifications	2,556	500	(114)	70	(3,012)	-
Transfers	8	-	(17)	5	-	(4)
Revaluations to CSocNE	602	13	6	-	-	621
Revaluations through revaluation reserve	12,821	359	169	38	-	13,387
At 31 March 2019	355,745	26,091	11,782	4,556	6,038	404,212
Depreciation						
At 1 April 2018	23,726	14,887	7,118	2,483	-	48,214
Charged in year	7,066	1,291	860	470	-	9,687
Disposals	(1,153)	(660)	(455)	(125)	-	(2,393)
Reclassification	(9)	233	(233)	9	-	-
Transfers	-	-	(17)	-	-	(17)
Impairment	948	3	-	-	-	951
Revaluations to CSocNE	26	5	12	2	-	45
Revaluations through revaluation reserve	309	220	71	(26)	-	574
At 31 March 2019	30,913	15,979	7,356	2,813	-	57,061
Carrying amount at 31 March 2018	317,065	8,882	4,394	1,319	4,528	336,188
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151
Asset financing						
Owned	324,363	10,112	4,426	1,743	6,038	346,682
Land at Baronscourt	469	-	-	-	-	469
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151
Of the Total:						
Core department	183,764	6,511	3,219	1,412	4,228	199,134
Agencies	141,068	3,601	1,207	331	1,810	148,017
Carrying amount at 31 March 2019	324,832	10,112	4,426	1,743	6,038	347,151

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7.2 Biological Assets

		2019-20	2018-19
Growing Timber	Note	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Value at 1 April		213,420	197,445
Revaluation adjustment			
Transfer to assets held for sale	11	(1,535)	(1,198)
Timber removals		(9,537)	(7,728)
Timber lost to fire		(28)	(22)
Price/growth increment		29,317	24,923
Value at 31 March		231,637	213,420
Livestock & Fish Stock		1,353	-
Total Biological Assets		232,990	213,420
Revaluation adjustment:			
Credit/(charge) to Consolidated Statement of Comprehensive Net Expenditure		18,553	16,437
In year movement in assets held for sale		(337)	(462)
Movement in timber valuation		18,216	15,975

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

Timber identified as having been allocated under contract and removed from the estate database being available for sale in 2020-21 is valued at the expected sales price. Timber removals in year are valued at the sales price achieved. The revaluation movement, except for the movement in the asset held for sale is taken directly to the CSocNE. Timber felled and contracted for sale is removed from the valuation model and transferred to Assets Held for Sale. Fish stock and livestock were reclassified in the 2019-20 from stocks to biological assets.

7.3 Heritage Assets

	2019-20	2018-19
	Core Dept & Agencies £'000	Core Dept & Agencies £'000
Value at 31 March	2,735	2,735

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

8.1 Intangible Assets

2019-20	Forest Land Rights £'000	Software £'000	Software Licences £'000	Assets under construction £'000	Total £'000
Cost or valuation					
At 1 April 2019	1,423	71,606	4,043	3,509	80,581
Additions	-	17,430	244	6	17,680
Disposals	-	(64)	(37)	-	(101)
Reclassification	(1)	19	12	-	30
Revaluations to CSocNE	-	45	15	-	60
Revaluations through Revaluation Reserve	58	1,778	75	-	1,911
Total Cost	1,480	90,814	4,352	3,515	100,161
Amortisation					
At 1 April 2019	-	34,172	3,433	-	37,605
Charged in year	-	10,421	316	-	10,737
Disposal Depreciation	-	(64)	(37)	-	(101)
Reclassification Depreciation	-	21	1	-	22
Revaluation to CSocNE	-	35	13	-	48
Revaluations through Revaluation Reserve	-	887	61	-	948
At 31 March 2020	-	45,472	3,787	-	49,259
Carrying Amount at 31 March 2019	1,423	37,434	610	3,509	42,976
Carrying Amount at 31 March 2020	1,480	45,342	565	3,515	50,902

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

9. Impairments

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Charged to statement of comprehensive net expenditure	-	951
Charged to Revaluation Reserve	-	306
	-	1,257

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

10. Capital and other commitments

10.1 Capital Commitments

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Intangible	47,099	52,868
Plant, Property & Equipment	319	1,091
	47,418	53,959

10.2 Commitments under leases

10.2.1 Operating leases

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

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Land		
Not later than one year	35	46
Later than one year and not later than five years	98	109
Later than five years	478	500
	611	655
Buildings		
Not later than one year	88	86
Later than one year and not later than five years	237	140
Later than five years	149	137
	474	363
Other		
Not later than one year	107	127
Later than one year and not later than five years	62	106
Later than five years	55	50
	224	283

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10.2.2 Finance leases

The Department had no finance leases during 2019-20 or 2018-19.

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

The Department had no PFI commitments at 31 March 2020.

10.4 Other Financial Commitments

The Department and its Agencies have entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) to give assistance to farmers and others who meet appropriate criteria. A commitment is deemed to arise for the balance of the total possible payment unpaid, unclaimed and not yet due to be claimed at 31 March 2020.

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

Other financial commitments	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Total Grant Commitments		
Not later than one year	54,575	50,696
Later than one year and not later than five years	27,226	33,533
Later than five years	1,536	1,797
	83,337	86,026

Grant commitments includes both the EU and the National share. The EU and National shares vary from scheme to scheme. The split of the total commitment of £83m is EU £50m (60%) and National £33m (40%).

In 2018-19 the split of the total commitment of £86m was EU £49.1m (57%) and National £36.9m (43%).

11. Financial Instruments

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

11.1 Foreign Currency risk

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

The Department also incurs expenditure in sterling on schemes for which it seeks reimbursement from the EU Structural Funds and the EU Veterinary Fund. Claims for funding are submitted to the EU in Euro. The Department is therefore exposed to currency exchange fluctuations that reflect currency movements between the date it makes a claim and the date it is reimbursed. Exchange rate gains and losses are shown in note 5.

12. Investment in other public sector bodies

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

13. Assets held for sale

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Forestry - Timber		
Opening Balance as at 1 April	1,198	736
Additions	1,535	1,198
Disposals	(1,198)	(736)
Total balance at 31 March	1,535	1,198

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

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14. Inventories

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Livestock	-	1,270
Consumable materials and supplies	950	1,012
Total Inventories	950	2,282

From 2019-20 livestock and fish stocks have been reclassified as biological assets.

15. Cash and cash equivalents

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
At 1 April 2019	(851)	(2,692)
Net change in cash and cash equivalent balances	(482)	1,841
At 31 March 2020	(1,333)	(851)
The following balances at 31 March were held at:		
Government Banking Service	(1,429)	(970)
Commercial banks and cash in hand	96	119
At 31 March 2020	(1,333)	(851)
The balance comprises:		
Cash & bank	821	629
Bank overdraft	(2,154)	(1,480)
	(1,333)	(851)

15.1 Reconciliation of liabilities arising from financial activities

There are no liabilities arising from financing activities at 31 March 2020 or 31 March 2019.

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16. Trade Receivables, financial and other assets

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Amounts falling due within one year		
VAT	1,859	1,913
Trade receivables	5,775	3,857
Other receivables	224	209
Prepayments & accrued income	14,369	16,131
Amounts due from Rural Payments Agency in relation to Common Agricultural Policy (CAP)	13,399	12,668
	35,626	34,778
Amounts due from Consolidated Fund in respect of supply	1,333	851
Total at 31 March due within one year	36,959	35,629

17. Trade Payables, financial and other current liabilities

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Amounts falling due within one year		
Taxation and social security	1	3
Trade payables	858	1,557
Other payables	4,134	5,095
Accruals and deferred income	28,913	31,876
CAP Disallowance	1,506	1,407
EU grant creditors - Common Agricultural Policy	12,364	10,426
Other grant creditors	23,902	22,282
Total at 31 March 2019 due within one year	71,678	72,646

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CAP DISALLOWANCE

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

	2018-19	Charged to CSoCNE	2019-20
Scheme	£'000	£'000	£'000
NIRDP	1,256	4	1,260
EAF 2018 Accounts	151	1	152
Pillar II	-	83	83
Payment Entitlements	-	11	11
TOTAL	1,407	99	1,506

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

18. Provisions for liabilities and charges

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Balance at 1 April 2019	702	1,216
Provided in the year	4,174	194
Provisions not required written back	(66)	(120)
Provisions utilised in the year	(107)	(588)
Balance at 31 March 2020	4,702	702

Analysis of expected timing of discounted flows

	2019-20	2018-19
	Core Department & Agencies £'000	Core Department & Agencies £'000
Not later than one year	1,911	553
Later than one year and not later than five years	2,791	149
Balance at 31 March 2020	4,702	702

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	2019-20 Core Department & Agencies		
	Litigation Claims	Other Provisions	Total
	£'000	£'000	£'000
Not later than one year	1,470	441	1,911
Later than one year and not later than five years	-	2,791	2,791
Balance at 31 March 2020	1,470	3,232	4,702

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. Due to delays in relation to the COVID-19 situation, it is expected that this will not be heard until 2021 but could result in a decision which either reduces the period of liability or confirms the full period back to 1998. The 2019-20 Holiday Pay provision has been estimated by NICS HR and covers the period from 1998 to 31 March 2020.

The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions (NI).

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

18.1 Litigation and Other

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

19. Contingent liabilities disclosed under IAS 37

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

Pillar 1 Payments

An EU 'Letter of Findings' of 21 January 2020, following an EU Entitlements Audit in October 2019, included four observations of deficiencies in key controls in three areas. The findings engaged a provisional flat rate EU disallowance flat rate correction of 10% on the EAGF (Pillar 1 payments) fund.

Successful discussions with the Commission, including during a bi-lateral meeting on 18 June, has reduced the flat rate correction to 5% and limited it to Young Farmer/New Entrant scheme payments.

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The Department continue to engage with the Commission, and work is ongoing to provide further data to them by 6 October 2020, that it is anticipated will reduce this figure even further. At this stage the final disallowance figure cannot be quantified resulting in a contingent liability.

2015, 2016, 2017, 2018 & 2019 Direct Payments cases with eligibility decisions yet to be taken

The Department has not provided for or accrued any amounts in respect of the 2015, 2016, 2017, 2018 & 2019 Direct Payment for applications that have not yet been deemed eligible. The Department does not yet have sufficient information to reliably estimate what the liability in these cases will be. These comprise of outstanding Review of Decision cases and businesses that are still to have their eligibility determined. Based on each farm businesses main entitlement value award and their claimed areas these businesses could be due payment if found to be eligible, in the region of £964k. However, given the historic success percentage of determining eligibility under the various outstanding groups, this liability is more likely to be £666k. As this is a scheme that is fully funded by the EU, the amount due to farmers may be fully recoupable by the Department from the EU.

Legacy Agri-environment Agreements

The Department has a number of Legacy Agri-environmental Agreement claims. Some of these claims have progressed and will be paid in 2020-21. Other claims are still being assessed and it is expected that the total value of claims outstanding will not exceed £600k.

Backdated Holiday Pay

The Department has a contingent liability related to the backdated holiday pay. A provision has been provided for based on the DoF calculated amounts due for pay and employers national insurance. However, there are still very significant elements of uncertainty especially over the pension liabilities as there has been no agreed way of dealing with the pension element of the settlement which could be a significant part of the costs. There are other uncertainties about the estimates due to the lack of accessible data for years previous to 2011, the issue has yet to be negotiated with unions, there is no agreement with HMRC about the taxation issues and the appeal to the Supreme Court is still to be heard.

Legal Cases

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

UK leaving the EU (as above)

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

20. Related-party transactions

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

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

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

The members of staff asked to declare any such interest include top managerial officials as well as members of the Departmental Board and the Minister. The following interests were declared:

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

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

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

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

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

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21 Third-party assets

The Department held third-party assets at 31 March including bank accounts, Consolidated Fund investments, shares in the NI Central Investment Fund for Charities, and Government Stocks. These are not departmental assets and are not included in the SoFP. The assets held at the reporting year date to which it was practical to ascribe monetary values as at 31 March 2020 are set out in the table below.

Consolidated

Northern Ireland Central Investment Fund for Charities	No. of Shares	2019-20 £	2018-19 £
Description			
DAERA Moore Memorial Fund	96	1,193	1,263
DAERA Thomson Memorial Account	990	12,303	13,028
DAERA Thompson Bequest Account	10,973	136,361	144,397
Vaughan's Charity	181,395	2,254,196	2,387,031
Vaughan's Charity - Fermanagh Pig Project	1,099	13,657	14,462
Total	194,553	2,417,710	2,560,181

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Third-party account balances	Bank Accounts		Consolidated Fund	
	2019-20 £	2018-19 £	2019-20 £	2018-19 £
DAERA Horse Racing Business Investment	61,154	158	314,172	16,172
DAERA Horse Racing Account	-	-	-	-
ECA Student Resource Account	34,992	30,104	-	-
ECA Vaughan Charity - current account	5,000	5,000	-	-
ECA Vaughan Charity - deposit account	12,394	68,758	-	-
Greenmount College Floristry Club	23	23	-	-
Greenmount College Sports Fund	23,707	18,875	-	-
Greenmount College Sports and Recreation	2,244	2,244	-	-
Greenmount College Enterprise Management	-	5,761	-	-
Greenmount Travel - Current	11,931	21,979	-	-
Greenmount Travel - Business Reserve	8,739	8,722	-	-
Greenmount - Projects	958	990	-	-
Greenmount - Cream Advisory	26,578	26,525	-	-
Greenmount College Football Club	12	12	-	-
Greenmount Bursaries	15,396	14,836	-	-
Greenmount Erasmus Euro account	24,472	54,002	-	-
Greenmount Erasmus Sterling account	1,824	1,974	-	-
Greenmount Computer Club	109	-	-	-
Greenmount Student Recreational Council	1,692	-	-	-
Loughry Student Affiliation Account	9,187	15,746	-	-
DAERA Moore Memorial Fund	86	38	1,470	1,470
DAERA Thomson Memorial Account	534	32	13,720	12,320
DAERA Thompson Bequest Account	4,855	114	5,785	1,485
Educational Trust Fund	-	11,261	-	-
Totals	245,887	287,154	335,147	31,447

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22. Entities within the departmental boundary

The entities within the boundary during 2019-20 were as follows:

Supply-financed agencies	Forest Service Agency
	NI Environment Agency

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

23. Events after the reporting period

From 1 April 2020 the Forest Service Agency continued to be an Executive Agency of the Department but operated as a Public Corporation following its reclassification by the Office for National Statistics.

At the time of signing these accounts the Department continued with business as usual with the majority of staff working at home following the outbreak of COVID-19.

The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 came into operation on 24 April 2020 and allows those workers who are unable to take annual leave as result of the pandemic to carry over up to four weeks' annual leave into the next two leave years. Any exemption will apply only to circumstances where workers are unable to take their leave as a result of the outbreak, and carry over of annual leave will be limited to the next two leave years. The change in regulations may lead to an increase in the value of accrued annual leave carried over in the next two years by the department. It is not possible for the department to give a reasonable estimate of the impact at this time.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 14 October 2020.

List of Abbreviations

AFBI	Agri-Food and Biosciences Institute
AI	Avian Influenza
ALB	Arm's Length Body
AME	Annually Managed Expenditure
AMP	Asset Management Plan
AMPS	Assembly Members' Pension Scheme
AMR	Antimicrobial Resistance
ANC	Areas of Natural Constraint
APHIS	Animal and Public Health Information System
ARAC	Audit and Risk Assurance Committee
ASF	African Swine Fever
AWB	Agricultural Wages Board
BCP	Business Continuity Plan
BDG	Business Development Groups
BEIS	Business, Energy and Industrial Strategy
BPS	Basic Payment Scheme
bTB	Bovine Tuberculosis
C&AG	Comptroller and Auditor General
CAFRE	College of Agriculture, Food and Rural Enterprise
CAL	Centre for Applied Learning
CAP	Common Agricultural Policy
CARE	Career Average Revalued Earnings
CAV	Combined Asset Valuation
CBRN	Chemical, Biological, Radiological and Nuclear
CCF	Coastal Communities Fund
CETV	Cash Equivalent Transfer Value
CMU	Countryside Management Unit
CNCC	Council for Nature Conservation and the Countryside
CPI	Consumer Prices Index
CRAG	Comptroller and Auditor General
CRR	Departmental Corporate Risk Register
CSAO	Chief Scientific Advisors Office
CSCPG	Central Services and Contingency Planning Group
CSocNE	Consolidated Statement of Comprehensive Net Expenditure
CSP	Civil Service Pensions
DA	Devolved Administrations
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO	Dear Accounting Officer
DARD	Department of Agriculture and Rural Development
DB	Departmental Board
DCCAE	Department of Communications, Climate Action and Environment
DECOL	DAERA Export Certification Online
Defra	Department for Environment, Food and Rural Affairs

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DEL	Departmental Expenditure Limits
DfC	Department for Communities
DfI	Department for Infrastructure
DFP	Department of Finance and Personnel
DoF	Department of Finance
DoH	Department of Health
DTP	Digital Transformation Project
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EC	European Commission
EEl	Employee Engagement Index
EFS	Environmental Farming Scheme
EHC	Export Health Certificate
EIP	European Innovation Partnership
EMFF	European Maritime and Fisheries Fund
EMFG	Environment, Marine and Fisheries Group
ETD	Estate Transformation Division
ETOB	Estate Transformation Oversight Board
ETP	Estate Transformation Programme
ETS	Emissions Trading Scheme
EU	European Union
FBIS	Farm Business Improvement Scheme
FCILC	Foyle, Carlingford and Irish Lights Commission
FD	Finance Director
FFG	Food and Farming Group
FFKS	Farm Family Key Skills
FIV	Farm Innovation Visit
FNC	Farmer Notified Changes
FRem	Government Financial Reporting Manual
FSA	Food Standards Agency
FTE	Full Time Equivalent
FYE	Full Year Equivalent
GAD	Government Actuary's Department
GB	Great Britain
GDPR	General Data Protection Regulations
GLAA	Gangmasters and Labour Abuse Authority
GPS	Global Positioning System
ha	Hectares
HM	Her Majesty's
HOCS	Head of the Civil Service
HR	Human Resources
IAB	Internal Audit Branch
IAO	Information Asset Owners
IAS	International Accounting Standards
ICT	Information and Communication Technology

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IFRS	International Financial Reporting Standards
IRM	Identification, Registration and Movement
IRRV	Institute of Revenue Rating and Valuation
ISO	International Organisation for Standardisation
ISMS	Information Security Management System
IST	Integrated Supply Team
ISVA	Incorporated Society of Valuers and Auctioneers
ITED	Innovation Technology Evaluation Demonstration
IT	Information Technology
KAS	Knowledge Advisory Service
KNIB	Keep Northern Ireland Beautiful
KPI	Key Performance Indicator
LAG	Local Action Groups
LEADER	Liaison entre actions de développement de l'économie rurale (French) - a European Union initiative to support rural development projects initiated at the local level in order to revitalise rural areas and create jobs.
LGD	Lead Government Department
LMC	Livestock and Meat Commission
LPIS	Land Parcel Identification System
LPS	Land & Property Services
m ³	Meters cubed
MERP	Major Emergency Response Plan
MLA	Member of the Legislative Assembly
MPMNI	Managing Public Money NI
MSFM	Management Statement and Financial Memorandum
MSY	Maximum Sustainable Yield
NDNA	New Decade, New Approach agreement
NDPB	Non-Departmental Public Bodies
NEMs	Non Executive Members
NGO	Non-Governmental Organisations
NIAO	NI Audit Office
NICS	Northern Ireland Civil Service
NICS HR	Northern Ireland Civil Service Human Resources
NICTS	NI Courts and Tribunal Service
NIEA	Northern Ireland Environment Agency
NIFAIS	NI Food and Animal Information System
NIFHA	NI Fishery Harbour Authority
NI	Northern Ireland
NIRDp	NI Rural Development Programme
NISRA	Northern Ireland Statistics and Research Agency
NSMC	North South Ministerial Council
OBC	Outline Business Case
OCR	Official Controls Regulation
ONS	Office of National Statistics
OTSC	On the Spot Checks

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PAAC	Paying Agency Accreditation Committee
PAC	Public Accounts Committee
PfG	Programme for Government
PO	Provisional Outturn
PPE	Personal Protective Equipment
PSIAS	Public Sector Internal Audit Standards
PSNI	Police Service of NI
PVP	Private Veterinary Practitioners
QUB	Queens University Belfast
RAFSETG	Rural Affairs, Forest Service and Estate Transformation Group
R&D	Research and Development
RDP	Rural Development Programme
RICS	Royal Institute of Chartered Surveyors
RoI	Republic of Ireland
RPI	Retail Price Index
SAF	Single Application Form
SALMS	Sustainable Agricultural Land Management Strategy
SCAPE	Superannuation Contributions Adjusted for Past Experience
SCS	Senior Civil Servants
SDG	Sustainable Development Goals
SDMF	Senior Decision Making Forum
SI	Statutory Instrument
SIRO	Senior Information Risk Owner
SLA	Service Level Agreement
SNCB	Statutory Nature Conservation Body
SoAS	Statement of Assembly Supply
SoFP	Statement of Financial Position
SRO	Senior Responsible Officer
SRP	Soluble Reactive Phosphorus
TBSPG	TB Strategic Partnership Group's
TDF	Technology Demonstration Farm
TEO	The Executive Office
TMT	Top Management Team
TRPSI	Tackling Rural Poverty and Social Isolation
TVR	Test and Vaccinate or Remove
UK	United Kingdom
UKG	United Kingdom Government
UU	Ulster University
VARSS	Veterinary Antimicrobial Resistance and Sales Surveillance
VAT	Value Added Tax
VfM	Value for Money
VSAHG	Veterinary Service Animal Health Group
WFD	Water Framework Directive
WRAP	Waste and Resources Action Programme



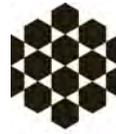
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