

Department of Agriculture, Environment and Rural Affairs

Annual Report and Accounts for the year ended 31 March 2024



Department of

**Agriculture, Environment
and Rural Affairs**

An Roinn

**Talmhaíochta, Comhshaoil
agus Gnóthaí Tuaithe**

Department o'

**Fairmin, Environment
an' Kintra Matters**

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

ANNUAL REPORT AND ACCOUNTS 2023-24 For the year ended 31 March 2024

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**Department of Agriculture, Environment and Rural Affairs
Annual Report and Accounts for the year ended 31 March 2024**

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

PERFORMANCE REPORT

Introduction

The Department of Agriculture, Environment and Rural Affairs (DAERA / the Department) presents its Annual Report and Accounts for the financial year ended 31 March 2024.

PERFORMANCE REPORT

Permanent Secretary's Perspective on Performance

I am pleased to present the 2023-24 Annual Report and Resource Accounts for the Department of Agriculture, Environment and Rural Affairs (DAERA). I am very proud of what the Department has achieved in 2023–24.

For much of the year, we were left in a position where we had once again to operate without ministers, with senior officers of the Department having to take decisions that in any normal circumstance would be properly taken by those democratically elected to do so and have the benefit of Assembly scrutiny. These included decisions on how to live within the very challenging budgets set by the Secretary of State. I want to acknowledge the leadership provided by the DAERA senior team in ensuring that we complied with the requirements of the Northern Ireland (Executive Formation etc) Act 2022 and associated guidance and thank staff across the Department for their resilience and professionalism as they worked hard to deliver the best possible services to the public during another very challenging period.

Ministers returned and an Executive was formed towards the end of the year and, on 3 February 2024, we were delighted to welcome Andrew Muir MLA, in his new role as DAERA Minister, and to support him and the new Executive in setting new priorities for the remainder of the Assembly mandate.

Throughout 2023-24, we continued to work with our UK Government counterparts to navigate the requirements of the Windsor Framework and ensure that DAERA delivered its responsibilities as competent authority. For much of the year, we also briefed and supported the parties entitled to make up the Executive, leading the 'Planet' strand of the 'People; Planet; Prosperity' framework put in place by the Head of the Civil Service to inform the development of a returning Executive's programme for government.

Improving water quality has been a key focus for us throughout 2023-24. We faced particular challenges from summer 2023 as Northern Ireland encountered unprecedented blue-green algal (BGA) blooms at a number of locations in rivers, lakes and coastlines, primarily in Lough Neagh and the Lower Bann. We introduced emergency planning measures to deal with the situation, briefed political parties and initiated work to understand more fully the causes of the blooms, their impact on those who use our waterways and the types of evidence-based interventions that might be effective. This work has now resulted in a Lough Neagh Action plan currently under consideration by the Executive.

On air quality, we launched a call for evidence to assess the impacts of air pollutants such as ammonia on our natural environment and we also took a decision that the Northern Ireland

Environment Agency should no longer rely on published Ammonia Standing Advice when considering planning applications.

While our assessment was that it was not possible, in the absence of ministers, to approve an Environmental Improvement Plan (EIP) as required by law, we did continue work to ensure that a plan was ready for incoming ministers and a new EIP has now been approved by our Minister and awaits Executive approval.

On climate change, we consulted on new public body reporting regulations and, working with all NI departments, consulted on 2030 and 2040 emission reduction targets and first three carbon budgets and advanced work on NI's first Climate Action Plan (CAP). The plan, once agreed, will set out NI's approach to meeting the carbon budget for 2023 to 2027 through a set of proposals and policies for emissions reductions. It will also establish a pathway towards the interim targets for 2030, 2040 and the overall net zero by 2050 target. We introduced a new Beef Carbon Reduction Scheme aimed at improving the efficiency of the beef sector and reducing livestock greenhouse gas emissions and worked to develop the Third Northern Ireland Climate Change Adaptation Programme (NICCAP3). We updated the draft Green Growth strategy which sets out how we will deliver sustainable development and safeguard our precious natural environment for our health, well-being and long-term prosperity.

Led by our Chief Scientific Adviser, we have kept a focus on the importance of science and innovation throughout the year and, in March 2024, it was great to see our new Minister, along with Minister McConalogue, jointly launching a €9 million funding initiative to support the development of the all-island bioeconomy in the agriculture and marine sectors. The scheme will support the integration of bioeconomy innovation and solutions in the agriculture and marine sectors across both jurisdictions on the island of Ireland.

Turning to animal health, we supported the poultry industry in mitigating against Avian Influenza outbreaks. As cases of Highly Pathogenic Avian Influenza (HPAI) continued to be confirmed in Great Britain we maintained extensive engagement with government colleagues from across the UK and Ireland and with local industry. I am pleased to report that the last confirmed case in Northern Ireland was October 2022, and this was only possible through the extensive collaboration that took place to safeguard this industry.

We faced a more challenging picture in relation to Bovine Tuberculosis (bTB), with incidence continuing to rise, presenting significant strains both for farm businesses and for the public purse. In September the Secretary of State for NI directed DAERA to consult on a proposal to reduce the compensation rate for cattle removed under the bTB compensation programme. The consultation commenced closed on 8 March, and decisions on a way forward will now be taken by local ministers.

Through our College of Agriculture, Food and Rural Enterprise (CAFRE), we continued to deliver knowledge transfer, innovation and further and higher education courses to those entering and working within the agri-food sector. In June 2023, we celebrated the achievements of 150 students at the CAFRE Higher Education Graduation Ceremony, who graduated across Agriculture, Equine, Food and Horticulture programmes.





During 2023-24 the Department again provided significant funding to support rural communities. Through the Rural Tourism Scheme, for example, we awarded funding to 19 projects that resulted in wonderful new attractions across Northern Ireland embracing the built and natural assets of our rural areas and celebrated the scheme through a video showcasing the Department's investment in tourism over the duration of the scheme.

Our staff were acutely aware of the impact of increased cost of living pressures on farm businesses and, as a result of their hard work, we once again exceeded our target to pay 95% of farm businesses by the end of November 2023. Over 99% of eligible applicants received their payment within this timeframe which totalled £291m during the year. There was also continued support under the Farm Business Improvement Scheme of £7.4m while a further £1.6m was invested under the Tackling Rural Poverty and Social Isolation (TRPSI) programme, benefitting over 61k rural dwellers.

Finally, as well as expressing my thanks and appreciation to staff across DAERA, it is important that I also recognise the very difficult public sector pay context in which they had to work throughout most of 2023-24, one that provided no pay awards and resulted in industrial action, including strike action, being taken by their trades unions. I recognise the impact that the pay situation had on staff throughout the Department and regret that it took so long to resolve. I was also grateful that our positive relationships with our trades unions allowed us to continue to work together and keep communication channels open until the return of ministers brought a resolution on this issue.

This section of the Annual Report provides only a snapshot of our achievements across the diverse range of responsibilities we carry and some of the challenges we have faced. The remainder of the report sets out in more detail the work taken forward by us in the last financial year. Details of the work of our two agencies, the Northern Ireland Environment Agency (NIEA) and Forest Service, are provided separately in their respective Annual Reports and Accounts and I would like to thank both Chief Executives and their staff for the many achievements they too have delivered during 2023-24.

Non-Executive Directors' Report

			
Sharon McCue – NEBM and ARAC Chair to 31 January 2024	Bernie Stuart - NEBM	Bill Cargo – NEBM from 1 September 2024 and ARAC Chair from 01 February 2024	Shane Lynch – NEBM from 1 January 2024

We, the Non-Executive Board Members (NEBMs) contributed to Departmental Board (DB) discussions on all issues throughout the year providing an independent challenge function which contributed to policy development and operational delivery as well as governance. The Board reverted to face-to-face meetings from April 2023. Of note, during the year was a Risk Workshop which took a detailed look at the development of a revised risk register from a zero base. Standard items on the agenda that we discussed, covered regular Health and Safety Reports, HR and Finance Updates as well as reports on Counter Fraud, Raising Concerns and Direct Award Contracts. In light of the continuing absence of the NI Executive until February 2024, ourselves and the Board also reviewed the list of decisions taken by senior officers in the absence of Ministers as provided for in the Northern Ireland (Executive Formation etc) Act 2022.

Other areas we discussed included the development of NI's first Climate Action Plan (CAP); the Green Growth Strategy; the continued implementation and embedding within DAERA of the recommendations flowing from the RHI Inquiry and the recommendations relating to the new Raising Concerns Policy and Framework; the NICS strategic approach to Learning & Development; the Department's approach to the management of bovine Tuberculosis (bTB) compensation and an update on the UK Covid Inquiry and DAERA's preparedness. We also contributed to the discussion on the significant financial and resourcing pressures within the Department as well as discussion on priorities for the Department.

The Departmental Board dedicated a workshop session to NI's first Climate Action Plan to enable detailed discussions on DAERA's own sections of the first CAP. The CAP will be a key strategic driver for DAERA's work, as Board Members we were given the opportunity to improve our understanding of its requirements, and the risks around developing and delivering it.

We received an update on the development of the Department's Capacity and Capability Action Plan followed by a deep dive into performance management with a presentation from Northern Ireland Civil Service HR.

As a result of last year's Board evaluation, the Board decided in January 2024 to restructure to three committees. In addition to our Audit and Risk Assurance Committee (ARAC), which is now chaired by Bill Cargo, there are two new committees. Bernie Stuart will chair the new Capability and Capacity Committee and Shane Lynch will chair the Finance and Major Projects Committee.

We continued to attend the programme of joint meetings with the Department's Arm's Length Bodies (ALBs) discussing delivery of business plans, governance arrangements and issues of common interest.

We also attended NI Civil Service Non-Executive Directors' Forum meetings throughout the year which provides a valuable opportunity for all NEBMs to share learning and our diverse experiences.

The ARAC is an established DB Committee comprising five independent members, three of whom are NEBMs, and two further independent members. One of the NEBMs chairs ARAC. At the end of January 2024, Sharon McCue's tenure as DAERA ARAC Chair ended. We would like to thank Sharon for her contribution to ARAC over the past six years and welcome newly appointed Bill Cargo as our DAERA ARAC Chair. Shane Lynch also joined the ARAC during the year on his appointment to the Board as a NEBM. As well as reviewing the Departmental Resource Accounts and European Agricultural Fund Accounts, ARAC contributes to the DB's overall process for ensuring that governance, risk management and internal control processes operate effectively. DB received regular reports on the work of ARAC.

At ARAC, we received and considered regular reports on several standing items from: Internal Audit on completed reviews and on their forward plan, with a specific focus on the implementation of outstanding recommendations; Finance Division on the Department's financial and budgetary position, Raising Concern cases, and counter fraud activities; Strategic Planning on the Corporate Risk Register position; and Senior Sponsor on ALB issues and Assurance Reports. Other items we discussed and scrutinised during the year included the Stewardship Reports. We also scrutinised and provided assurance on the draft accounts.

The Chair of ARAC liaised on a regular basis with the Chairs of the ARAC Committees of the Department's Agencies and Arm's Length Bodies and together with the Permanent Secretary, hosted joint online meetings of the Chairs on 4th July and 11th December 2023.

Overview

The aim of this overview is to provide a short summary of the DAERA structure, purpose and performance during the year. It also sets out the key risks to the achievement of our objectives and how we have performed during 2023-24. It is designed to provide sufficient information for users to form a high-level understanding of our organisation and its performance.

The Department operates under the direction and control of the relevant Minister. Minister Andrew Muir MLA was appointed to the Department on 3 February 2024 and the NI Executive was also formed. This Minsiterial post is a leadership role of central importance to the environment, the agri-food industry and wider society.

Who We Are

DAERA and its agencies (Northern Ireland Environment Agency and Forest Service) carry responsibility for environment, climate change and sustainability, food, farming, fisheries, forestry and rural development.



What We Do

Services Delivered by DAERA in 2023-24



Management of a **DAERA ESTATE** comprising of over **850 buildings** spread across **230 sites** throughout NI.



Provide a **VETERINARY SERVICE** for administration of animal health and welfare.


Lead on the *NI Executive's Green Growth Strategy* and climate change agenda, working with *all Government Departments and sectors to reduce carbon emissions.*



Support and manage the conservation, protection and enhancement of the **environment**, including access to and management of country parks and nature reserves.



Publication of **official Environmental and Agricultural Statistics** & provide evidence to support policy development.



Assist the **sustainable development** of the agri-food, environmental, fishing and forestry sectors of the Northern Ireland economy.




Ensure the *efficient and effective* processing of **subsidy and grant payments** so as to ensure that regulatory, scheme and timing requirements are met.



PROTECTING against and responding to **outbreaks of animal, fish and plant disease.**



Oversight of Arms Length Bodies including:



Provide **TRAINING AND FURTHER & HIGHER EDUCATION COURSES** in the **agri-food sector.**



Develop **NEW DIGITAL TECHNOLOGIES** to better deliver enhanced customer services.



Through the **Rural Development Programme**, support **sustainable economic growth** in NI's rural areas, tackling poverty, promoting social inclusion and supporting rural communities.



Purpose

Success will see us deliver on our purpose of ‘sustainability at the heart of a living, working, active landscape valued by everyone’ and, thereby, improving the lives of the people living in NI.

DAERA’s Interim Business Plan Priorities 2023-24

Operating without a Minister until February 2024, and in a challenging and uncertain context during which new statutory responsibilities were placed on the Department, the following interim priorities were set to guide the work of officials in the absence of Ministers.

	Delivering our statutory obligations effectively.	We have also considered what enabling priorities we need to support us in delivering our core departmental priorities and have identified the following:
	Addressing the Climate Emergency and reducing carbon emissions.	
	Enhancing and protecting our natural environment through committed actions that can deliver real improvements.	
	Improving the productivity, resilience, and environmental sustainability of our agri-food sector.	
	Protecting animal, plant and public health and food safety through delivery of an effective Sanitary and Phytosanitary (SPS) regime.	
	Addressing rural need and helping our rural communities to be sustainable.	
	Matching our capacity to our priorities and work programmes and building our capability to deliver those programmes.	
	Championing and investing in science, innovation and knowledge transfer as the means of addressing the climate challenge and unlocking new economic opportunities.	
	Ensuring our statute book provides the framework within which the Department can deliver its functions and priorities.	










Our interim business plan, supported by group and divisional business plans, reflected these priorities and set out the operational detail that contributed to the achievement of annual targets for 2023-24, providing staff with a clear view of how their personal contribution during the year aided the delivery of an improved service to our customers and stakeholders.

Organisation Structure

The core Department is structured into five groups. The Department also has two executive agencies: the Northern Ireland Environment Agency (NIEA) and Forest Service.

The NIEA’s Accounts are included in the Consolidated Accounts of the Department. Forest Service was reclassified as a Non-Financial Public Corporation for Accounts and Budgeting purposes from April 2020 by the Office of National Statistics (ONS) and accordingly its Accounts are no longer consolidated in the Departmental Group.


DAERA Senior Staff Structure


Senior Staff Structure		  			
DAERA Permanent Secretary - Katrina Godfrey					
 Climate Change, Science & Innovation	 Environment, Marine & Fisheries	 Food, Farming & Rural Affairs	 Veterinary Service & Animal Health	 Strategic Planning & Corporate Services	 Northern Ireland Environment Agency (NIEA)
Head of Group Tracey Teague	Acting Head of Group Liz Loughran	Head of Group Norman Fulton	CVO and Head of Group Brian Doohar	Joint Heads of Group Brian Doherty & Fiona McCandless	Chief Executive David Reid
Chief Scientific Adviser's Office CSA: Alistair Carson	Natural Environment Policy Director: Neelia Lloyd	CAFRE Director: Martin McKendry	WF SPS Delivery, Group Renewal & Business Management DCVO: Vacant	Digital Services Director: Paul McGurnaghan	Resource Efficiency Division Director: Dr Richard Crowe
Climate Change & Green Growth Policy Director: Jane Corderoy	Environmental Resources Director: Shane Doris	Policy, Economics & Statistics Director: Seamus McErean	Animal Health & Welfare Policy Director: Neal Gartland	NIFAIS Project Director: Nigel Trimble	Natural Environment Division Director: Vacant
Green Growth & Climate Action Delivery Director: Claire Cockerill	Marine & Fisheries Director: Owen Lyttle	Sustainable Agri-food Development Director: Alison Chambers	Veterinary Medicines and EU Reporting Director: Patricia Quinn-Duffy	Strategic Support Director: Sharon McFlynn	
Innovation & Science Transformation Director: Pauline Rooney	Retained EU Law Director: Pauline Keegan	Agricultural Policy Director: Rosemary Agnew	Enzootic Disease Control & Field Delivery DCVO: Gemma Daly	Estates Transformation Director: Alison Caldwell	
	Forest Service (policy oversight) Chief Executive: John Joe O'Boyle	Area Based Schemes Director: Jason Foy	Epizootic Disease Control & Public Health Delivery DCVO: David Kyle	Corporate Planning & Governance Director: Paul Donnelly	
		Rural Affairs Acting Director: Teresa O'Neill		Finance Director: Roger Downey	
				Windsor Framework Implementation Unit Director: Catherine Fisher*	*Reports directly to Katrina Godfrey

As of 31 March 2024

Our Partners

Departments are required to produce a consolidated Annual Report which should include relevant information on the aims, activities, functions, and performance of the Departmental group as a whole, including its ALB partners.

Arm's Length Bodies (ALBs)	Role of the Body
<p>Agri Food and Biosciences Institute (AFBI)</p> 	<p>AFBI is NI's largest agri-food science organisation. As a non-departmental public body (NDPB) sponsored by DAERA, AFBI science plays a crucial role in providing the underpinning statutory and surveillance science, research and development work, emergency response capability and expert scientific advice required to support the various work programmes of the Department and the wider requirements of the agri-food industry. AFBI has a broad remit of work including providing vital support to an industry which is a key economic driver within NI while delivering wider societal benefit in areas such as the environment and food safety.</p>
<p>Livestock and Meat Commission</p> 	<p>The Livestock and Meat Commission for NI (LMC) is an executive NDPB established to assist the development of the livestock and livestock products industries. The LMC mission statement is to support, examine and inform the marketing and development of the NI beef and sheep meat industry.</p>
<p>Northern Ireland Fisheries Harbour Authority</p> 	<p>NIFHA is also an executive NDPB which has a statutory responsibility for improving, managing, and maintaining the three fishery harbours and harbour estates of Ardglass, Kilkeel, and Portavogie and for operating the facilities which are provided at these harbours. The Authority's mission is to facilitate sustainable wealth creation in the harbour areas for which it is responsible.</p>
<p>Loughs Agency of the Foyle Carlingford and Irish Lights Commission (FCILC)</p>	<p>The Loughs Agency is one of six North South Implementation Bodies and aims to provide sustainable social, economic, and environmental benefits through the effective conservation, management, promotion and development of</p>

Arm's Length Bodies (ALBs)	Role of the Body
 <p>Gníomhaireacht na Lochanna Factríe fur Loughs</p>	the fisheries and marine resources of the Foyle and Carlingford Areas.

Agencies and ALBs

Under the Review of Financial Processes (RoFP), departments are required to produce a consolidated Annual Report which should include relevant information on the aims, activities, functions, and performance of the Departmental group as a whole. This includes all ALBs and agencies. The table above provides information on the aims, activities, and functions of each body. All publish their own Annual Report and Accounts and details of their respective performances can be found there.

Other Bodies

The Council for Nature Conservation and the Countryside (CNCC), in its role as a statutory advisor, advises the Department on matters affecting nature conservation and the countryside.

We also fund enforcement activities carried out by the Gangmasters and Labour Abuse Authority (GLAA) in NI. The GLAA is a UK-wide arm's length body sponsored by the Home Office, which operates in NI under The Gangmasters (Licensing) Act 2004. The GLAA tackles worker exploitation, tax evasion and health and safety negligence in agriculture, horticulture, shellfish gathering and the related food processing and packaging sectors.

Business Plan Monitoring and Reporting Arrangements

Progress against our business plan targets was reported to the Departmental Board throughout the year. The Performance Analysis Section below sets out the position at 31 March 2024 in relation to each of the targets included in our 2023-24 Business Plan.

Of the total of 29 measures, 11 were achieved, 13 partially achieved and 5 not achieved. Achievement in many cases was not possible because of the absence of ministers, an Executive and a sitting Assembly for a large part of the year. Further detail on mitigations and performance is included within the performance analysis section of the report.

Summary of performance against 2023-24 Business Plan Targets. (Highlighted colour reflects Year End Status)

Measure	Key Activity
Delivering our statutory obligations effectively	
1	Bring forward regulations to place climate change reporting duties on specified public bodies and regulations to set NI's first three carbon budgets.
2	Support the work of the Covid-19 Public Inquiry by providing any necessary information or evidence in a timely manner.

3	Undertake DAERA's statutory duties under the Rural Needs Act (NI) 2016 and enhance the profile of Rural Needs across public bodies.
Addressing the Climate Emergency and reducing carbon emissions	
4	Develop NI's first draft Climate Action Plan (CAP) for consideration by a returning Executive and subsequent public consultation.
5	Progress Just Transition Commission policy development and consultation so that proposals can be ready for consideration by a returning Executive.
6	Progress our commitment to the 2020-2030 Forests for the Future Programme by planting 600 hectares of new woodland.
Enhancing and protecting our natural environment through committed actions that can deliver real improvements	
7	Finalise the Environment Strategy for consideration by an incoming Minister and Executive for approval as NI's first Environmental Improvement Plan (EIP).
8	Develop a draft outcome indicator framework to assess environmental improvement and establish a cross departmental governance system to monitor, measure progress and report against the Environment Improvement Plan.
9	Consult on the revised Marine Protected Area Strategy and Blue Carbon Action Plan to identify key actions for the protection and restoration of marine habitats, sustainable fishing and to help address climate change.
10	Continue development of the Future Farm Support and Development Programme policies that focus on Farming with Nature (FwN), commencing with the launch of a pilot initiative focused on habitat improvement on lowland intensive areas.
Improving the productivity, resilience, and environmental sustainability of our agri-food sector	
11	Initiate phasing in of new measures under the Future Farm Support and Development Programme, including the Livestock Dietary Emissions Challenge Fund, the Carbon Benchmarking Programme, the Ruminant Genetics Programme, a Farming for the Generations Pilot, the Horticulture Growth Support Scheme and the Beef Carbon Reduction Scheme, with supporting knowledge transfer measures.
12	Pursue ongoing policy and scheme design through a co-design approach with stakeholders, to prepare for the phased implementation of the remaining elements of the Farm Support and Development Programme as published.
13	Support the sustainable use of fish stocks, by producing a draft Fisheries Management Plan (FMP) for Irish Sea Pelagic as required by the Fisheries Act 2020 and Joint Fisheries Statement.
14	Support trade of agri-food foods and overall supply chain continuity by establishing necessary export procedures including any new certification requirements as a result of Animal Health Law processes and surveillance programmes.

Protecting animal, plant and public health and food safety through delivery of an effective Sanitary and Phytosanitary (SPS) regime	
15	Deliver an exercise to test developed contingency plans in respect of the threat of disease incursion and to participate in exercises of joint interest with Department of Agriculture, Food and the Marine (DAFM) and Department for Environment, Food and Rural Affairs (Defra).
16	Deliver an effective Sanitary and PhytoSanitary (SPS) regime at NI Points of Entry (POE) in accordance with the timescales and objectives required under the Windsor Framework; in order to protect public health, animal health and welfare, ensure compliance with statutory responsibilities and retain single market access for NI agri-food produce.
17	Ensure Illegal, Unreported & Unregulated (IUU), Fish Export System and animal health regimes are in place for fisheries.
18	Deliver the NI bovine Tuberculosis (bTB) Eradication Programme by ensuring agreement of a new bTB testing contract with private veterinarians. Continue to implement the bTB Eradication Strategy in partnership with industry and other stakeholders. Ensure the Programme is delivered within budget, implements our statutory requirements and ensures continued access of industry to local and international trading markets.
Addressing rural need and helping our rural communities to be sustainable	
19	Support the delivery of projects in rural areas through PEACEPLUS, City and Growth Deals and the Complementary Fund.
20	Deliver payments under the Basic Payments to 95% of eligible applicants.
21	Support rural communities by delivering committed schemes through the Rural Development Programme and the Targeting Rural Poverty and Social Isolation Programme.
Matching our capacity to our priorities and work programmes and building our capability to deliver those programmes	
22	Spend our budget in line with the principles of regularity, propriety and value for money whilst optimising expenditure at Provisional Department Expenditure Limits (DEL) Outturn to between 99% and 100% of Final Budget for the year.
23	Ensure our resources are aligned to meeting our priorities and deliver our commitments in the Capacity and Capability Plan.
24	Ensure that DAERA is a well led, high performing and genuinely diverse organisation, which values its people, through maintaining Investors in People (IIP) Accreditation.
Championing and investing in science, innovation and knowledge transfer as the means of addressing the climate challenge and unlocking new economic opportunities	

25	Deliver a suite of education programmes to 1,900 students and knowledge transfer and innovation programmes aligned with policy priorities to 13,000 people working within the agri-food industry.
26	Develop and secure internal and external climate change modelling/analysis/specialist advice to support DAERA as the lead department for collating the Climate Action Plan and manage the interface with other departments.
27	Develop the Information Management System for Laboratories in AFBI, NIEA and DAERA (ISLAND) to support investment in science, innovation and knowledge transfer.
Ensuring our statute book provides the framework within which the Department can deliver its functions and priorities	
28	Deliver a co-ordinated Departmental response to the Retained EU Law (REUL) Act, ensuring all DAERA related in scope legislation is captured, an approach is agreed and where possible that any legislation required is made within the timescales dictated by the REUL Act.
29	Ensure delivery of a new statutory framework to effectively implement and enforce the Animal Health Law (AHL) in NI.

RAG Status Key

Green – Achieved

Amber – Partially Achieved

Red – Not Achieved

Highlights of 2023-24

154th Balmoral

Show took place at Eikon Centre in Lisburn where we **showcased the very best** of

Northern Ireland's agri-food and rural sectors.



Record number of enrolments

in CAFRE Education programmes.



11th Anniversary of Farm Safety Week.



Ensured Biosecurity by preventing **Avian flu outbreaks.**



Over **£1m** contributed by DAERA for the **redevelopment of Whitespots Country Park.**



DAERA supported **COP 28 United Nations Climate Change Conference.**



CAFRE delivered programmes to **over 14.5k participants.**



Launched Northern Ireland's first ever **consultation on Carbon Budgets.**



Provided **Financial Support** to **agri-food sector.**



Implementation of the ISLAND (Information System for Laboratories in AFBI, NIEA and DAERA) Project.

INVESTORS[®] IN PEOPLE

Investors in People Reaccreditation



The **Rural Tourism Scheme** provided **£0.1m funding** for **19 projects.**

Corporate Risks

The key risks to the achievement of our corporate objectives are highlighted below with additional detail provided in the Governance Statement under the heading 'Risk and Control Framework'.

The strategic risks were considered quarterly by Senior Responsible Officers (SROs), our Audit and Risk Assurance Committee and our Departmental Board. Through horizon scanning no additional risks were identified for managing at Corporate level. Whilst there were no change to the risk ratings throughout the year the progress against mitigating actions were continually monitored and updated as appropriate.

Key Risk	Details
Food Supply and Security	There is a risk to disruptions in the security of our food supply chains and that we may not be able to keep food on our shelves and provide food for all in NI due to the combined impacts of, EU Exit, and the current Cost of Living Crisis.
Finance	There is a risk that: the funding available is insufficient or is not deployed or controlled effectively; the Corporate Objective to ensure 99%-100% of Resource and Capital expenditure is not met; and/or the associated expenditure has not followed proper approvals or guidance (e.g. Managing Public Money NI (MPMNI) and Department of Finance (DoF) delegated limits) which could result in essential services not being maintained and the Department's strategic objectives not being progressed.
People and Resourcing	There is a risk that the Department will not have the right people in the right place at the right time due to lack of work-force planning and a cumbersome and protracted NICS recruitment approach. As a result, DAERA may not be able to operate efficiently and effectively to deliver its services and put its existing staff under increased pressure.
Environment	There is a risk that we will fail to protect the Environment and deliver sustainability through Green Growth due to lack of resources and the competing priorities of agriculture and environment, resulting in failure to meet DAERA's purpose and statutory targets.
Climate Change	With passage of the Climate Change Act there is a risk that due to lack of collaboration and competing agendas facing NI departments that we will be unable to discharge our role effectively in meeting statutory obligations.
Enduring Risk – Animal Disease Control	Inability to contain and control an outbreak of Epizootic disease in a timely manner.
Enduring Risk – Information Assurance	Significant business impact resulting from ineffective Information Assurance.

Fraud and error

The largest scheme that the Department administers is the Basic Payment Scheme (BPS) which paid out over £301,977k of National Funds in 2023-24 financial year. A Fraud Risk Assessment is completed and within the management of this scheme there are controls and inspections that help mitigate against fraud and error. The error rate reported for the 2023 BPS was 0.34% this is a decrease from 1.21% the previous year. The error rate was calculated on a sample of 253 claims extrapolating this error rate across all payments would equate to £1,027k.

Error rates within EU funded schemes are reported separately in the European Agricultural Fund accounts.

Equality, Diversity and Inclusion

DAERA values and welcomes equality, diversity and is committed to creating a truly inclusive workplace for all and we have a designated Diversity Champion.

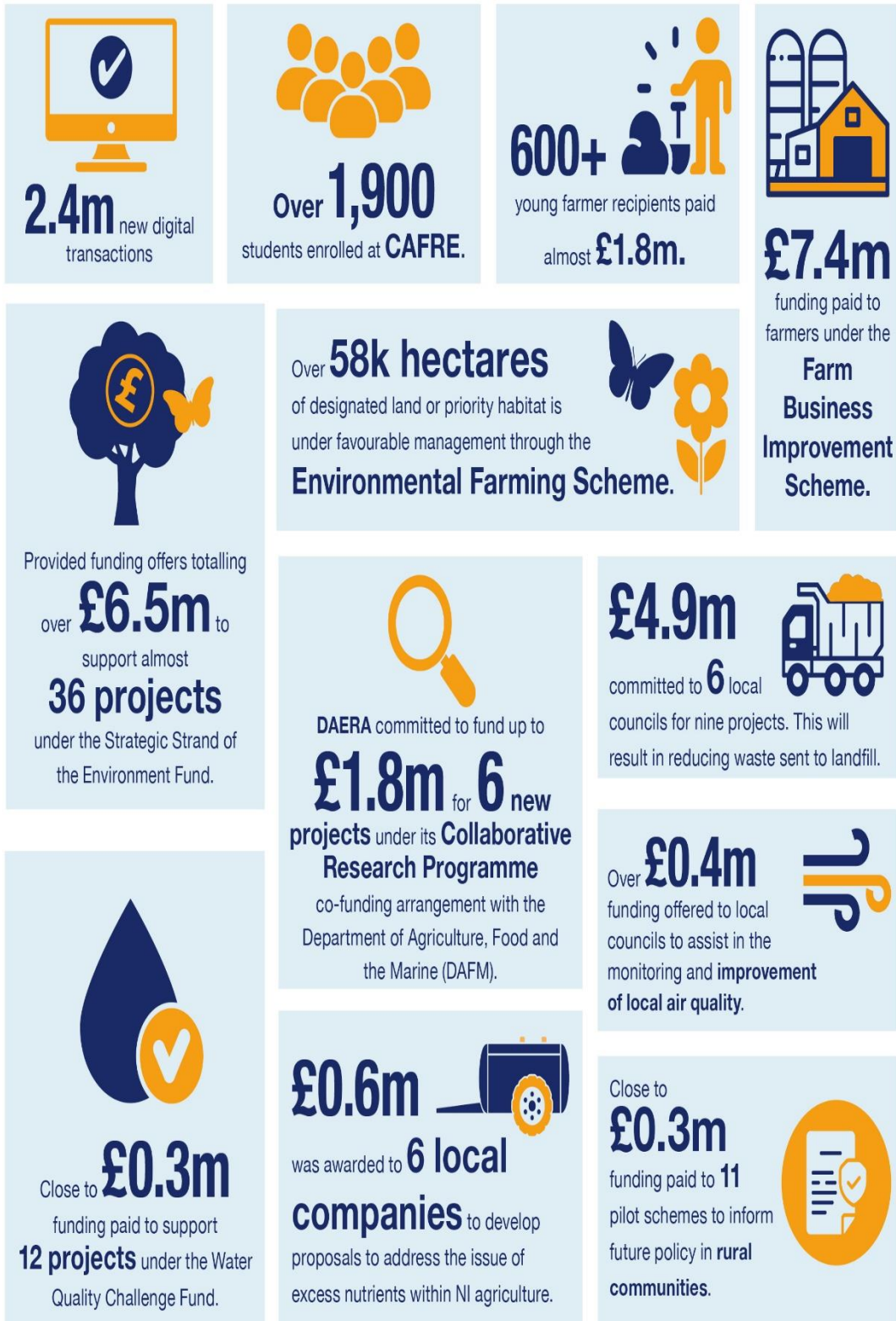
As a public authority, DAERA has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available on its website [Department of Agriculture and Rural Affairs](#).

DAERA is committed to promoting equality and good relations across all aspects of its business: in its policies, information and service provision for customers, visitors and staff. DAERA works to ensure that all of its services are accessible, and delivered in ways which meet the needs of its diverse customers.

During 2023-24 the Department promoted the importance of equality among staff with two bespoke training videos on equality legislation/requirements and how our equality scheme operates in action.

Performance Analysis

Performance Summary for 2023-24



Performance Summary for 2023-24



99%

of farm businesses full payment by the end of November - target surpassed.



Over 23k

Direct Payment Recipients.

Funded **£291m.**



College of Agriculture, Food & Rural Enterprise

delivered programmes to

over **14.5k** people.



£4.8m

financial assistance provided to support the **fisheries** sectors.



1,500+ students

successfully completed a qualification at

Level 2 or above.



Welcomed almost

3m visitors

to NIEA parks and reserves.

Over **41k** visitors to the **Portrush Coastal Zone** and **42 guided school / group visits.**



Innovation Technology Evaluation Demonstration

training events delivered to

over **1k** participants.



over **100k**

Cattle Movements Documents processed.

Soil Nutrient Health Scheme has achieved

93% uptake by

almost 7k

farms in Zone 2.



36,500+

TB tests processed.



TRPSI committed almost

£1.6m, over

61k people benefited.

The Departmental Business Plan

The 2023-24 DAERA Business Plan set out the key work planned by us during the year. A summary of the outcomes at 31 March 2024 in relation to each of the targets included in our 2023-24 Business Plan can be found in the following section.

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
Delivering our statutory obligations effectively			
1	Bring forward regulations to place climate change reporting duties on specified public bodies and regulations to set NI's first three carbon budgets.	<p>Measure partially Achieved.</p> <p><u>Regulations that place climate change reporting duties on specified public bodies:</u></p> <ul style="list-style-type: none"> The Climate Change (Reporting Bodies) Regulations 2024 were agreed by the Executive in March 2024. The Regulations were considered by the AERA Committee in April before the Statutory Rules (SR) were made and laid in the Assembly and became operational 3 May 2023. In the absence of Ministers and a sitting Assembly it was not possible to meet the statutory deadline of 31 December 2023. <p><u>Regulations that set first three carbon budgets:</u></p> <ul style="list-style-type: none"> The Regulations are cross cutting and as such require Executive agreement before they can be brought to the Assembly to be debated and affirmed to become law. In the absence of Ministers and a sitting Assembly it was not possible to meet the statutory deadline of 31 December 2023. 	
2	Support the work of the Covid-19 Public Inquiry by providing any necessary information or evidence in a timely manner.	Measure Achieved.	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
3	Undertake DAERA's statutory duties under the Rural Needs Act (NI) 2016 and enhance the profile of Rural Needs across public bodies.	Measure Achieved.	
Addressing the Climate Emergency and reducing carbon emissions			
4	Develop Northern Ireland's first draft Climate Action Plan (CAP) for consideration by a returning Executive and subsequent public consultation.	Measure not Achieved. Further work is needed to refine the initial draft CAP, with a focus on ensuring that it contains sufficient policies and proposals to achieve the carbon budget, as well as meeting the wider, inescapable requirements of the Climate Change Act. A credible CAP that can be consulted on will be provided to DAERA Minister and the Executive early in 2024-25 financial year.	
5	Progress Just Transition Commission policy development and consultation so that proposals can be ready for consideration by a returning Executive.	Measure partially Achieved. Policy development work to establish an independent Just Transition Commission continues. Work has begun on preparing public consultation on the proposals around the establishment of the Just Transition Commission. These will be considered by the DAERA Minister and the Executive with the aim to publish later this year.	
6	Progress our commitment to the 2020-2030 Forests for the Future Programme by planting 600 hectares of new woodland.	Measure not Achieved. Forest Service continued to progress our commitment to Forest for the Future and planted 433 hectares of new grant aided woodland which was validated for payment against the target of 600 hectares.	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
Enhancing and protecting our natural environment through committed actions that can deliver real improvements			
7	Finalise the Environment Strategy for consideration by an incoming Minister and Executive for approval as NI's first Environmental Improvement Plan (EIP).	Measure Achieved.	
8	Develop a draft outcome indicator framework to assess environmental improvement and establish a cross departmental governance system to monitor, measure progress and report against the Environment Improvement Plan.	<p>Measure not Achieved.</p> <p>In the absence of Ministers and a sitting Assembly it was not possible to obtain approval of the Environment Improvement Plan (EIP) to meet the target date of 31 March 2024.</p> <p>Work has started on development of a monitoring and governance system to report on the outcomes contained within the EIP.</p>	
9	Consult on the revised Marine Protected Area Strategy and Blue Carbon Action Plan to identify key actions for the protection and restoration of marine habitats, sustainable fishing and to help address climate change.	<p>Measure partially Achieved.</p> <p>The draft consultation documents were developed and submitted to Minister for consideration on 26 March 2024.</p> <p>Following agreement from the Minister, the consultation was launched in April 2024.</p>	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
10	Continue development of the Future Farm Support and Development Programme policies that focus on Farming with Nature (FwN), commencing with the launch of a pilot initiative focused on habitat improvement on lowland intensive areas.	<p>Measure not Achieved.</p> <p>Work is ongoing to develop the three core modules of the FwN Package: Farm Nature, Farm Nature Plus and Farm Nature Landscapes.</p>	
Improving the productivity, resilience and environmental sustainability of our agri-food sector			
11	Initiate phasing in of new measures under the Future Farm Support and Development Programme, including the Livestock Dietary Emissions Challenge Fund, the Carbon Benchmarking Programme, the Ruminant Genetics Programme, a Farming for the Generations Pilot, the Horticulture Growth Support Scheme and the Beef Carbon Reduction Scheme, with supporting knowledge transfer measures.	<p>Measure partially Achieved.</p> <p>All key components of the Livestock Dietary Emissions Challenge Fund have been incorporated into a specific NI component of the Defra Dairy Demonstrator Research Call that launched on 29 November 2023. The award of this Research Call has been delayed.</p> <p>The Beef Carbon Reduction Scheme commenced on 1 January 2024 and knowledge transfer events to promote the Scheme and to support farmers to achieve the targets are currently being delivered by CAFRE.</p> <p>Procurement exercises are underway for the Ruminant Genetics Programme, Farming for the Generations pilot and Carbon Footprinting Project.</p> <p>Work to finalise the business case for the Horticulture Growth Support Scheme is ongoing and a revised timeline of September 2024 has been set for the commencement of this Scheme.</p>	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
12	Pursue on-going policy and scheme design through a co-design approach with stakeholders, to prepare for the phased implementation of the remaining elements of the Farm Support and Development Programme as published.	Measure Achieved.	
13	Support the sustainable use of fish stocks, by producing a draft Fisheries Management Plan (FMP) for Irish Sea Pelagic as required by the Fisheries Act 2020 and Joint Fisheries Statement.	Measure partially Achieved. An initial draft of the Irish Sea Pelagic FMP has been co-designed with stakeholders through the FMP working group and this is undergoing refinement. The consultation timeline is delayed because of difficulties commissioning a Strategic Environmental Assessment (SEA). The SEA is currently planned to be delivered by end of June 2024 and consultation will be later in 2024.	
14	Support trade of agri-food foods and overall supply chain continuity by establishing necessary export procedures including any new certification requirements as a result of Animal Health Law (AHL) processes and surveillance programmes.	Measure Achieved.	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
Protecting animal, plant and public health and food safety through delivery of an effective Sanitary and Phytosanitary (SPS) regime			
15	Deliver an exercise to test developed contingency plans in respect of the threat of disease incursion and to participate in exercises of joint interest with Department of Agriculture, Food and the Marine (DAFM) and Department for Environment, Food and Rural Affairs (Defra).	<p>Measure partially Achieved.</p> <p>A joint North/South exercise with DAFM was scheduled for 21 March 2024. However following a request from DAFM, this was been postponed until June 2024 and has now taken place.</p> <p>In autumn 2023, DAERA participated in a UK exercise to test contingency for simultaneous outbreaks of Avian Influenza and Foot and Mouth Disease.</p> <p>Contingency preparations for potential incursion of Bluetongue Virus (Strain 3) are under development, with regular engagement/liaison East/West and North/South.</p>	
16	Deliver an effective SPS regime at NI Points of Entry (POE) in accordance with the timescales and objectives required under the Windsor Framework; in order to protect public health, animal health and welfare, ensure compliance with statutory responsibilities and retain single market access for NI agri-food produce.	<p>Measure partially Achieved.</p> <p>The Department continues to work with stakeholders in support of industry's pathway to full compliance with the terms and conditions of the schemes, developing comprehensive compliance frameworks and facilitating the pathway to compliance.</p> <p>DAERA remains actively engaged with Defra on several aspects of the implementation of the Windsor Framework, including progression of the relevant legislative changes and associated policy for additional new schemes, including 'Pet Travel', 'Posts & Parcels' and 'Charging'.</p> <p>Full access to EU Single Market and unfettered access to GB market retained for NI agri-food produce.</p> <p>This measure is reporting amber due to staffing and infrastructure issues. Discussions continue and plans are in place to address these.</p>	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
17	Ensure Illegal, Unreported & Unregulated (IUU), Fish Export System, and animal health regimes are in place for fisheries.	<p>Measure partially Achieved.</p> <p>This measure is reporting amber as, whilst IUU and Fish Export regimes have been developed, they are being implemented in phases.</p> <p>Legislation was drafted to ensure a fully functioning NI IUU regulatory framework and compliance with the Department’s legal obligations under the Windsor Framework.</p> <p>Development of an aquatic animal health regime is ongoing. A Compliance Protocol which sets out the pathway to full compliance with the Animal Health Law requirements has been agreed up to 31 July 2024.</p>	
18	Deliver the NI bovine Tuberculosis (bTB) Eradication Programme by ensuring agreement of a new bTB testing contract with private veterinarians. Continue to implement the bTB Eradication Strategy in partnership with industry and other stakeholders. Ensure the Programme is delivered within budget, implements our statutory requirements and ensures continued access of industry to local and international trading markets.	<p>Measure partially Achieved.</p> <p>The bTB testing contract was agreed with private vets in April 2023 and extended in October 2023.</p> <p>Programme costs are still high, though managed, with compensation expected to cost around £37m in 2023-24.</p> <p>In October 2023, a judicial review decision overturned the proposed non-selective cull of badgers in areas of high bTB incidence and high badger density. Officials will be providing detailed options to the Minister on the way forward regarding wildlife intervention in the coming months.</p>	

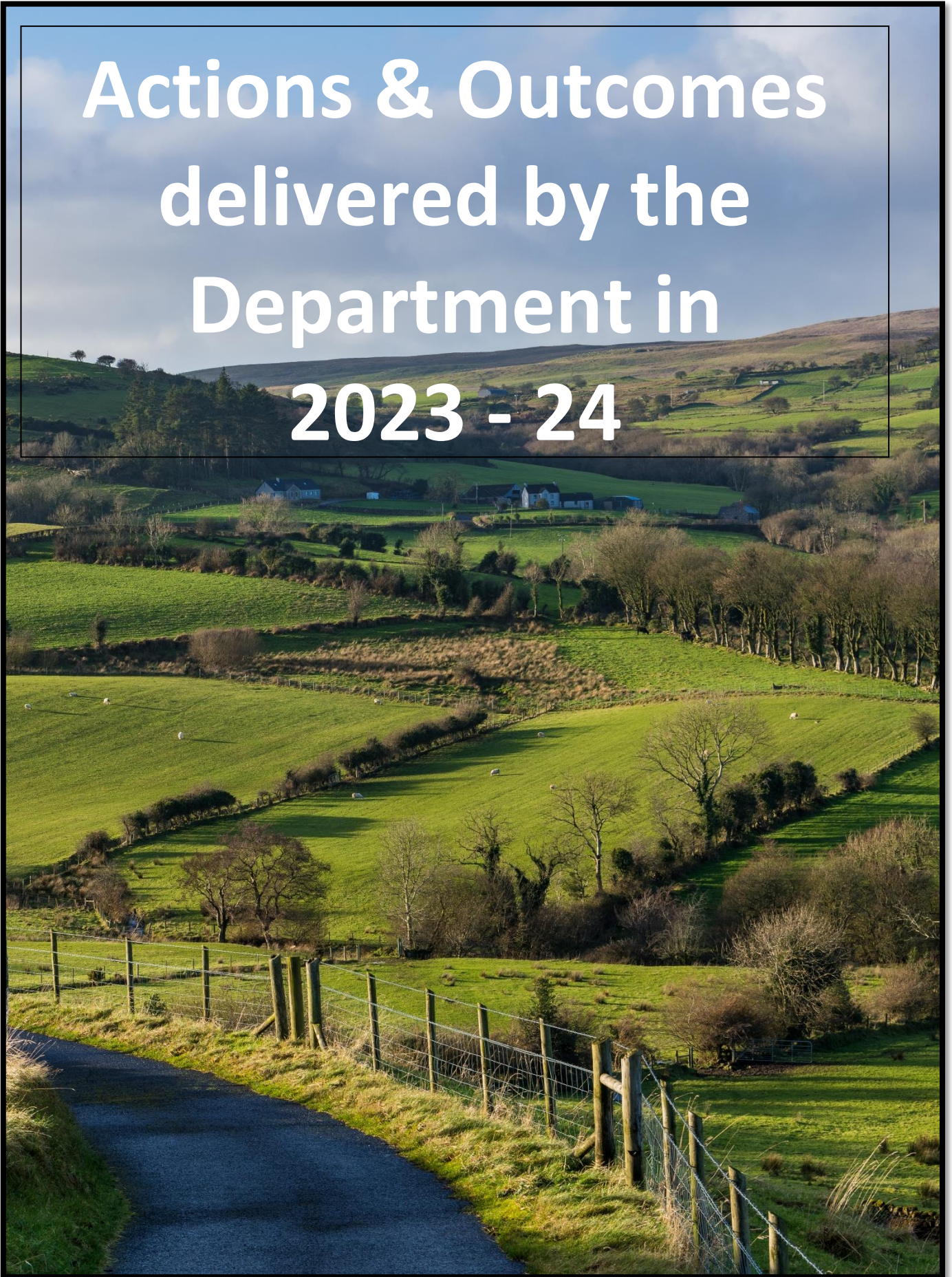
Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
Addressing rural need and helping our rural communities to be sustainable			
19	Support the delivery of projects in rural areas through PEACEPLUS, City and Growth Deals and the Complementary Fund.	Measure Achieved.	
20	Deliver Basic Payments to 95% of eligible applicants.	Measure Achieved.	
21	Support rural communities by delivering committed schemes through the Rural Development Programme and the Targeting Rural Poverty and Social Isolation Programme.	Measure Achieved.	
Matching our capacity to our priorities and work programmes and building our capability to deliver those programmes			
22	Spend our budget in line with the principles of regularity, propriety and value for money whilst optimising expenditure at Provisional DEL Outturn to between 99% and 100% of Final Budget for the year.	Measure Achieved.	
23	Ensure our resources are aligned to meeting our priorities and deliver our	Measure partially Achieved. A Capacity & Capability Action Plan has been developed to address issues emanating from Investors in People (IiP), the People Strategy and	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
	commitments in the Capacity and Capability Plan.	NICS People Survey. This was presented to the Department's new Capacity & Capability Committee at their first meeting in May 2024.	
24	Ensure that DAERA is a well led, high performing and genuinely diverse organisation, which values its people, through maintaining Investors in People (IIP) Accreditation.	Measure Achieved.	
Championing and investing in science, innovation and knowledge transfer as the means of addressing the climate challenge and unlocking new economic opportunities			
25	Deliver a suite of education programmes to 1,900 students and knowledge transfer and innovation programmes aligned with policy priorities to 13,000 people working within the agri-food industry.	Measure partially Achieved. During 2023-2024 CAFRE delivered: <ul style="list-style-type: none"> • a suite of education programmes with 1,901 students enrolled in the academic year; and • knowledge Transfer and Innovation programmes aligned with policy priorities to 12,623 people working within the agri-food industry. 	
26	Develop and secure internal and external climate change modelling/analysis/specialist advice to support DAERA as the lead department for collating the Climate Action Plan and manage the interface with other departments.	Measure Achieved.	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
27	Develop the Information Management System for Laboratories in AFBI, NIEA and DAERA (ISLAND) to support investment in science, innovation and knowledge transfer.	<p>Measure partially Achieved.</p> <p>Development and testing of the Laboratory Information Management Systems (LIMS) core design (80%) is complete. Development for Phase 1 laboratories specific design (20%) complete and testing is ongoing. The under-estimation of the extent of work required to accommodate inclusion of an additional three laboratories in Phase 1, along with unavoidable business priorities, has resulted in some slight slippage in planned implementation for first laboratories (Brucella). This is due to take place by June 2024.</p>	
Ensuring our statute book provides the framework within which the Department can deliver its functions and priorities			
28	Deliver a co-ordinated Departmental response to the Retained EU Law (REUL) Act, ensuring all DAERA related in scope legislation is captured, an approach is agreed and where possible that any legislation required is made within the timescales dictated by the REUL Act.	<p>Measure partially Achieved.</p> <p>Significant progress has been made on the REUL response. However, continued uncertainty around the impact of the loss of EU interpretive effects (IE) and UK Government revocation/reform plans impacts on ability to achieve this objective fully.</p>	
29	Ensure delivery of a new statutory framework to effectively implement and enforce the Animal Health Law (AHL) in NI.	<p>Measure not Achieved.</p> <p>This complex and detailed legislative process is new to DAERA and unforeseen constitutional, legal and policy issues have arisen. It is now anticipated that the Identification Registration Movement (IRM) SR will be laid in autumn 2024 by the Defra SOS under NI.</p>	

Measure	How We Will Achieve it	Progress and Actions taken to 31 March 2024	Measure RAG Status at 31 Mar 2024
		the Windsor Framework (WF), with the remaining SRs progressed by December 2024.	

Actions & Outcomes delivered by the Department in 2023 - 24



FINANCIAL SUPPORT																				
600+ young farmer recipients paid £1.8m.	<p>Full payment made to 99.6% of eligible claims for Basic Payment.</p> <p>The only UK region to pay full Direct Payments to farm businesses in September. Over 23k Direct Payment Recipients. Value £291m.</p>	£4.8m in financial assistance provided to support the fisheries sectors.	£1.2m financial assistance provided to support productivity and sustainability in the horticulture sector, dairy export promotion and school milk subsidy programmes under legacy EU schemes.																	
EDUCATION AND TRAINING																				
College of Agriculture & Rural Enterprise (CAFRE) delivered programmes to over 14.5k people.	<p>Delivery of higher and further education programmes with over 1,900 students enrolled in the 2023-24 academic year, representing continued growth on previous years.</p> <div data-bbox="421 1122 890 1559" data-label="Figure"> <p>A 3D pie chart showing the distribution of students enrolled at CAFRE across three academic years: 2021-22 (blue), 2022-23 (orange), and 2023-24 (grey). The 2023-24 segment is the largest, followed by 2022-23, and then 2021-22.</p> <table border="1"> <caption>Students Enrolled at CAFRE</caption> <thead> <tr> <th>Year</th> <th>Enrollment</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>~1,200</td> </tr> <tr> <td>2022-23</td> <td>~1,400</td> </tr> <tr> <td>2023-24</td> <td>~1,900</td> </tr> </tbody> </table> </div>	Year	Enrollment	2021-22	~1,200	2022-23	~1,400	2023-24	~1,900	<p>1,500+ students successfully completed a qualification at Level 2 or above. The table below reflects an 226% increase from 2020-21 to 2023-24.</p> <div data-bbox="959 1122 1347 1559" data-label="Figure"> <p>A bar chart showing the number of students who successfully completed a qualification at Level 2 or above from 2020-21 to 2023-24. The number of students shows a steady increase over the four-year period.</p> <table border="1"> <caption>Student Qualifications</caption> <thead> <tr> <th>Year</th> <th>Number of Students</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>689</td> </tr> <tr> <td>2021-22</td> <td>1,246</td> </tr> <tr> <td>2022-23</td> <td>1,434</td> </tr> <tr> <td>2023-24</td> <td>1,559</td> </tr> </tbody> </table> </div>	Year	Number of Students	2020-21	689	2021-22	1,246	2022-23	1,434	2023-24	1,559
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EDUCATION AND TRAINING																				
Eight Farm Innovations Visits (FIVs) training events delivered with 126 participants.	Innovation Technology Evaluation Demonstration training events delivered to over 1k participants.	2,747 farmers participated in Farm Family Key Skills training programmes.																		

ANIMAL HEALTH AND WELFARE

The Department continued extensive engagement with government colleagues from across the UK and Republic of Ireland, and with local industry, as cases of Highly Pathogenic Avian Influenza (HPAI) continued to be confirmed in Great Britain. The last confirmed case in NI was October 2022.

The Minister announced his intention to bring forth legislation to introduce safeguarding measures for XL Bully type dogs in NI. This followed confirmation that XL Bully type dogs licensed in Northern Ireland had risen over 50% from October 2023 to February 2024.

DAERA SUPPORTED EXPORT TRADE 2023-24

Species	Exports to EU (including RoI)		Exports to GB		Exports to other countries
	Number of Consignments	Number of Animals	Number of Consignments	Number of Animals	Total number of Consignments (all species)
Cattle	517	2,409	246	3,620	237
Sheep	2,115	475,301	864	122,783	-
Pigs	376	14,888	57	5,380	-
Goats	27	110	-	-	-
Horses	382	2,165	-	-	-
Poultry	1,692	8,381,960	-	-	-
Other	42	86	-	-	-

Export Health certificates produced to support exports of product (mainly to Third countries)	Export Health Certificates	Weight in Tonnes
Dairy	2,795	99,347
Meat	2,027	48,695
Other (Including Pharmaceutical, Animal By Products, Manure, Hides/Skins, Animal Feed, Germinal Products, Eggs)	781	31,745

DAERA Supported Trade Imports 2023-2024

Sanitary and Phytosanitary (SPS)	Consignments
TYPE	Total Numbers
CHED-A	6,454
CHED-PP	9,213
CHED- P	134,920
CHED-D	681
All CHEDs	151,268
SPS vehicles	85,103

CHED - Common Health Entry Document:

CHED-A	Consignments of live animals.
CHED-P	Consignments of products of animal origin, germinal products, animal by-products and derived products, composite products, and hay and straw.
CHED-PP	Consignments of plants, plant products and other objects.
CHED-D	Consignments of food and feed of non-animal origin.

Summary

150k+ Sanitary & Phytosanitary (SPS) consignments processed at NI SPS Inspection Facilities

Agri-Food Inspection Branch

1250+ Primary production hygiene inspections

TB Programme

36,500+ herd tests conducted.

Cattle Movements

100k+ cattle movement documents processed.

FARM SUPPORT

The Farm Business Improvement Scheme includes tiered capital investment to farmers and growers to invest in construction, equipment and machinery.

Under the final tranche of Tier 1 - 2,328 Letters of Offer were issued to a grant value of £11.5m. To date 1,437 payments to a value £6.6m have been paid.

Under the final tranche of Tier 2 - 146 Letters of Offer were issued to a grant value of £18.1m. To date nine payments to a value £0.8m have been paid.

FUTURE AGRICULTURAL SUPPORT

In June 2023, DAERA launched a timeline for the rollout of its Farm Support and Development Programme, providing an overview of when the proposed schemes and measures would be introduced, on a phased basis, subject to legislative and business case cover. The schemes and measures will provide levers to contribute to statutory obligations under the Climate Change Act (Northern Ireland) 2022, with a firm focus on just transition.

On 1 January 2024, DAERA introduced the Beef Carbon Reduction Scheme aimed at improving the efficiency of the beef sector and reducing livestock greenhouse gas emissions, thereby contributing to meeting the Climate Change Act (Northern Ireland) 2022 targets.

Work has been ongoing on the development of the proposed Farm Sustainability Payment, Farming with Nature Package and a number of other enabling measures and action schemes in co-design with stakeholder organisations.

CLIMATE CHANGE

The Climate Change Act (Northern Ireland) 2022 (the 'Act') received Royal Assent in June 2022. This commits the region to net zero greenhouse gas emissions by 2050. Key actions that DAERA led on this year were:

- Carbon Budgets & Targets;
- Climate Action Plan (CAP);
- Bringing forward Regulations which will require Public Body Reporting;
- Just Transition;
- Adaptation; and
- Behaviour Change.

Further detail can be found in the Sustainability section of this report.

GREEN GROWTH

The draft Green Growth Strategy is a cross cutting, multi-decade strategy for climate, the environment, and the economy. Its aim is to ensure future government policy making here has climate and environmental action at its core, embracing and enabling science and innovation to drive solutions. The draft strategy has been revised and updated to incorporate feedback from a public consultation exercise, is under consideration by the DAERA Minister and will require Executive approval before publication.

ENVIRONMENT

Draft consultation documents were developed on the Review of the Marine Protected Areas Strategy and the Blue Carbon Action Plan. These were submitted to Minister for consideration on 26 March 2024.

Both initiatives are key targets in the Environmental Improvement Plan (EIP) and will help address the challenges presented by biodiversity loss, climate change and the goal of restoring our natural capital, complementing the draft Green Growth Strategy.

As a result of the Environmental Farming Scheme over 58,000 hectares of key priority habitats are favourably managed, and over the last six years, 1,000 km of hedges have been planted or enhanced, 2,700 km of waterways protected, and half a million trees planted.

DAERA finalised the first draft Environmental Improvement Plan (EIP) for NI. This is a plan for significantly improving our natural environment and people's enjoyment of it. Subject to approval from the NI Executive, the EIP will be published in 2024 and the Department will produce an annual report each year setting out progress achieved against the EIP.

COLLABORATION & SCIENCE AND INNOVATION

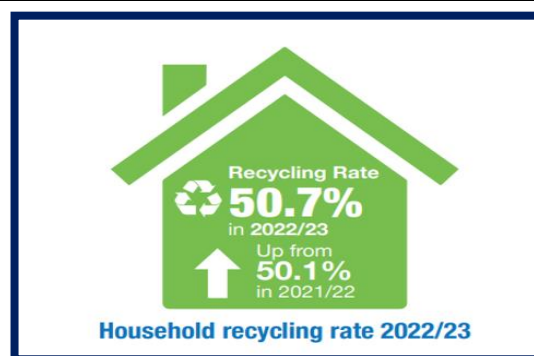
DAERA committed to fund up to £1.8m for six new projects under its Collaborative Research Programme co-funding arrangement with the Department of Agriculture, Food and the Marine (DAFM) and the US Department of Agriculture (USDA) with its partners committing an additional £6.3m. Five projects co-funded by DAERA were commissioned under the DAFM Competitive Research Call and one successful tripartite project was commissioned under the US-Ireland Competitive Call in Agriculture. DAERA supports Research Performing Organisations in NI to participate as partners with their counterparts in the Republic of Ireland in joint proposals that will benefit the local rural and agri-food sectors.

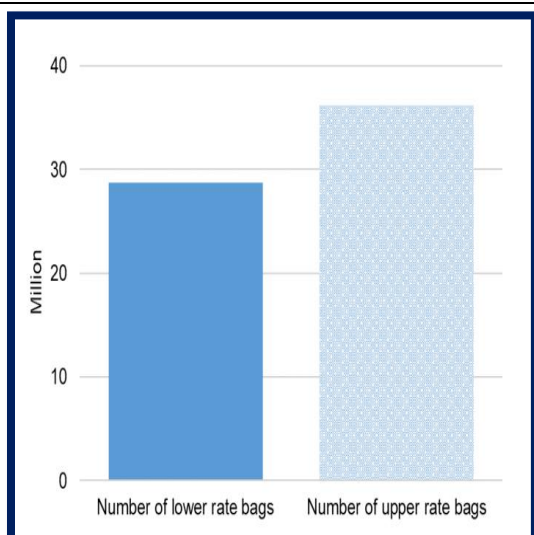
DAERA in collaboration with Science Foundation Ireland and UK Research and Innovation commissioned two virtual Co-Centres in December 2023 to deliver world leading research and development to address the challenges of climate change, biodiversity loss and water degradation (Climate+), and to transform how we produce food, store carbon, manage risks and exploit new opportunities (SureFood). DAERA has committed to fund up to £17m for the Co-Centre Programme with SFI and UKRI committing up to £34m and £12m respectively over six years.

DAERA commissioned 15 new projects through the 2022-23 DAERA Directed AFBI Research Programme at a total value of approximately £8m to deliver Research and Development to address a range of evidence needs across the Department over the next four years.

RESOURCES AND WASTE

NI annual household waste recycling rate for 2022-23 was published on 30 November 2023, with the rate reported at 50.7%, reflecting a 0.6% increase on the previous year. To date £4.9m has been committed to six local councils for nine projects. This will result in reducing waste sent to landfill annually by an estimated 11,000 tonnes and save around 10,800 tonnes of CO2 per year.





From 1 April 2022, the Carrier Bags Charge Regulations were extended so that the levy is 25 pence and applies to all new carrier bags with a retail price of five pounds or less. The annual statistics published on 17 August 2023 outlined that during the tenth year of operation, 65.0 million carrier bags were dispensed by retailers under the carrier bag levy in NI.

The number of lower rate bags dispensed in 2022-23 (costing only the 25 pence levy) was 28.7 million while the number of upper rate bags dispensed (costing more than the 25 pence levy and up to five pounds) was 36.2 million, as reflected in the chart.

AIR

Local councils were offered funding of over £0.4m to assist with the monitoring and improvement of local air quality.

Development of NI’s first Clean Air Strategy continued, and a cross departmental steering group has been set up.

We have consulted on NI’s first draft Ammonia Strategy. Responses are currently being used to rework the Ammonia Strategy to ensure a way forward to reduce ammonia emissions from agriculture. Ammonia emissions have adverse effects on nature and public health, and we must take action to support our local farm businesses and rural communities and help them to thrive and be sustainable, while at the same time protecting our environment.

The Office of Environmental Protection and the Northern Ireland Audit Office (NIAO) are currently developing reports on NI Water quality and the implementation of the Water Framework Directive (WFD). The out workings of these reports and the work already undertaken by officials will assist with the development of a 3rd cycle River Basin Management Plan (RBMP). A final RBMP will be subject to Executive approval. The Programme of Measures within the plan will assist with the delivery of the work needed to improve the overall water quality in NI.

WATER IMPROVEMENT

DAERA provided funding offers totalling over £6.5m to support 36 projects under the Strategic Strand of the Environment Fund and close to £0.3m to support 12 projects under the Water Quality Challenge Fund.

MARINE AND FISHERIES

We completed two coastal change surveys which have helped to build upon the existing high-quality baseline of data, for the entire coastline of NI, to assist future coastal management decisions.

The NI Coastal Observatory was launched in October 2023 and is a platform that has been created in partnership with the Environmental Systems Research Institute, Inc (ESRI) Ireland, to collate, display and share coastal data.

Over 41k visitors to the Portrush Coastal Zone and 42 guided School/Group visits.

River habitat improvement measures designed to increase the carrying capacity of waters for juvenile and adult Salmon and Trout have been developed and implemented across several river catchments.

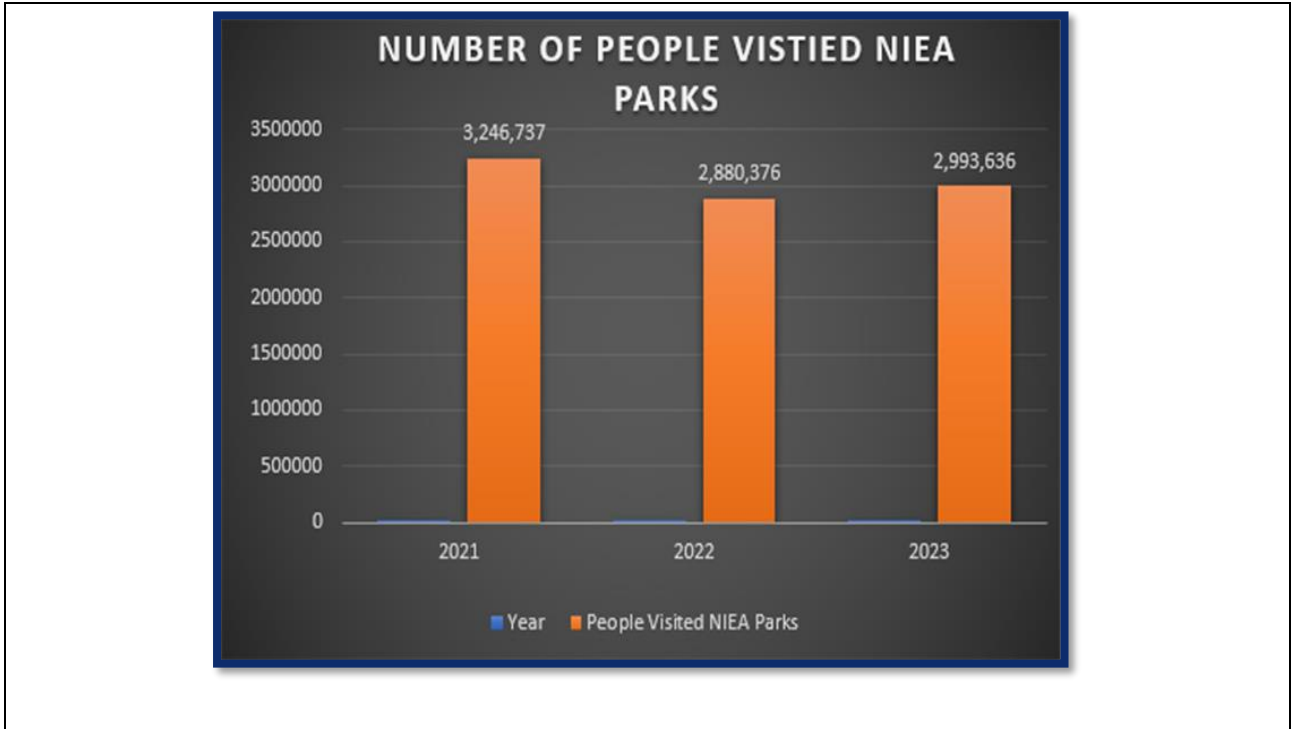
We are continuing to prepare a Marine Plan for NI and are working towards the plan being adopted and published by the end of 2024. The consultation draft has been modified in response to issues raised during the public consultation and recent changes to policy and legislation, including the Climate Change (Northern Ireland) Act 2022, Green Growth Strategy, Environmental Improvement Plan and Nature Recovery Strategy. The Marine Plan will provide a framework for decision making and support the development of a sustainable blue economy, and achievement of targets for climate change mitigation and environmental improvement.

NUTRIENT EFFICIENCY

The Soil Nutrient Health Scheme has achieved 93% uptake by almost 7k farm businesses within its delivery Zone 2 for 2023-24. This provides investment of £8m a year towards the free-to-farmer soil sampling and analysis scheme, driving efficiency through effective nutrient management on farm. Online training assists farm businesses to interpret soil analysis results and understand the importance of carbon on NI farms.

COUNTRY PARKS

NIEA welcomed almost 3.0m visitors to its country parks and nature reserves in 2023.



RURAL TOURISM

NORTHERN IRELAND RURAL DEVELOPMENT PROGRAMME (NIRDP) 2014-20

The Rural Tourism Scheme aimed to create unique and innovative visitor attractions in rural areas to encourage visitors to stay longer and spend locally bolstering the local rural economy through tourism. The Rural Tourism Scheme was part of the 2014-2020 NI Rural Development Programme (NIRDP) with an allocated budget of £10.0m. The first project claims were paid late 2018 with the final retention for one remaining project to be paid during 2024. The overall spend during the lifetime of the scheme will be £9.0m on 19 projects, £0.1m was spent in 2023-24. This will complete the Rural Tourism Scheme Programme under the NIRDP.

RURAL SUPPORT

The Tackling Rural Poverty and Social Isolation (TRPSI) Programme is an initiative led by DAERA working in partnership with government bodies and other organisations to design and implement measures which help tackle rural poverty and social isolation. During 2023-24 almost £1.6m was committed to TRPSI schemes which led to over 61k rural people benefitting from the initiatives funded.

RURAL NEEDS

We published the 6th Rural Needs Annual Monitoring Report in January 2024 which covered the period April 2022 to March 2023. The report included details of Rural Needs Impact Assessments undertaken by public authorities including 25 undertaken by DAERA.

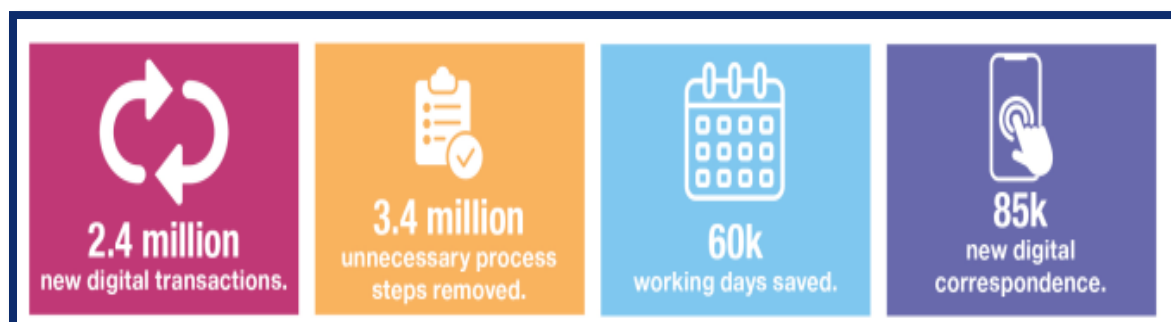
RURAL POLICY FRAMEWORK AND FUTURE RURAL POLICY

Following the UK's decision to leave the European Union and with the aim of informing future rural policy, 11 pilot schemes were developed and delivered with spend during 2023-24 totalling close to £0.3m. Completed pilots are at various stages of evaluation with the final pilot scheme, namely the Rural Social Enterprise Investment Scheme having issued Letters of Offer to promoters during January 2024.

Preparatory work has been undertaken for a number of Executive priorities relating to PEACEPLUS and City & Growth Deals. Over €80m of PEACEPLUS funding is due to be directed at Smart Towns and Villages (closed 14 March 2024), and Rural Regeneration and Social Isolation (opened 14 March 2024) and a further £14.2m of funding under Causeway Coast & Glens Growth Deal for projects in Dungiven, Bushmills and Cushendall. DAERA will also be directly contributing over £1.0m for the redevelopment of Whitespots Country Park.

DIGITAL SERVICES

This year DAERA's Digital Transformation Portfolio has enabled channel shift resulting in:



The Digital Transformation Portfolio has also enabled the successful implementation of priority business outcomes across the Department.

DAERA Direct Offices provided digital assistance by processing:

- 36,500+ TB tests;
- 85,100+ Front Office Transactions;
- 875+ Cattle Identification Inspection Tests;
- 417 Sheep Identification Inspection Tests;
- 29,464 Cattle Birth/Death notification documents processed;
- 100k+ Cattle Movements Documents;
- and
- 20,869 Map Edits.

DAERA is ensuring food supplies and other key goods continue to move to NI, by developing a digital end to end system that will support the range of checks required though the design and implementation of permanent infrastructure at the NI Points of Entry.

Stage 1 of the Northern Ireland Food Animal Information System (NIFAIS) went live on 4 September 2023.

WINDSOR FRAMEWORK

Defra delivered a system that enables traders participating in the NI Retail Movement Scheme to apply for a general certificate to move retail goods from GB to NI by 1 October in accordance with timeframes stipulated in the Windsor Framework.

DAERA delivered IT change to support the movement of retail goods from GB to NI under the NI Retail Movement Scheme including channelling checks, intensified retail checks and post movement assurance checks in the DAERA import controls system.

Collaboration with HMRC delivered an IT integration with its Goods Vehicle Movement Service that enables customs holds to be placed on goods vehicles in transit to NI from within the DAERA import controls system.

HUMAN RIGHTS AND STATUTORY EQUALITY OBLIGATIONS

The Department is committed to being a diverse and inclusive organisation. We continued to meet our statutory equality duties under Section 75 of the Northern Ireland Act 1998.

The Department's Diversity and Inclusion Action Plan highlights its commitment to diversity and inclusivity and incorporates the key actions and values contained within the NI Civil Service Plan.

STAFF

DAERA has again been independently recognised with the prestigious Investors in People (IIP) award. First awarded to DAERA over 20 years ago and held ever since, the IIP standard is a business development tool designed to advance an organisation by supporting the development of its most important asset, its people.

This accreditation is valid until February 2026, and over the next three years DAERA will continue to work closely with the IIP team to review ongoing/developing actions and monitor progress.

ANTI CORRUPTION AND BRIBERY

The [NICS Standards of Conduct](#) sets the Principles, Code of Ethics, Core Values that are expected of all staff within the Department. The NICS Standards of Conduct also covers bribery and corruption. We are committed to maintaining high ethical standards and do not tolerate fraud, bribery, any form of corruption, illegal or unethical activity. To support and promote the core values of integrity, honesty, objectivity and impartiality the Department has policies, procedures and quarterly reporting in relation to acceptance of Gifts and Hospitality reported to the Accounting Officer; and Counter Fraud Strategy and Raising a Concern policy reported to ARAC.

SCIENCE

The Science Transformation Programme continued to be implemented through 2023-24, with the purpose of DAERA getting the best science, getting the best value for science and making the best use of science by 2035.

Key projects and milestones achieved through the year include:

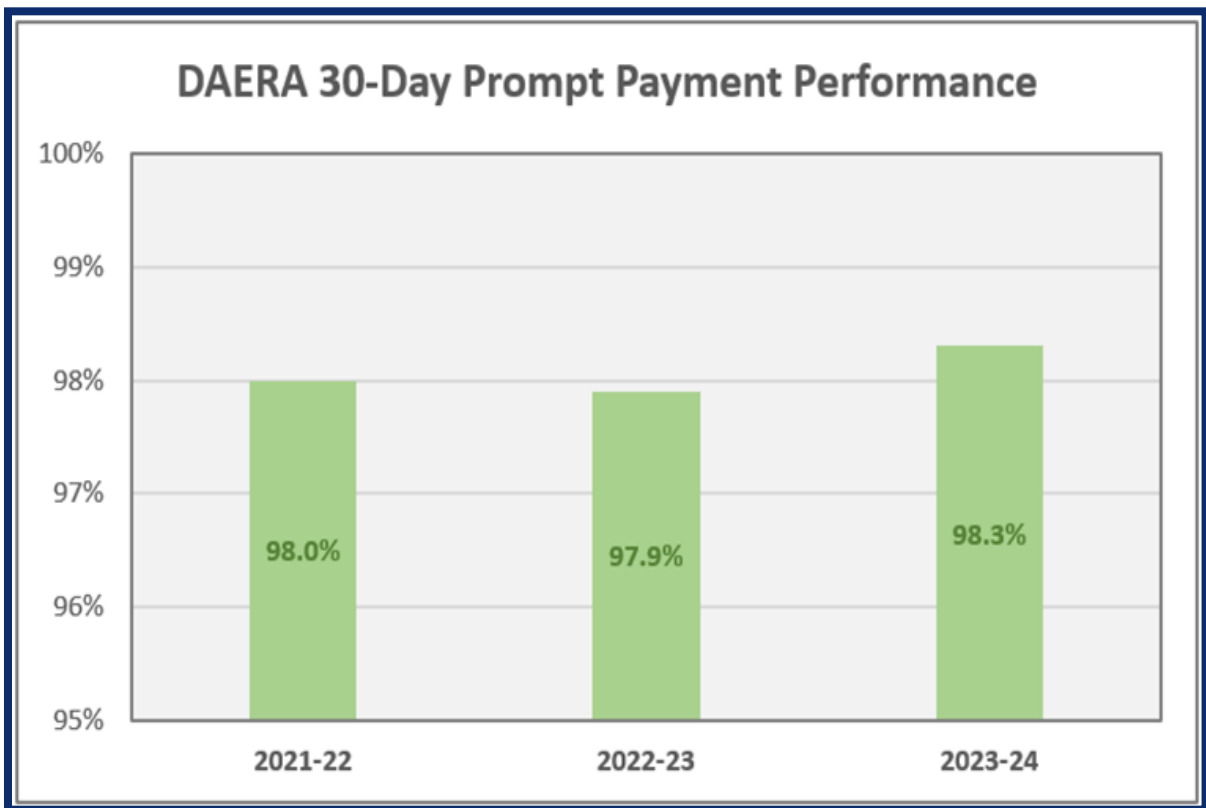
- ISLAND
Implementation of the ISLAND (Information System for Laboratories in AFBI, NIEA and DAERA) Project. This will enable a good practice approach to collation and management of science data generated in DAERA family labs and facilitate enhanced visibility, accessibility and use of science data.

- The DAERA Innovation Strategy Project achieved:
 - the launch of a Tenfold Net Zero Challenge pilot with Digital Catapult, to support the development of digital applications which reduce Green House Gas (GHG) emissions for participating businesses; and
 - the development and launch of a Shared Island Bioeconomy Demonstrator Initiative, which will provide the opportunity for all-island consortia to develop, demonstrate and deploy biobased innovation and solutions to support climate-neutrality, by increasing the sustainability and circularity of marine and rural-based production and consumption systems.

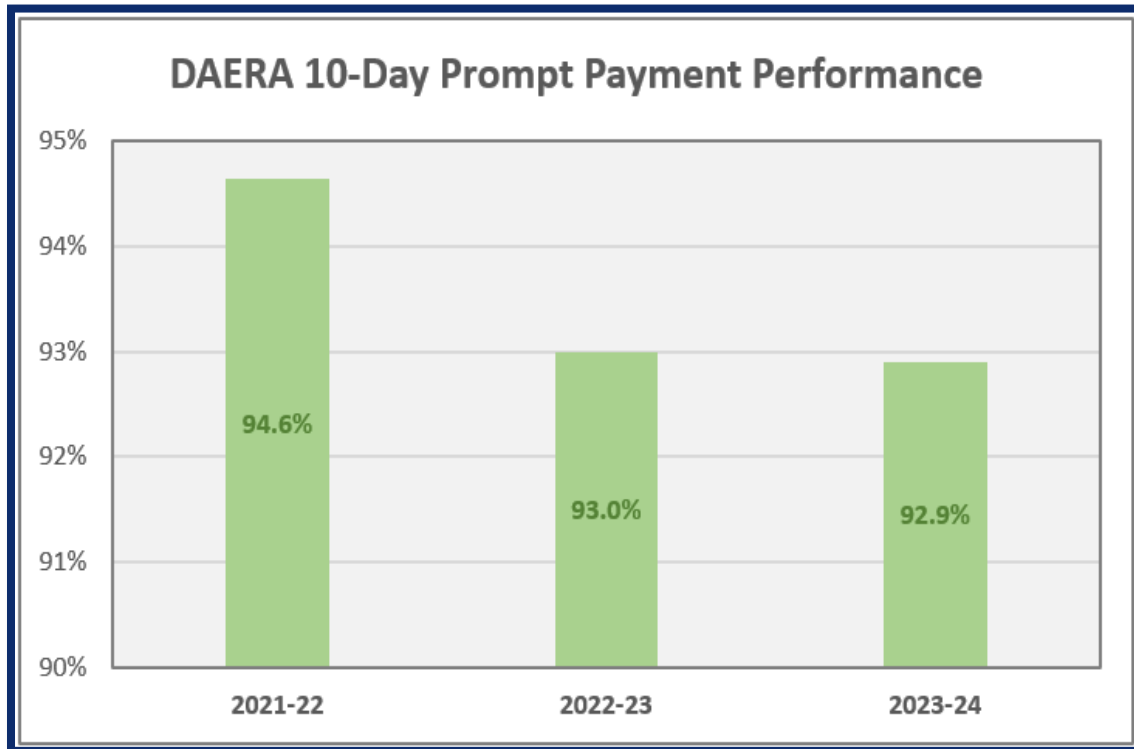
An independent review of DAERA internally delivered science was completed in May 2023. Its recommendations, which inform understanding of the change needed to achieve the Science Transformation Programme purpose, are being progressed through the Programme.

PAYMENT OF SUPPLIERS

We are committed to the prompt payment of bills for goods and services received. During 2023-24, 98.3% of our bills were paid within 30 days. The chart reflects our 30-day payment performance from 2021-22 to 2023-24.



During 2023-24, 92.9% of our bills were paid within the 10-day target, as shown in the chart.



DAERA ESTATE

During the year over 1,300 DAERA staff based in Dundonald House and Klondyke have been relocated to Clare House in Belfast and to the NIEA Lisburn site. Additionally, work has been progressed to review the Department's existing property assets in order to rationalise the Department's estate and reduce our carbon footprint. Work has also been undertaken to progress a number of new build projects which form part of the Department's programme of estate transformation.

RETAINED EU LAW



A significant and complex review of over 2,000 pieces of retained EU law was completed by DAERA policy teams as a result of the Retained EU Law (Revocation and Reform) Act 2023, which received Royal Assent on 29 June 2023. Almost 600 pieces of retained EU law were revoked by UK Government throughout the 2023-24 period and this work, along with the reform of retained EU laws (now known as assimilated law) will continue up to June 2026. Officials worked closely with Defra in 2023 to ensure three pieces of retained EU law relating to agri-food promotion schemes were saved from revocation as they continue to support the agri-food sector and due to their importance to the NI economy.

UK COVID-19 INQUIRY

On 5 May 2023, DAERA provided the UK Covid-19 Inquiry with a signed corporate statement for Module 1 of the Inquiry that examined the UK preparedness for a pandemic. In support of the statement the Inquiry was also provided with 143 exhibits documents as supporting evidence and 64 documents as general disclosure.

On 9 October 2023, DAERA provided the UK Covid-19 Inquiry with a signed corporate statement for Module 2C of the Inquiry that examined NI'S response to the pandemic. In support of the statement the Inquiry was also provided with 322 exhibits documents. On 1 March 2024 DAERA provided the Inquiry with a signed witness statement on informal communications and 94 exhibit documents as supporting evidence. The Inquiry has also been provided with 82 documents as general disclosure.

Significant Issues facing the Department in 2023-24

1. Resourcing & People Management

The Department faced significant challenges matching its ambitions for delivery of outcomes with the funding and availability of staff to deliver these.

2. Failing transitional and coastal water bodies – water quality

There are failing transitional and coastal water bodies around Northern Ireland, and programmes to address these. In Belfast Lough and Lagan, this will be delivered through the Living with Water Programme, which is planned to address the primarily human-sourced nutrients and bacteria.

Another failing water body is Dundrum Bay and catchment, where the predominant pollution has been proven to be from agricultural practices. To date, it has not been possible to turn the curve on quality in either the rivers or coastal water which are failing to meet objectives. This work has been highlighted as a case study, as this reflects an issue which is Northern Ireland-wide. It has been presented to the Water Quality Review Group, in the context of the blue green algae event in Lough Neagh this year, where nutrient losses to the environment (aquatic and air) are severely compromising ecological status.

3. Bovine Tuberculosis (bTB)

Bovine Tuberculosis (TB) is an infectious disease of cattle. It is caused by the bacterium *Mycobacterium bovis* (*M. bovis*) which can also infect and cause disease in many other mammals including humans, deer, goats, pigs, cats, dogs and badgers.

DAERA has a statutory obligation, through both domestic and EU legislation, to have a bTB control programme. The programme is important and, without a comprehensive control programme, trade in cattle and cattle products would be at risk.

DAERA is committed to reducing and ultimately eradicating TB in cattle. Eradication of TB cannot be achieved by DAERA alone nor can it be achieved in the immediate future. Government, industry stakeholders and farmers must work in partnership to tackle this disease and reduce its spread.

4. Absence of Minister and Executive

The absence of Minister, Executive and a sitting Assembly for a large part of year was a challenge faced by all NICS departments, not least as it meant there was no opportunity for departments to be guided by an agreed PfG. The Department's budgets for the 2023-24 financial year were set by the Secretary of State in April 2023.

DAERA colleagues worked hard and difficult decisions had to be made to ensure that we lived within our approved allocations.

5. Windsor Framework

The Windsor Framework (and prior to its agreement the NI Protocol) requires NI to remain aligned with EU rules across a number of areas.

DAERA is the department most significantly impacted by the Windsor Framework, with wide-ranging implications for policy and operational areas including: environment; food; animal feed; veterinary medicinal products; chemicals; pesticides; waste; packaging; genetically modified organisms; live animals; animal breeding; animal welfare, identification and disease control; plant health, and plant reproductive material; the Sanitary & Phyto-Sanitary (SPS) regime; fisheries; industrial and greenhouse gas emission; and state aid rules.

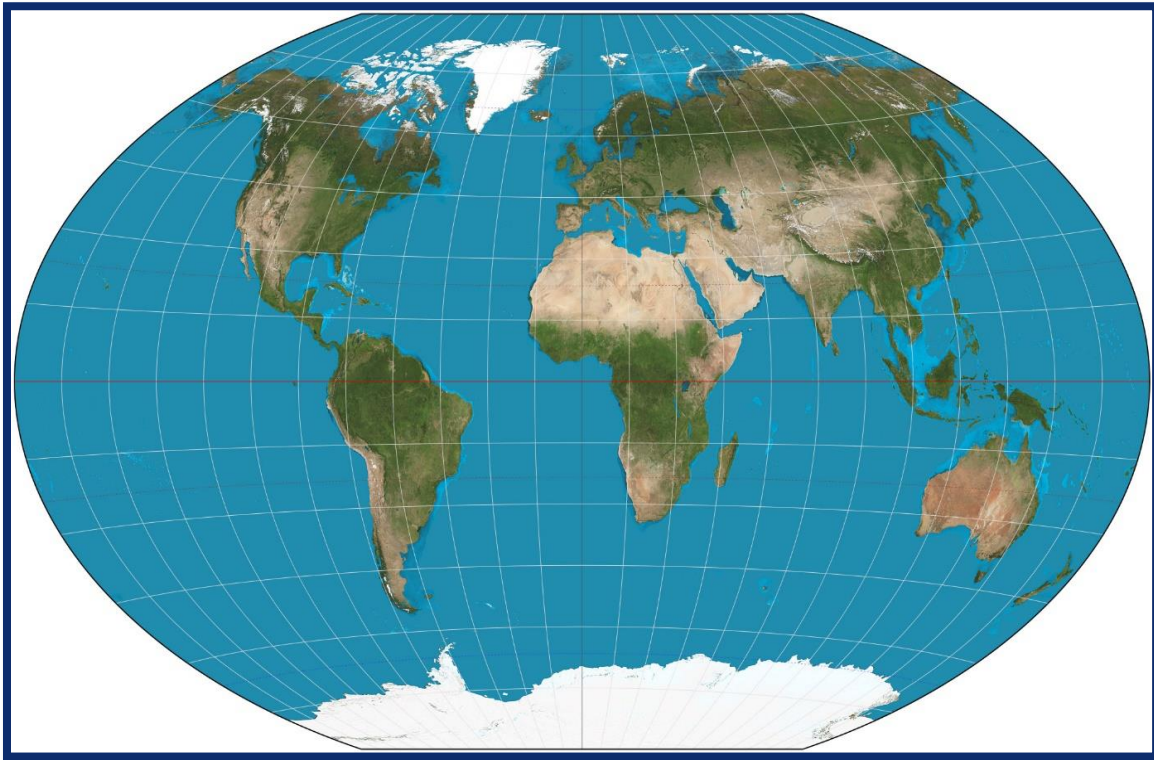
Compliance will be an ongoing process, with the EU continuing to update its legislation in the areas covered by the Windsor Framework and the UK government exploring new policy directions in those areas.

6. Protecting Against and Responding to Emergencies

We continued to discharge our responsibilities to protect against and respond to outbreaks of animal, fish and plant disease and had a key role in responding to Food Security and Food Safety emergencies. DAERA is also the lead department for the response to a radiological or nuclear incident.

Throughout 2023-24 DAERA continued engagement with stakeholders in relation to emergency response and developing situations which affect its remit. We participated in Civil Contingencies and Co-ordinate, Command and Control (C3) Structures, maintaining a vital link into The Executive Office (TEO) for escalation of any priority issues which affect the people we serve and work with.

Sustainability Report



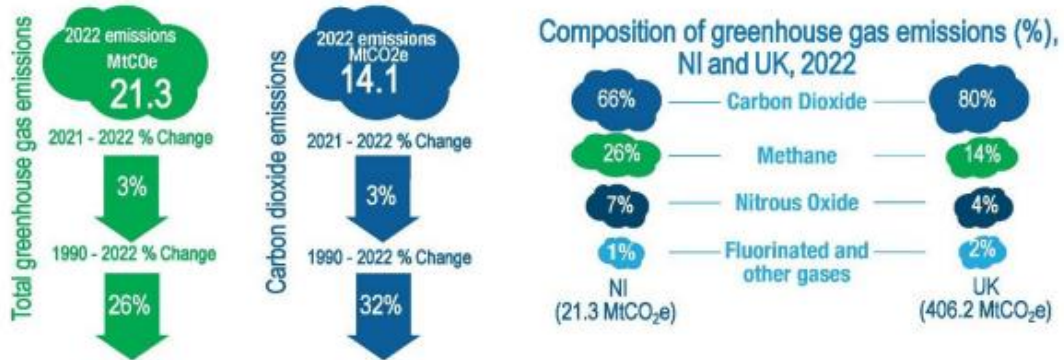
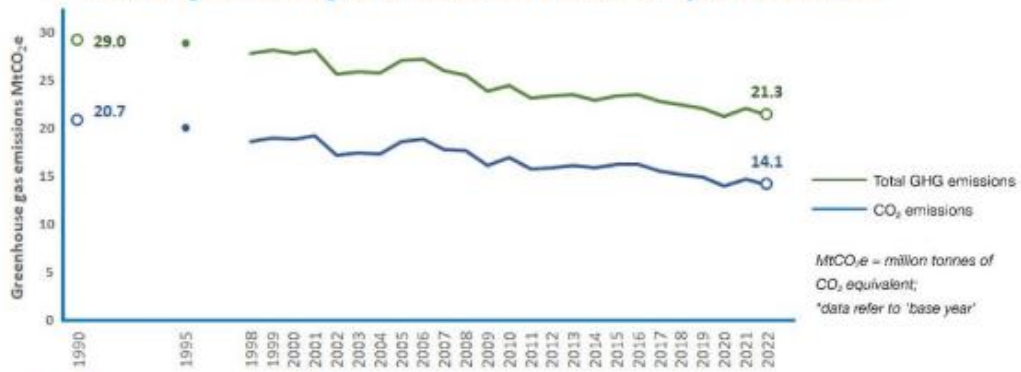
Climate Change

Carbon Budgets and Targets

As a first step, DAERA engaged with the UK Climate Change Committee (CCC) to request advice on appropriate carbon budgets, targets and a pathway to net zero and provided relevant data and detail to assist it in developing this advice. The CCC published its advice report: *The path to a net zero Northern Ireland* in March 2023. Following this, DAERA launched a 16 week consultation from June to October 2023 on the CCC's recommended 2030 and 2040 emissions reduction targets as well as its first three carbon budgets and also sought views on the CCC's proposed pathways to achieve net zero. The findings from the consultation have been considered and published and work is progressing to bring forward the relevant legislation around the emissions reduction targets and the first three carbon budgets.

NI Greenhouse Gas Statistics 1990-2022

2022 NI greenhouse gas emissions have decreased by 26% since 1990*



The table above shows that in 2022, Northern Ireland contributed 5.3% of all UK greenhouse gas emissions. Since the base year, Northern Ireland's total greenhouse gas emissions have decreased by 26.4% from 29.0 to 21.3 million tonnes of carbon dioxide equivalent (MtCO₂e). Further detail can be obtained here - [Northern Ireland Greenhouse Gas Emissions 1990 -2022](#)

Climate Action Plan

NI's first Climate Action Plan (CAP) will set out the approach to meeting the first carbon budget (covering the period 2023 to 2027) through a set of policies and proposals for emissions reductions. It will also establish a pathway towards the interim targets for 2030 and 2040 and the overall net zero by 2050 target. DAERA is leading the development of the CAP, in collaboration with all departments. A significant amount of work has taken place across government, particularly on the identification of policies and proposals to reduce emissions across sectors. Of the eight CAP sectors, DAERA is responsible for four – Agriculture, Fisheries, Land Use, Land Use Change and Forestry (LULUCF); and Waste. Work is continuing at pace to finalise a draft CAP that is evidence-based, informed by internal and external stakeholders and will deliver the emissions reductions required to achieve the carbon budget.

Public Body Reporting

New Regulations that will place climate change reporting duties on specified public bodies, as required under section 42 of the Act, have been laid in the Assembly and became operational on 3 May 2024. The regulations require the specified bodies to report on their greenhouse gas emissions as well as their plans and progress in reducing these emissions. The bodies will also report on what they plan to do about, and their progress in, tackling their risks and impacts from climate change.

Importance of Behaviour Change

DAERA has a number of workstreams in progress on harnessing behavioural science to achieve the societal behaviour change needed to reach net zero by 2050 (and the 2030 and 2040 emissions reduction targets). Assisted by a UK Research and Innovation research fellow, DAERA commissioned a bespoke, NI survey of 1,000 households to examine behaviours and attitudes in the areas of energy, transport, consumption and food/diet in response to House of Lords recommendations. Analysis of this data in Quarter 2 2024 will help inform future behaviour change interventions to support delivery of CAPs and priorities for communications and engagement.

Emissions Trading Scheme

DAERA, as part of the UK Emissions Trading Scheme (UK ETS) Authority, along with the UK, Scottish and Welsh Governments, implements the UK ETS in respect of NI. This UK wide scheme incentivises industrial sectors within scope to decarbonise by requiring payment for carbon emissions. On 1 January 2024, the Authority aligned the scheme with UK Government and Devolved Administration net zero climate targets.

Just Transition Commission

Policy development work to establish an independent Just Transition Commission continues. The Commission, once established, will provide advice to NI departments on just transition matters and provide oversight on the implementation of the just transition elements of the Act which include objectives around sustainable jobs, supporting low carbon investment and infrastructure etc. A public consultation on the proposals around the establishment of the Just Transition Commission will be published later this year.

Climate Adaptation

In April 2023, the UK Climate Change Committee published an expert independent assessment of the over-arching second NI Climate Change Adaptation Programme (NICCAP2) following a request from DAERA. The independent review provided an independent expert assessment of the effectiveness and progress of action taken in adapting to climate change in NI and is now being used to help inform the development of the Third Northern Ireland Climate Change Adaptation Programme (NICCAP3) which DAERA is leading on the development of on behalf of all departments. To support engagement with local councils, eNGOs, academia and stakeholders on climate adaptation DAERA awarded a new Climate NI contract to the Northern Ireland Environment Link (NIEL) in August 2023.

Education and Upskilling

DAERA has continued to support Keep Northern Ireland Beautiful (KNIB) to develop and deliver climate change awareness materials for use by schools and community groups through the award of a new support grant in December 2023.

During 2023-24 DAERA led on the pilot of a bespoke 'Climate Smart for Civil Servants' training course which was rolled out to over 500 staff from across a range of NICS departments. Using the feedback from this pilot exercise DAERA tendered for and successfully awarded a contract for the provision of climate change awareness training for NICS staff over the coming three years.

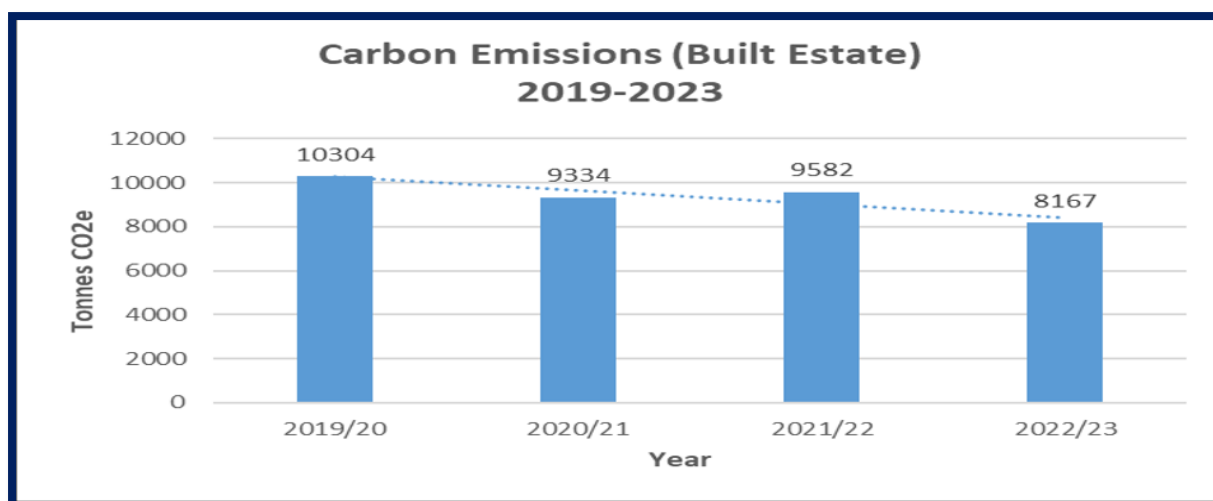
DAERA Estate Sustainability & Energy Efficiency

DAERA has agreed an Estate Sustainability Action Plan for the Built Estate (2022-27). The Plan details the actions being taken under a number of key themes to help reduce the Department's carbon emissions, reduce energy usage, and promote sustainability measures across the built estate. The work undertaken within the plan and through DAERA's Estate Sustainability Forum will contribute to Net Zero carbon emissions by 2050. Work has also been undertaken across the range of estate new build projects to reduce their operational carbon footprints when constructed.

A carbon baseline exercise along with the production of a pilot site decarbonisation plan was completed in 2023-24 and this work will assist DAERA in prioritising and planning future energy efficiency and emissions reductions programmes across the built estate.

On energy DAERA has been working towards reducing our energy usage and carbon emissions through implementing energy efficiency measures, and in considering alternative low carbon fuels. Across the four areas of energy usage for 2022-23, the breakdown is electricity (41%) and Gas/LPG (33%) with these two sources accounting for nearly three quarters of the energy consumed, followed by oil (20%) and renewables (6%).

The overall DAERA emissions reported over the last four years in tonnes CO₂e are showing a downward trend due to reductions in energy usage through energy efficiency work and the use of lower emission fuel sources. These figures are calculated in line with the Department for Business, Energy and Industrial Strategy (BEIS) factors used to calculate carbon emissions.



Sustainable Initiatives

To help address the issue of excess nutrients from livestock slurry, DAERA delivered a Small Business Research Initiative (SBRI) project focused on the Sustainable Utilisation of Livestock Slurry in 2023. £0.6m was awarded to six local companies to develop proposals to address the issue of excess nutrients, particularly phosphorus, within NI agriculture and ensure efficient recycling of organic nutrients.

Proposals focused on using slurry separation equipment to extract excess nutrients from slurry, with the separated dry fraction being used as a feedstock for anaerobic digesters to produce renewable energy. The resulting digestate from this process would then be separated again with excess nutrients being exported outside NI.

Following the success of the initial project, DAERA is developing a further phase to turn the proof of concepts proposed in phase one into demonstrator projects, with at scale separation of livestock slurry planned for late 2024.

We also have legislation in place to preserve existing environmental standards and protections as well as arrangements to continue to regulate those areas.

Implementation of the Plastic Reduction Action Plan has removed unnecessary single use plastics from across the government estate. All in scope products have been eliminated or replaced with environmentally friendly alternatives.

DAERA, as part of the implementation of its Innovation Strategy, has provided a grant of £0.3m to Digital Catapult to deliver their Tenfold Net Zero Accelerator programme in NI. Digital Catapult is the UK authority on advanced digital technology. Through collaboration and innovation, they accelerate industry adoption to drive growth and opportunity across the economy. The purpose of this one year pilot is to test the Accelerator collaboration model in NI in the sectors under DAERA's remit and help inform future DAERA initiatives with respect to innovation funding and support. This pilot is providing local businesses under DAERA's remit with the opportunity to access the UK's world class technology community to tackle challenges they face in the drive towards Net Zero.

DAERA, in conjunction with the Irish Government's Department of Agriculture, Food and the Marine (DAFM) and the Department of the Taoiseach, announced a €9 million funding initiative to support the development of the all-island bioeconomy in the agriculture and marine sectors. This Shared Island Initiative will pilot and demonstrate the bioeconomy in action across the island of Ireland, aiming to advance sustainable opportunities on an all-island basis from biomass produced from both land and marine areas through the development of innovative, higher added value biobased products and solutions, with clear climate and environmental benefits. The initiative which launched in March 2024 is expected to run for up to four years.

Collaboration Co-Centres

In January 2024 DAERA launched, the Co-Centre Programme which is a new strategic collaborative partnership between Ireland, Great Britain and NI, co-funded by industry, which will consolidate research activities across higher education and research institutes in co-hosted Centres.

The Co-Centre Programme will deliver high-quality research and innovation within the areas of climate, and sustainable food systems to support a competitive economy and address societal and environmental challenges within NI, GB and Ireland.

Nature Recovery

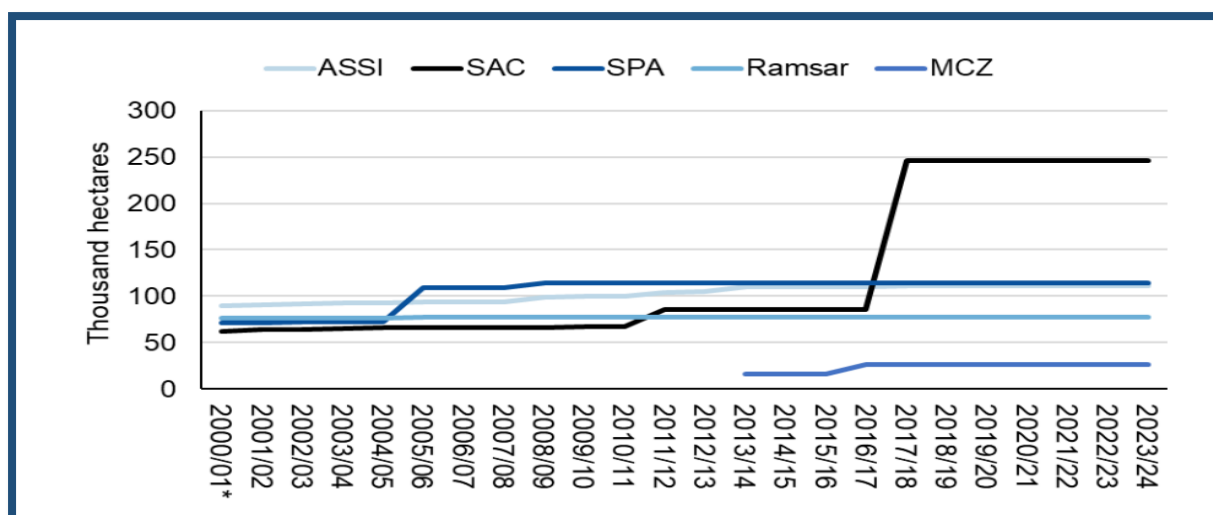
NIEA has progressed initiatives and funded projects in support of Nature Recovery and Action Planning. Designated Sites will help form core elements of Nature Recovery Networks. To date, 40 draft Conservation Management Plans (CMPs) for our Special Areas of Conservation (SAC) have been completed and published here:

<https://www.daera-ni.gov.uk/articles/introduction-conservation-management-plans-cmps-northern-irelands-special-areas-conservation>

All plans have been developed using a common approach consisting of development of a habitat map, identification of the pressures and threats, stakeholder engagement and subsequent development of appropriate management actions. Work is continuing with partners to deliver the remaining plans and prepare completed draft plans for sharing with delivery partners.

Nature Conservation Designations

The chart below features the area of nature conservation designations from 2000-01 to 2023-24.



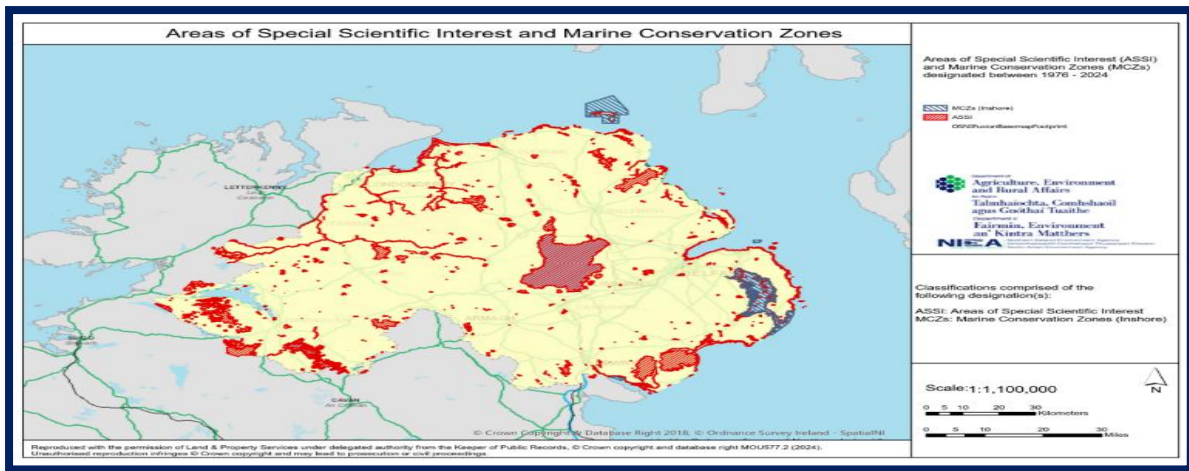
Source: NIEA * These figures include all conservation designations up to and including 2000-01.

Identifying and protecting areas of special nature and Earth Science (geological) interest has been a cornerstone of conservation action on land in NI over the last 50 years, and at sea from the mid-2000s. Areas which are particularly important for certain species, habitats or Earth science features have been formally designated in accordance with a number of pieces of national and international legislation, into one or more of the designations displayed in the above chart.

These protected areas aim to retain and enhance the nature conservation value of their features of interest and bring associated wider ecosystem benefits. The on-going protection and management of this network of sites ensures that important natural and cultural assets are available to be enjoyed by this and future generations.

By 31 March 2024, a total of 111,159 hectares across 394 sites were declared Areas of Special Scientific Interest (ASSI). 246,300 hectares across 58 sites were declared Special Areas of Conservation (SACs) and 114,600 hectares across 16 sites as Special Protection Areas (SPAs). 77,700 hectares across 20 sites were declared as Ramsar sites (areas of wetland and waterfowl conservation) and 26,178 hectares across five sites as Marine Conservation Zones (MCZs).

Areas of Special Scientific Interest (ASSI) and Marine Conservation Zones (MCZ), designated between 1976 and 2024 are highlighted in the below chart.



Environment Fund

The Environment Fund also supported climate adaptation projects. A new Environment Fund to cover 2023 to 2028 was also developed by NIEA in 2022-23 and two Environmental Impact Priority areas were identified for new strategic strand projects:

- Nature and Climate Recovery: Building Ecological and Climate Resilience; and
- Connecting People with the Environment.

These included projects which contribute towards:

- Landscape, water, habitats, species, and earth science condition maintained or improved and extent increased;
- Development and delivery of management measures which significantly contribute to maintaining and increasing the area of protected area in favourable condition;
- Developing Nature Recovery Networks; and
- Providing climate adaptation and resilience.

During 2023-24 as part of the Strategic Strand of the Environment Fund, 36 Letters of Offer were issued to applicants totalling over £6.5m and along with close to £0.3m to support 12 projects under the Water Quality Challenge Fund.

Wildfire Management

NIEA is committed to the management and mitigation of wildfires and during the year published a consultation on the Strategic Way Forward for the management of Wildfires in NI. This will contribute further to Climate Change Adaptation.

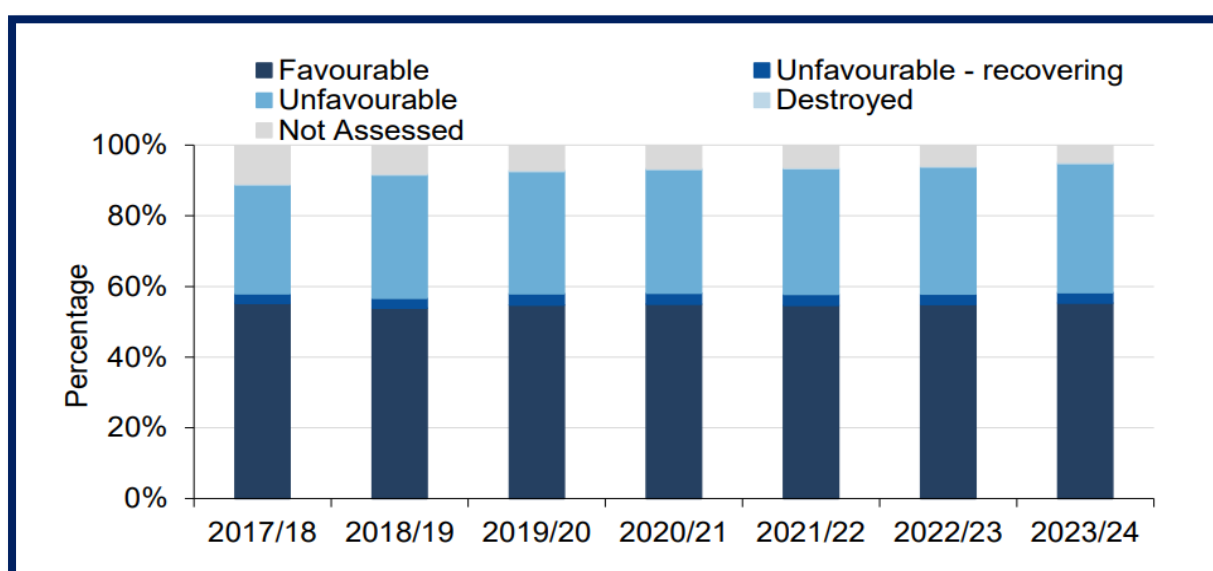
Protected Sites

Protected sites have been designated based on specific qualifying features of interest, which include many types of habitats, species and Earth science features. A site will have at least one feature of interest. Some sites have multiple features. To comply with the parent legislation, regular monitoring and reporting on the features is required, to assess their condition.

The most up-to-date figures for the 2023-24 reporting period highlight that 55% of all features, both terrestrial and marine, are in favourable condition, 36% are in unfavourable condition, 3% are unfavourable-recovering and less than 1% are destroyed. A total of 5% of features have not had a formal condition assessment, therefore a condition cannot be determined for these features.

When split into habitats, species and Earth science features and assessed, 38% of habitats and 58% of species features are in favourable condition, compared to 93% of Earth science features in favourable condition. This reflects the relative stability of geological features compared to the increasing pressures on the natural environment, contributing to the comparatively lower percentages for habitats and species features.

The table below displays the conditions of features within Marine and Terrestrial protected sites from 2017-18 to 2023-24.

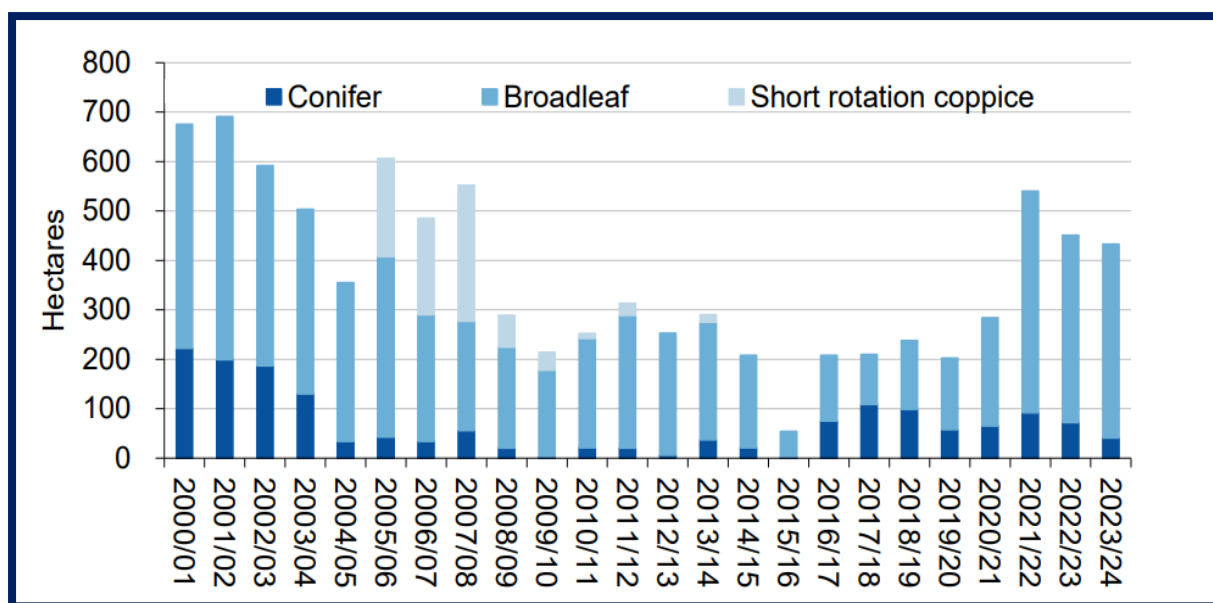


Forest cover

Since 'Forest for our Future' was launched, we have planted 1,300 hectares of new woodland which is an example of the mitigations we are taking to Climate Change.

In NI, over 52% of forests and woodlands are managed by Forest Service. Grant support to encourage afforestation and sustainable management of non-Forest Service woodlands is provided by forestry measures in the 2014 to 2020 Rural Development Programme. In 2023-24, 433 hectares of new woodland were planted and funded under the Forestry Grant Schemes.

The chart below shows the area of new forest and woodland plantings by private landowners supported by grant aid, and NI Forest Service Planting 2000-01 to 2023-24.



Future Plans

With a new minister now in post, the Department will be working to develop a new corporate plan for the 2024-27 period which will set out the Minister's longer-term vision and priorities for DAERA for the remainder of this Assembly mandate. This corporate plan will also reflect the priorities in a new Programme for Government, once agreed, and show how DAERA's work will contribute to delivering progress in this area.

Over the next year we will also continue to lead on the Executive's climate change agenda, working with all NICS departments and sectors to develop and implement NI's first Climate Action Plan and reduce carbon emissions.

A further key priority is to ensure the implementation of a new Environmental Improvement Plan (EIP) for NI will take a strategic approach to all the issues facing our environment, which will require collective action across government, private and public sector and in the community. The EIP will also be supported by a new Green Growth Strategy, once agreed, and provide focus for conserving and enhancing our natural environment in the coming decades.

Moving more specifically from environmental improvement to water quality in particular, the Department will be bringing forward a Lough Neagh Action plan, underpinned by science, to address the deteriorating water quality and the appearance of blue green algal blooms in the lough. To address the blue-green algal blooms and water quality issues, DAERA, working in conjunction with officials from Department for Infrastructure (DfI) and NI Water (NIW) is developing a report with a set of evidence-based recommendations to address these key issues.

The Department will also bring forward plans to ensure the continuing safeguarding of animal health and welfare, including implementing schemes that give effect to safeguarding measures for XL Bully type dogs, introducing a version of Lucy's Law to ban the third party sale of pups and kittens in Northern Ireland, adhere to our statutory requirements and

within budget, deliver the NI bovine Tuberculosis (bTB) Eradication Programme and deliver an effective SPS Regime across Northern Ireland to protect public health, animal health and welfare, support trade and agri-food supply chain.

These are just a few of the strategies and plans we will bring forward in the future. The challenges of meeting these goals cannot be done in isolation and as such, how we work, what we do and how we do it, is dependent on partnership, co-design, and co-delivery.

Financial Performance 2023-24

DoF is responsible for management of the NI Budget process in line with a budgetary framework set by HM Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME) which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

HM Treasury, and in turn DoF, do not set firm AME Budgets. They are volatile or demand-led in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to HM Treasury.

As DEL budgets are controllable, HM Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments.

DEL budgets are classified into Resource and Capital.

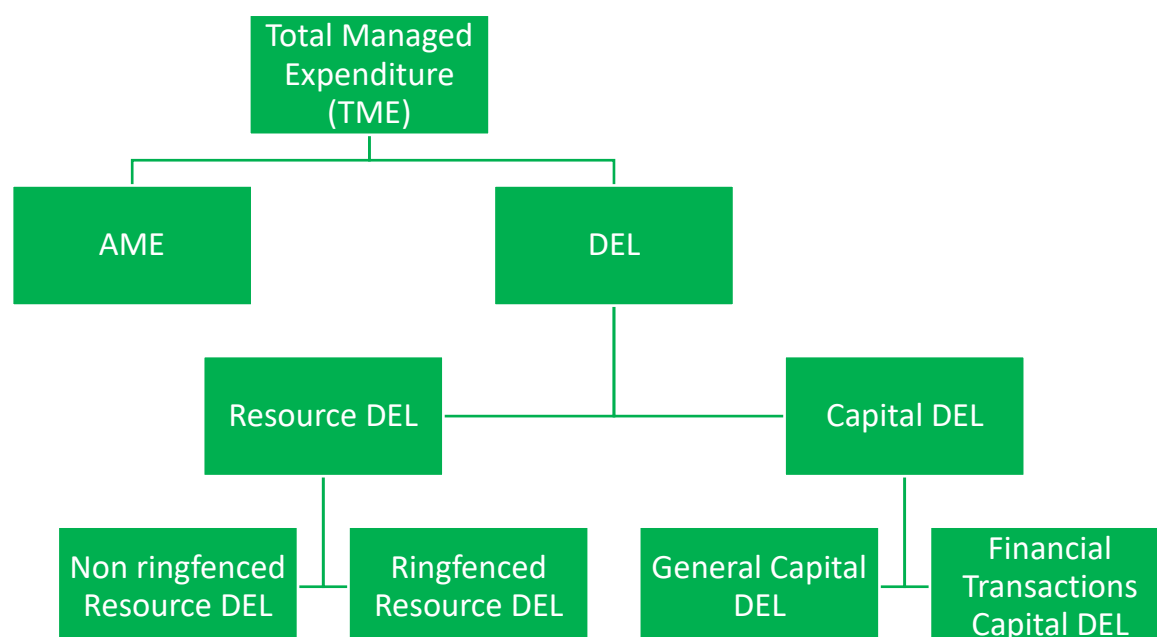
- Resource budgets are further split into Non-Ringfenced Resource that pays for programme delivery and departmental running costs, and separately Ringfenced Resource that covers non-cash charges for depreciation and impairment of assets; and
- Capital DEL is split into 'Financial Transactions Capital (FTC)' which can only be used for loans or equity investments in private sector organisations; and 'general' Capital for spending on the purchase and/or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury.

[Consolidated budgeting guidance 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/consolidated-budgeting-guidance-2023-to-2024.pdf)

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Process (RoFP), which was implemented in 2022-23, has helped to address these differences and improve transparency. Further information on the Executive's Review of Financial Process can be found on the NI Assembly website.

Budget Structure



Budgetary Performance

A summary of the Departments performance against Budgetary Control Totals is set out in the table below along with the main reasons for the variances. Full details and analysis are contained in the section for Statement of Outturn against Assembly Supply (SOAS) within the Accountability Report.

	Final Budget £'000	Provisional Outturn £'000	Underspend / (Overspend) £'000
Resource DEL			
Voted DEL	639,588	638,758	830
Non Voted DEL			
Total Resource DEL	639,588	638,758	830
Capital DEL			
General Capital	97,452	97,325	127
Total DEL	737,040	736,083	957
AME Resource	124,036	139	123,897
AME Capital	-	-	-
Total AME	125,636	139	123,897

On Resource DEL there was a £0.8m (0.1%) underspend against a budget of £639.6m. On Capital DEL there was a £0.1m (0.1%) underspend against a budget of £97.5m. This equates to a Total DEL underspend of £0.9m (0.1%) of the Total DEL budget of £737.0m.

A detailed analysis of Outturn against Estimate function can be found within the Accountability Report. Outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from the relevant accounting standard. SOAS Note 2 provides a reconciliation of the resource outturn to net operating expenditure, linking the SOAS to the financial statements.

The table below shows Resource DEL and Capital DEL Outturn Compared to Budget from 2019-20 to 2023-24.

	2019-20 £'m	2020-21 £'m	2021-22 £'m	2022-23 £'m	2023-24 £'m
Resource DEL Budget	230.7	599.5	598.5	596.2	639.6
Resource DEL Outturn	230.3	598.0	597.7	594.9	638.8
Underspend / (Overspend)	0.4	1.5	0.6	1.3	0.8
Capital DEL Budget	81.7	91.0	87.4	82.4	97.5
Capital DEL Outturn	81.0	86.0	87.3	82.3	97.4
Underspend / (Overspend)	0.7	5.0	0.1	0.1	0.1

The Resource DEL budget increased significantly from 2019-20 to 2020-21 as the Common Agricultural Policy and Fisheries funding that was previously provided by the EU was replaced by HM Treasury earmarked funding.

The increase in Resource DEL budget between 2022-23 and 2023-24 is due to increased levels of HM Treasury Earmarked Common Agricultural Policy and Fisheries replacement funding as well as increased levels of NI Protocol / Windsor Framework funding and additional Executive funding for the 2023-24 pay award and for the TB programme.

Net Cash Requirement

The Department's net cash requirement outturn was £665.8m against an estimate of £733.4m.

Summary of expenditure 2022-23 to 2023-24

The table below provides details of outturn for Resource DEL and Capital DEL expenditure in each DAERA organisation during the most recent financial years, following the introduction of RoFP in 2022-23.

	2023-24 £'000	2022-23 £'000
Resource DEL		
Core Department	596,381	554,148
AFBI	36,818	35,194
Loughs Agency	3,063	2,912
NIFHA	2,126	2,288
LMC	370	344
Executive NDPBs Total	42,377	40,738
Total Resource DEL	638,758	594,886
Capital DEL		
Core Department	67,149	60,653
AFBI	29,034	20,981
Loughs Agency	940	314
NIFHA	196	343
LMC	6	3
Executive NDPBs Total	30,176	21,641
Total Capital DEL	97,325	82,294
Total Resource AME	139	(1,240)
Total Capital AME	-	-
Total	736,222	675,940

Estimates framework

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 resources and cash (drawn primarily from the Consolidated Fund), that the Assembly or Parliament gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly or Parliament at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year.

Estimates performance

The Estimates for the year to 31 March 2024 are contained in the Budget Act (Northern Ireland) 2024. The related Acts, Bills and DoF publications containing detailed supporting information are available from The Stationery Office Limited - www.tso.co.uk. The Accounts for the year ending 31 March 2024 report against the Spring Supplementary Estimates and will be laid in the Assembly. The table below summarises the Outturn and Estimate position:

	Outturn £'000	Estimate £'000	Outturn vs Estimate saving / (excess) £'000
Voted DEL	638,758	639,588	830
Non-Voted DEL		-	-
Resource DEL	638,758	639,588	830
Voted AME	139	124,036	123,897
Non-Voted AME	-	-	-
Resource AME	139	124,036	123,897
Total Resource	638,897	763,624	124,727
Voted DEL	97,325	97,452	127
Voted AME	-	-	-
Total Capital	97,325	97,452	127
Total Budget and Non-Budget	736,222	861,076	124,854

Accounts Framework

The Annual Report and Accounts provides a comprehensive view of the Department's financial position and performance. The requirement for all NICS departments to produce Accounts is set out in legislation (Government Resources and Accounts Act (Northern Ireland) 2001), and every year departments must prepare a set of Accounts, have them audited by the NIAO and lay them in the Assembly. The Accounts are prepared in accordance with the Government Financial Reporting Manual (FRM) and in line with International Financial Reporting Standards.

Accounts performance

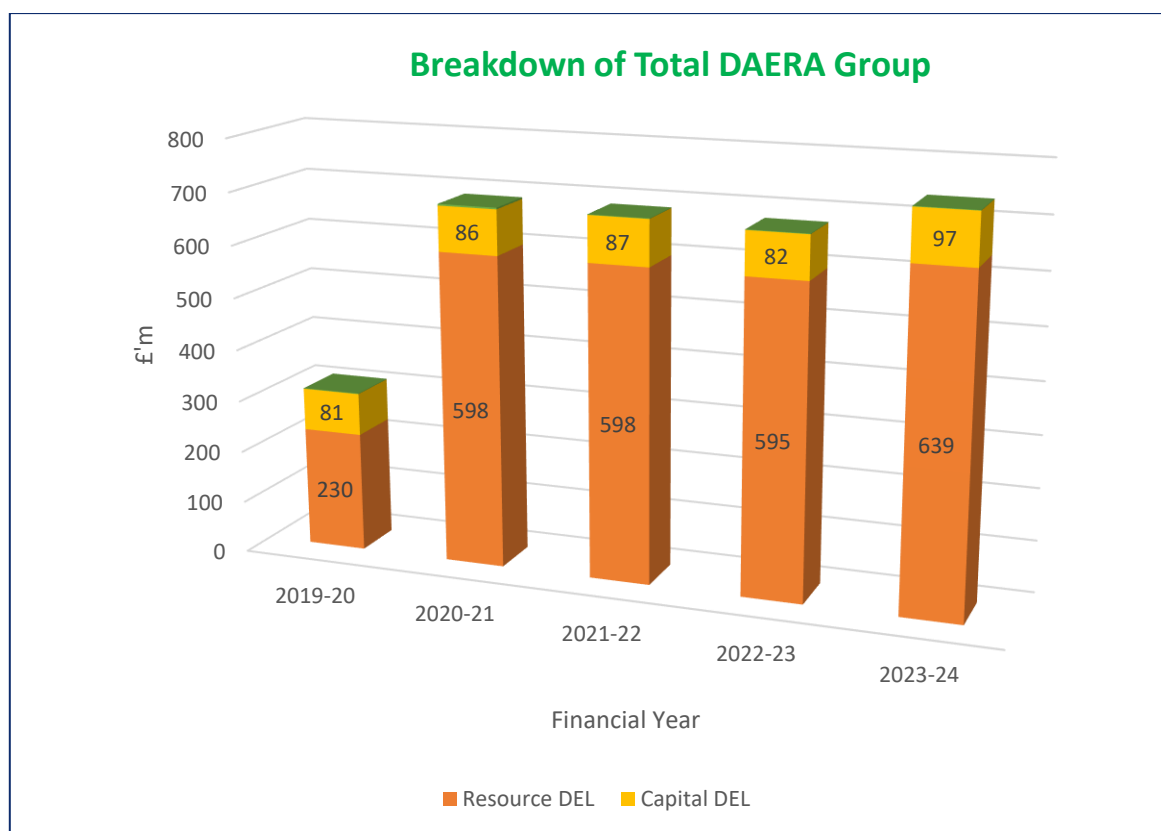
The Departmental Group Net Expenditure for the three most recent financial years is outlined below:

	2023-24	2022-23	2021-22 (Restated)
	£'000	£'000	£'000
Total Income	(80,262)	(88,499)	(87,495)
Staff Costs	214,200	195,634	186,564
EU Expenditure	12,570	14,526	28,642
National Grant Expenditure	357,084	337,543	357,436
Public Corporation Funding	12,725	1,585	10,456
Purchase of Goods and Services	68,965	70,688	58,744
Depreciation and Impairment Charges	34,832	29,265	25,441
Provision expenses	414	632	(1,182)
Other expenditure	71,567	72,944	62,563
Total Operating Expenditure	772,357	722,817	728,664
Net Operating Expenditure	692,095	634,318	641,169
Taxation	(262)	79	386
Finance Income	(69)	(32)	-
Finance Expenditure	373	276	196
Net Expenditure	692,137	634,641	641,751
Audit notional costs	175	170	156
Other notional costs	17,894	17,305	17,953
Total notional costs	18,069	17,475	18,109
Net Expenditure including notionals	710,206	652,116	659,860

Further details of Income and Expenditure are contained in Notes 4, 5 and 6 to the Accounts.

Long Term Expenditure Trends

The graph below shows the trends in Departmental expenditure for the past five financial years.



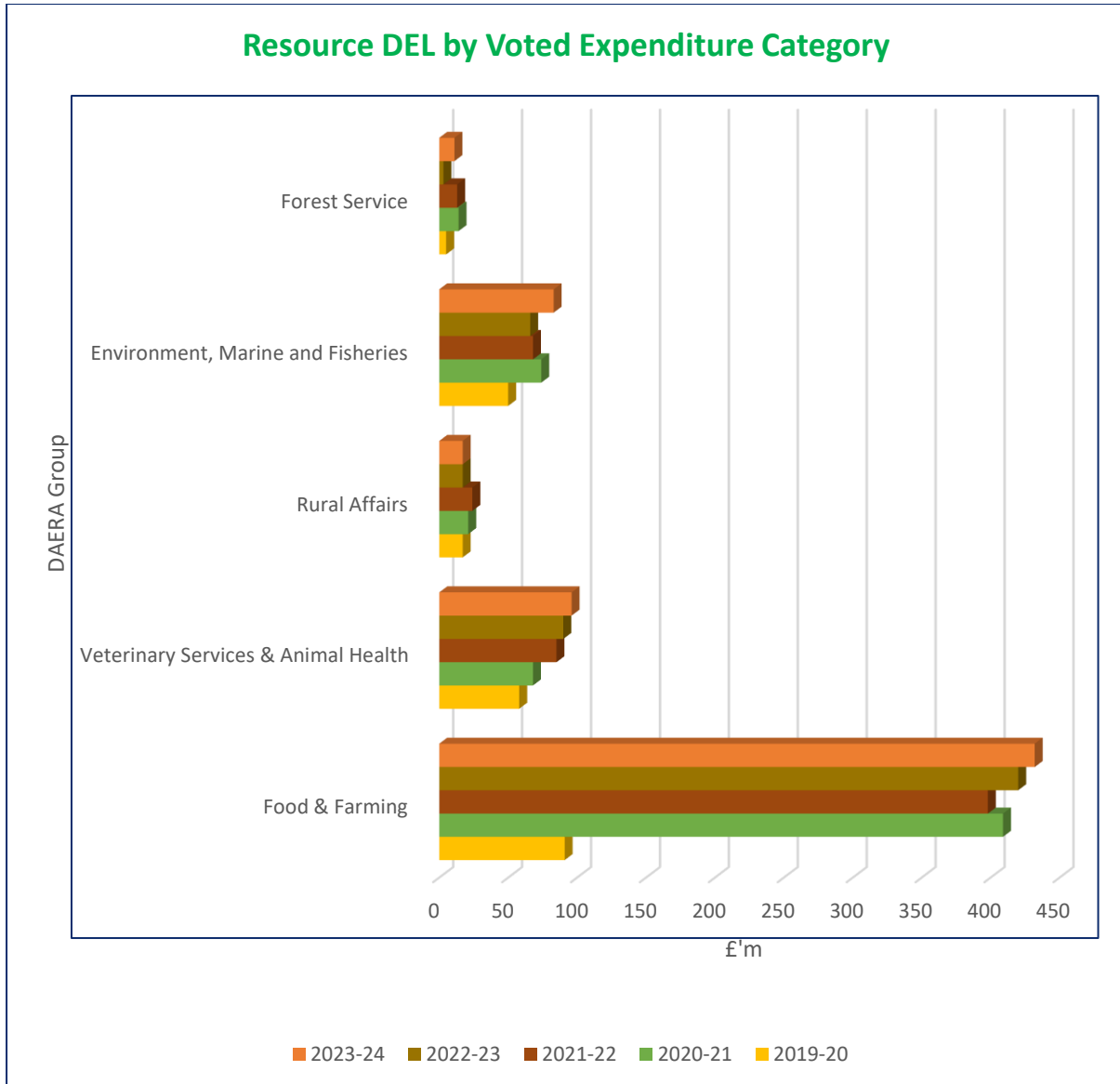
In 2020-21 the significant increase in Resource DEL relates to the £293.3m for Farm Support Direct Payments for the 2020 scheme year which previously had been EU funded. Further analysis of the 2023-24 Resource DEL and Capital DEL is provided on page 116, with additional information on variances available within the SOAS notes 1.1 and 1.2.

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, biosecurity, EU Exit requirements, marine, fisheries, natural environment and rural affairs. It also includes an allowance for the consumption of our assets over time (depreciation: £34.8m in 2023-24).

The increase in Resource DEL budget between 2022-23 and 2023-24 is due to increased levels of HM Treasury Earmarked Common Agricultural Policy and Fisheries replacement funding as well as increased levels of NI Protocol / Windsor Framework funding and additional Executive funding for the 2023-24 pay award and for the bTB programme.

Resource DEL by Voted Expenditure Category

The graph below shows the Group Resource DEL by Voted Expenditure Category.



The largest area of spend remains Food and Farming which is largely driven by spend in relation to Direct Farm Payments which prior to 2020-21 was EU funded. This voted expenditure category also includes the outturn for AFBI.

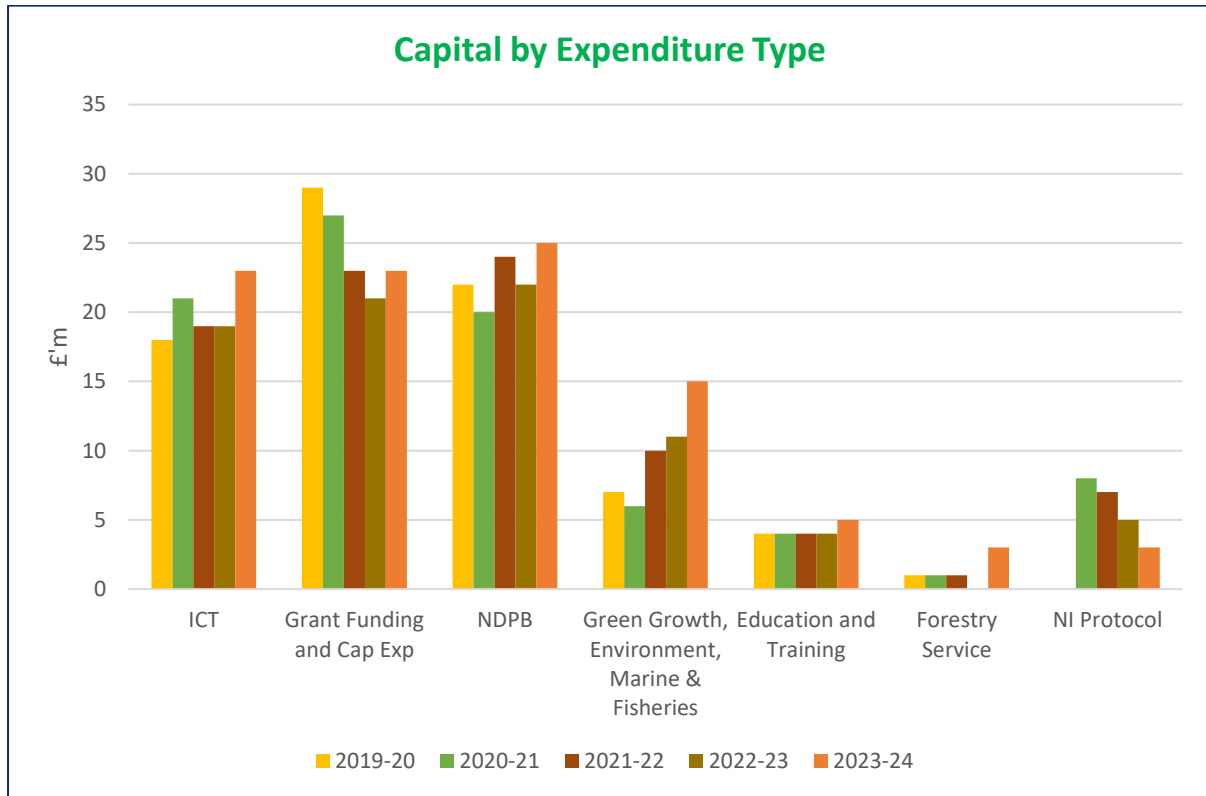
Veterinary Services and Animal Health has also seen an increase in spend relating to TB Compensation and the NI Protocol.

In 2020-21, Environment, Marine and Fisheries expenditure included over £18m of COVID-19 payments to support councils and organisations at the height of the pandemic. Following the easing of restrictions this support was not required in the last three years and is reflected in a reduction of expenditure in this Group.

Capital Expenditure by Type

Capital spend covers investment in the assets we need to deliver our objectives. This includes expenditure on our estate, our Information Communications Technology (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.



There has been continued significant investment in ICT in 2023-24 as part of the Department's Digital Transformation programme.

The Department continues to provide capital support to farm businesses under the Northern Ireland Rural Development Programme (NIRDP) with significant capital expenditure in the Farm Business Improvement Scheme and Environmental Farming Scheme. As we have left the EU and schemes begin to end, spend has decreased in 2022-23 and 2023-24 and funding of new schemes, as they are introduced are now Nationally funded.

Environmental spend includes Green Growth capital spend which is a key priority for DAERA. Spend has also continued, in relation to the capital requirements of the NI Protocol.

Budgetary Outlook

On 25 April 2024 the Executive agreed a Budget for the 2024-25 financial year. Departments were advised that, despite the additional funding provided by the financial package, this has been a very challenging Budget with funding requests from departments outweighing the funding available for allocation three times over for Resource DEL and one and a half times for Capital DEL.

The outcome from Budget 2024-25 was a Non Ringfenced Resource DEL allocation of £577.3m and a Capital DEL allocation of £95.0m. The proposed Resource DEL allocation is significantly less than the bids that were submitted to the Executive for consideration. On Capital DEL the allocation only allows all inescapable capital requirements to be funded. The Department is therefore facing significant financial challenges that will need to be managed in-year to ensure that the Department lives within the budget set.



Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
1 July 2024

Accountability Report

Corporate Governance and Directors' Report

Departmental Accounting Boundary

Minister Muir MLA was appointed as Minister of Agriculture, Environment and Rural Affairs on 3 February 2024. Prior to that there was no functioning NI Executive since 3 February 2022. The Northern Ireland (Executive Formation etc) Act 2022 allowed senior officers of a NI department, in the absence of a Minister, to exercise a function of the Department where, having had regard to the guidance published by the Secretary of State in support of the Act, they were content that it was appropriate to do so.

The Permanent Secretary, as Principal Accounting Officer, is responsible for the overall operation and performance of the Department. Mrs Katrina Godfrey was appointed DAERA Permanent Secretary on 20 April 2022.

The Chief Executives of the Forest Service and NIEA are the Agency Accounting Officers, appointed by the Principal Accounting Officer and are responsible for Agency performance and operations.

DAERA's Accounts for the financial year ended 31 March 2024 comprise a consolidation of the income and expenditure, assets and liabilities of those entities falling within the Departmental Group.

Departmental Board

The Department is headed by its Permanent Secretary, who in 2023-24 was supported by a departmental board which included non-executive board members; members of the Department's top leadership team; and the Department's Finance Director. The board was also supported by a HR Strategic Business Partner from the Department of Finance.

Following consideration of the outcomes of the most recent board effectiveness review, board membership was refreshed from 1 October 2024.

The Board meets to discuss departmental business at a strategic level and during 2023-24 the Board met six times. During 2023-24, the composition of the Board was as follows (note that some group titles were changed during the year and the table shows the current title):

Name	Role
Mrs K Godfrey	Permanent Secretary.
Mrs S McCue	Non-Executive Board Member until 31 January 2024.
Dr B Stuart	Non-Executive Member.
Mr B Cargo	Non-Executive Member from 1 September 2023.
Mr S Lynch	Non-Executive Member from 1 January 2024.

Name	Role
Mr B Doherty/ Mrs F McCandless	Deputy Secretary Strategic Planning and Corporate Services Group (shared post).
Mr N Fulton	Deputy Secretary, Food, Farming and Rural Affairs Group.
Dr R Huey	Chief Veterinary Officer, Veterinary Service and Animal Health Group.
Ms L Loughran	Deputy Secretary of Environment, Marine and Fisheries Group from 8 January 2024.
Mr D Reid	Deputy Secretary, Rural Affairs, Forest Service, Estate Transformation, Brexit Operational Readiness and Food Security Group until 1 October 2023. Deputy Secretary, Environment, Marine and Fisheries Group, from 2 October 2023 to 7 January 2024. Chief Executive, NI Environment Agency, from 8 January 2024.
Mrs T Teague	Deputy Secretary, Environment, Marine and Fisheries Group until 1 October 2023. Deputy Secretary, Climate Change, Science and Innovation from 2 October 2023.
Mr P Donnelly	Chief Executive, NI Environment Agency until 7 January 2024.
Mr R Downey	Finance Director.
Dr K Clarke	Director of Corporate Services until 8 July 2023.
Mr D Simpson	Director of Corporate Service from 1 July 2023 until 1 October 2023.
Mrs P Bratton	Human Resources Business Partner (NICS HR) until 1 October 2023.
Ms C McElrone	Boardroom Apprentice until July 2023.
Mr C Burns	Boardroom Apprentice from September 2023.

Interests of Board Members

None of the DB Members has any significant interests which conflict with their management responsibilities. The DAERA Senior Civil Service and DB Register of Interests was published on the DAERA Internet on the 13 March 2024. Full details of interests are given in Note 22 to the Accounts.

Board Committees

The Board traditionally had a large number of committees but the most recent board effectiveness review identified that there was not always a clear relationship between the board and its committees. Accordingly, during 2023-24, the board committee structure was streamlined and the board now has three committees, each now chaired by one of its non-executive members. These are:

- Audit and Risk Assurance Committee (chaired by Bill Cargo)

- Finance and Major Projects Committee (chaired by Shane Lynch)
- Capacity and Capability Committee (chaired by Bernie Stuart)

Further details on the role of the Board and its committees are available within the [DAERA Corporate Governance Framework](#).

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 [Spring Supplementary Estimates](#) published by DoF.

Security of Personal Data

DAERA and its ALBs are compliant with the UK General Data Protection Regulation (UK-GDPR). 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 complementary set of Information Security Standards provides business areas with information and guidance on how these principles should be implemented. DAERA's ISO 27001 certification was renewed, and a new 3-year cycle started in March 2023. In March 2024, the ISMS underwent a full independent re-audit of the control framework for the current scope of DAERA Paying Agency activities. As a result, certification to the new 2022 version of the ISO27001 standard has been awarded until April 2026. Work continues to embed the culture of good control across the rest of DAERA. The Department's Annual Report, Departmental Security Report and Governance Statement reflect that:

- necessary controls are in place to safeguard information assets;
- when information assets are shared or disposed of as no longer necessary, that this is done safely and securely;
- necessary controls are in place to deal with any information loss incident; and
- staff and contractors are appropriately trained.

The Department uses 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 as well as a Data Breach Management Plan in place 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 provides ongoing training to each of the

IAOs outlining their role and responsibilities regarding 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 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 in 2023-24 for DAERA or its ALBs 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.

Following a NICS wide project, conducted in liaison with the Northern Ireland Public Services Ombudsman Office, revised guidance for the handling of complaints was put in place on 20 October 2022. 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 gathered quarterly, this information is collated to produce an annual report which is submitted to the Departmental Board (DB), 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 64 new complaints relating to quality of service received by the Department in 2023-24. Of these 11 were recorded at step two by the end of March 2024. The Department will publish a breakdown of the levels and categories of complaints received during 2023-24 on its website during 2024-25.

The ALBs have reported six complaints during 2023-24.

Departmental Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG), Mrs D Carville, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. Mrs Carville is Head of the NIAO. She and her staff are independent of the Department, and she reports her findings to the NI Assembly.

The audit of the financial statements for 2023-24 resulted in a notional audit fee of £168k for the Core Department and agency. This is included in non-staff administration costs in the Consolidated Statement of Comprehensive Net Expenditure (CSocNE).

As DAERA is an accredited paying agency, the NIAO also undertakes the audit of DAERA's European Agricultural Funds (EAF) 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 and the European Agricultural Fund for Rural Development Accounts of the UK.

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 studies, which report to the Assembly on the economy, efficiency and effectiveness with which the Department's financial resources have been used.



Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
1 July 2024

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts (Northern Ireland) Act 2001 (GRAANI). The Department of Finance has directed DAERA to prepare, for each financial year, consolidated resource accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the department (inclusive of its executive agencies) and its sponsored non-departmental [and other arm's length] public bodies designated by order made under the GRAANI by Statutory Rule 2023 No. 53, as amended by Statutory Rule 2024 No.7, (together known as the 'departmental group', consisting of the department and sponsored bodies listed at note 2 to the accounts). The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and the departmental group and of the income and expenditure, Statement of Financial Position and cash flows of the departmental group for the financial year.

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

- observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ensure that the department has in place appropriate and reliable systems and procedures to carry out the consolidation process;
- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by non-departmental (and other arm's length) public bodies;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- confirm that the Annual Report and Accounts is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the department as Accounting Officer of the DAERA.

The Accounting Officer of the Department has also appointed the Chief Executives of its sponsored non-departmental (and other arm's length) public bodies as Accounting Officers of those bodies. The Accounting Officer of the Department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the Department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

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 *Managing Public Money Northern Ireland* published by the Department of Finance.

Disclosure to Auditor

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

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 2023 to 31 March 2024.

DAERA operates in compliance with the guidance set out in the “Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013”. Although Forest Service as a public sector corporation is treated as an Executive Agency, it is not included within the accounting boundary.

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.

DAERA works in close partnership with its agencies and arm’s length bodies and, during the year, in line with best practice, the Accounting Officers 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 ARAC. They have also met as an ‘Accounting Officer family’ to refresh their understanding of their responsibilities and to explore how they can work in partnership to deliver their individual and collective responsibilities.

The Budget Act (Northern Ireland) 2024, which received Royal Assent on 14 March 2024, together with the NI Spring Supplementary Estimates 2023-24 which were agreed by the Assembly on 9 April 2024, provide the statutory authority for the Executive’s final 2023-24 expenditure plans. The Budget Act (Northern Ireland) 2024 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2024-25 financial year.

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 2024, 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 each was directly responsible to the Permanent Secretary for their respective agency’s performance and operations during the year.

Additional assurance is obtained through a formal Governance Reporting process. Stewardship Reports are provided by individual business areas, including those which sponsor ALBs. The Stewardship Reporting process is monitored by Finance Division and Internal Audit; any issues of significance are highlighted in the Stewardship Reports and

reported to the ARAC. The Department's non-departmental public bodies provide an Assurance Statement to the DAERA ARAC on a quarterly basis. I also received Certificates of Assurance from senior officers, Stewardship Reports, providing me with their assurances and reporting any significant issues of internal control twice yearly; in year (six months) and end year (twelve months).

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

[DAERA Corporate Governance Framework](#)

Departmental Board

As Principal Accounting Officer, I am supported in the discharge of my role and responsibilities by the Departmental Board, the membership of which currently includes three independent NEBM along with senior officials from across the Department. The Board, which operates within the guidelines set out in the "[Corporate Governance in Central Government Departments: Code of Good Practice NI \(2013\)](#)", is chaired by me and provides leadership for the Department's business and support to me in my role as Principal Accounting Officer. The Board's NEBMs are independent in character and judgement.

The Board meets bi-monthly to discuss departmental business at a strategic level. During 2023-24 the Board met six times.

Details of the Board membership, roles and attendance at meetings are as follows. Following a reorganisation of group functions and as a result of recruitment exercises, several members have changed roles during the course of the year.

ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (maximum possible attendance)
Mrs K Godfrey Appointed DAERA Accounting Officer on the 20 April 2022	Permanent Secretary	6 (6)
Mrs S McCue	Non-Executive Board Member until 31 January 2024	5 (5)
Dr B Stuart	Non-Executive Board Member	6 (6)
Mr B Cargo	Non-Executive Board Member from 1 September 2023	4 (4)
Mr S Lynch	Non-Executive Board Member from 1 January 2024	2 (2)
Mr B Doherty / Mrs F McCandless	Deputy Secretary, Strategic Planning and Corporate Services Group (shared post)	5 (6)
Mr N Fulton	Deputy Secretary, Food, Farming and Rural Affairs Group	6 (6)
Dr R Huey	Chief Veterinary Officer, Veterinary Service and Animal Health Group	4 (6)

ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (maximum possible attendance)
Ms L Loughran	Deputy Secretary of Environment, Marine and Fisheries Group from 8 January 2024	2 (2)
Mr D Reid	Deputy Secretary, Rural Affairs, Forest Service, Estate Transformation, Brexit Operational Readiness and Food Security Group, until 1 October 2023.	2 (3)
	Deputy Secretary, Environment Marine and Fisheries Group from 2 October 2023 until 7 January 2024	1 (1)
	Chief Executive, NI Environment Agency, from 8 January 2024	2 (2)
Mrs T Teague	Deputy Secretary, Environment Marine and Fisheries Group until 1 October 2023	2 (3)
	Deputy Secretary, Climate Change, Science, and Innovation Group from 2 October 2023	2 (3)
Mr P Donnelly	Chief Executive, NI Environment Agency until 7 January 2024	4 (4)
Mr R Downey	Finance Director	4 (6)
Dr K Clarke	Director of Corporate Services, until 8 July 2023	1 (1)
Mr D Simpson	Director of Corporate Services, from 1 July 2023 until 30 September 2023	2 (2)
Mrs P Bratton	Human Resource Business Partner (NICS HR), until 30 September 2023	3 (3)

Roles and Responsibilities of the Board

The Board assists the Permanent Secretary to meet her corporate governance responsibilities for the Department by discharging the list of responsibilities set out below.

The Departmental Board:

- provides strategic clarity for the Department and oversees the implementation of the Department's strategic and business plans, including its contribution to delivering an agreed Programme for Government when one is in place;
- oversees performance and risk management of the Department's agencies and ALBs;
- ensures sound financial management is in place and scrutinises the allocation of financial and human resources to achieve strategic objectives;
- ensures clear, consistent, comparable performance information is used to drive improvements;
- monitors and steers performance against plans;

- sets the Department’s appetite for risk and ensures transparent, prudent and effective controls are in place to manage risk;
- ensures the Department has the talent, skills, capacity, and capability to plan and to deliver to meet current and future needs; and
- takes responsibility for propriety, regularity and value for money of public finances and safeguards the Department’s assets.

Conflict of Interest

Any potential Conflict of Interest for all Board members, including independent members, is notified to NICS HR (copied to the Principal Accounting Officer). During 2023-24, no declared significant 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 Register of Interests for DAERA SCS and Departmental Board members, published on 13 March 2024, includes details of company directorships and other significant interests held by members of the management board which may conflict with their management responsibilities.

[Departmental Board - register of interests | Department of Agriculture, Environment and Rural Affairs \(daera-ni.gov.uk\)](#)

Review of Board Effectiveness

The Board Operating Framework recommends an annual review of its performance in line with “DAO (DFP) 06/13 - [Corporate governance in central government departments: Code of good practice NI \(2013\)](#)”.

The Board put significant effort into discussing, agreeing and implementing an action plan to respond to the external board effectiveness review carried out in 2022-23 including an overhaul of its committee structure. Therefore, a review will take place in 2024-25 to provide feedback on the changes made during 2023-24.

At least every third year the process must have independent input. The last external review was in April 2022 which focused on assessing how board members viewed their effectiveness in the following areas:

- Role of the Board;
- Strategic Clarity;
- Commercial Sense;
- Talented People;
- Results Focus;
- Skills and Knowledge; and
- Conduct of Board Meetings.

The findings were mainly positive, with results indicating that the strategic direction and governance oversight of the Departmental Board was good.

The Board also agreed an action plan to consolidate and build on its strengths and to address areas for improvement. The focus of the Board throughout 2023-24 has been to implement

this action plan and the next stage will be to carry out an internal evaluation exercise early in 2024-25.

Performance assessment of individual board members takes place, including the assessment of the independent NEBM against their agreed objectives, and of the executive members through the senior civil service performance management arrangements.

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 time to review and, where appropriate, to raise questions in advance.

Financial information is provided in accordance with the Government Financial Reporting Manual, MPMNI and guidance from the DoF, issued primarily as Dear Finance Director (FD) or Dear Accounting Officer (DAO) letters. All transaction records are provided from the Account NI shared service system.

HR Data is provided in papers compiled by the Strategic HR Business Partner. This data is derived from a range of sources managed and controlled by the DoF, including official statistics published by the Northern Ireland Statistics and Research Agency (NISRA) and management information data from a number of operational systems (including HR Connect) that are subject to audit and DoF external controls. Business Intelligence reports are available for all line managers to utilise.

Additionally, the Board draws on statistical, economic and scientific information along with the analysis from the Department's economists, scientists and ALBs to support and inform its work.

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

As noted above, the Board currently has three committees to oversee and/or provide advice on specific areas of work:

- Audit & Risk Assurance Committee (ARAC);
- Finance & Major Projects Committee; and
- Capacity & Capability 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. In all cases the chair is now a NEBM.

Audit and Risk Assurance Committee

ARAC, as a Committee of the DB, supports 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, to assist in identifying priorities for action. ARAC does this by reviewing the assurances provided by the Department's business areas. ARAC also considers recommendations from the Department's Strategic Planning Branch in relation to the status of the Key Risks identified in the Corporate Risk Register and Corporate Business Plan.

ARAC has no authority 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, considering both known and emerging risks, of the work plans of those units.

During the past year ARAC held four formal routine meetings (26 April 2023, 5 July 2023, 11 October 2023 and 7 February 2024). ARAC also met at Final Accounts stage (27 June 2023, 27 October 2023 and 10 January 2024) to provide the Accounting Officer with the level of assurance required before signing the Departmental Accounts. The DAERA European Agriculture Fund 2023 Accounts were reviewed at the meeting held on 30 January 2024.

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. The external auditors also attend.

ATTENDANCE OF ARAC MEMBERS		MEETINGS ATTENDED (8)
Mrs Sharon McCue	Non-Executive Member (Chair until 31 January 2024)	8/8
Mr Bill Cargo	Non-Executive Member (Chair from 1 February 2024))	4/4
Dr Bernie Stuart	Non-Executive Member	8/8
Mr Shane Lynch	Non-Executive Member	1/1
Mr Robbie Davis	Independent External Member	8/8
Ms Michelle Scott	Independent External Member	6/8

ARAC Annual Report

The Chair of ARAC has also provided me with the 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 Paying Agency Accreditation Committee.

Finance Committee /Finance and Major Project Committee

The Committee met four times during the year and was responsible for considering a wide range of strategic financial issues. These included developing detailed proposals in respect of internal monitoring rounds; monitoring the use of resources and monitoring value for money through the development of improved financial and performance reporting. Until the new committee structures were confirmed, the meetings were chaired by the Senior Finance Director (Group Head of Central Services and Contingency Planning), with the role of chair subsequently passing to a non-executive board member. The committee is chaired by the NEBM Shane Lynch. Membership of the committee includes the Head of SPCSG, the Chief Executive of NIEA, the Head of EMFG and the Finance Director. Officials in regular attendance will be the Deputy Finance Directors, Head of Future Years Financial Planning and Head of In Year Financial Planning.

As noted above, the committee's role, terms of reference and membership were revised during the year and the Finance and Major Projects Committee now has a wider remit. Its role is to assist the DB to meet the corporate governance responsibilities for DAERA as outlined in the DB Operating Framework and it is specifically responsible for advising on sign-off of large operational projects or programmes, ensuring sound financial management is in place and scrutinising the allocation of financial and human resources to achieve strategic objectives. The committee brings a particular focus to the challenges of financial management and the management of major projects / programmes to deliver current and future needs.

Resourcing and People Committee /Capacity and Capability Committee

The Resourcing and People Committee was responsible for considering DAERA's 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 was responsible for providing 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 was 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 and the HR Business Partner.

As noted above, the committee's role, terms of reference and membership were revised during the year and the Capacity and Capability Committee now has a wider and more strategic remit which it takes forward under the leadership of a non-executive board member, Dr Bernie Stuart, who now chairs the committee from May 2024.

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. The following seven risks were identified and managed on the Corporate Risk Register during the 2023-24 year:

1. There is a risk to disruptions in the security of our food supply chains and that we may not be able to keep food on our shelves and provide food for all in NI due to the combined impacts of EU Exit and the current Cost of Living Crisis.
2. There is a risk that: the funding available is insufficient or is not deployed or controlled effectively; the Corporate Objective to ensure 99%-100% of Resource and Capital expenditure is not met; and/or the associated expenditure has not followed proper approvals or guidance (e.g. MPMNI, DoF delegated limits) which could result in essential services not being maintained and the Department's strategic objectives not being progressed.
3. There is a risk that the Department will not have the right people in the right place at the right time due to lack of work-force planning and a cumbersome and protracted NICS recruitment approach. As a result DAERA may not be able to operate efficiently and effectively to deliver its services and put its existing staff under increased pressure.
4. There is a risk that we will fail to protect the environment and deliver sustainability through Green Growth due to lack of resources and the competing priorities of agriculture and environment, resulting in failure to meet DAERA's vision, PfG and statutory targets.
5. Following the enactment of the Climate Change Act there is a risk that due to lack of collaboration and competing agendas facing NI departments we will be unable to discharge our role effectively in meeting statutory obligations.

Enduring Risks

6. Inability to contain and control an outbreak of Epizootic disease in a timely manner.
7. Significant business impact resulting from ineffective Information Assurance.

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 the Departmental Board has overall responsibility for the management of risks associated with the delivery of the Department's functions. The Board 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;
- a review of the Department's Risk Management Processes by the Board and ARAC;
- assurances received from ARAC;
- scrutiny, challenge and advice on risk registers provided by the Department's qualified Risk Practitioners;
- the work undertaken by the Department's Internal Audit Branch; and
- Risk Registers produced and monitored at Group and Divisional level.

Assurances

A key element of the Departmental risk management processes is the provision of regular assurances. All business areas across the Department and Agency Accounting Officers, provide six monthly and annual assurance statements that effective risk management arrangements are in place. This is in addition to the assurances that the Accounting Officer requires confirming there is robust governance over a range of other specific areas. The NDPB Accounting Officers through their sponsor branches provide quarterly assurance to ARAC that there are satisfactory governance arrangements in place.

Raising a Concern

DAERA published a new DAERA Raising a Concern Policy on 28 March 2023. The Department has appointed a Designated Officer who ensures that there is a consistent approach to the handling of concerns across the Department and takes action to raise the general awareness about the value of receiving and responding to concerns. The Department continues to strive to build a culture where concerns can be raised and where staff and customers/stakeholders can be confident that they will be followed up. This has remained a key area of focus during 2023-24.

During the year, the Department continued to record and report concerns and disclosures to its Audit & Risk Assurance Committee.

During 2023-24 a total of 43 notifications were received by the Designated Officer and his team. Of these 43 notifications, 27 were considered to fall within the raising a concern policy. The other cases were considered to be complaints or line of business issues. This compared to 65 notifications in 2022-23 under the previous Whistleblowing/Raising Concerns Policy.

Where there are cases of suspected fraud, an investigation by the DoF Fraud Investigation Service is requested. In all other cases a senior staff member from the business area, if appropriate, reviews the facts of the case to determine if further investigation is required. Where further investigation is required, the Department works closely with our Internal Audit and NICS HR business partners.

I asked the chair of ARAC to make the monitoring of the Action Plan in response to External Independent Review a standing item on ARAC's agenda until I am satisfied that the DAERA actions have been completed and embedded. While the actions are complete, reported to the NICS Board in January 2024, and published on the [DAERA internet](#), we will continue to work at embedding the actions and learning identified within the Independent Review.

Information Risk

Cabinet Office guidance on the control and security of information and data requires the management of information risk to feature explicitly in an organisation's Governance Statement. I ensured that information security is actively managed at the appropriate Department Board level as one of the Key Risks on DAERA's Corporate Risk Register (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, Data Protection

and Information Management Branch and the Departmental Data Protection Officer. Other assurance is also provided to me by IT Assist, the NICS IT Accreditation Panel, the DAERA IT Accreditation Committee and other committees responsible for the Department's key IT systems. DAERA continues to operate and maintain its ISO27001 certified Information Security Management System (ISMS) which has been subject to recent surveillance audit by the Department's UKAS accredited external certification body and has been successfully re-certified to the 2022 version of ISO27001.

Internal Audit

The Department's Internal Audit Branch (IAB) operates to the defined Public Sector Internal Audit Standards. 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 2023-24 confirmed an overall satisfactory opinion in respect of the Department's governance, risk management and control framework.

Digital, Security and Finance Shared Services (DSF)

Assurances were received within the DoF Internal Audit Annual Report 2023-24 on the DoF Shared Services from the Head of Internal Audit Services on the various components of Digital, Security and Finance (DSF) Shared Services (formally Enterprise Shared Services until 30 September 2023) which include Financial Shared Services (formally Account NI), which is responsible for the Department's transaction processing, and HR Connect which is responsible for the Department's Human Resource management arrangements. DoF issued nine satisfactory reports and one limited report in relation to Shared Services in 2023/24. There were no Priority 1 recommendations in any of the satisfactory opinion reports that were issued.

Management in the Department of Finance have implemented the recommendations of the 2021-2022 'Limited' opinion audit report in relation to HPRM/Content Manager Administration and as a result the opinion has been raised to "Satisfactory".

In addition, audits of, Purchasing and Payment Services, Training and Development within DSF, Data Centre, Network File Shares, Secure File Transfer Protocol (SFTP) system and IT Assist Security Operations Centre (SOC) all received "Satisfactory" opinions. DoF has concluded that the DoF system of internal control in relation to the Shared Services is effective and has operated effectively throughout 2023/24.

Ministerial Directions

Managing Public Money NI sets out the approach which Accounting Officers must follow where a Ministerial Direction is sought or received. I can confirm that, during 2023-24, I neither sought nor received any Ministerial Directions as provided for in MPMNI.

For completeness though, I am reporting that I did on 20 September 2023 receive a direction from the Secretary of State for Northern Ireland under section 5A of the Northern Ireland (Executive Formation etc) Act 2022. The direction was to launch a consultation on:

- (i) reducing compensation rates on bovine tuberculosis programme; and
- (ii) increasing CAFRE tuition fees to the same level as in England.

I implemented the Secretary of State's direction as it related to bovine tuberculosis, with a consultation launching on 12 January 2024. The direction as it related to increasing CAFRE tuition fees was planned to be taken forward jointly with the Department for the Economy which was similarly directed to consult on increasing university tuition fees and aligning the student loan repayment period to the same level as in England, with DfE taking the lead as it has the overall policy lead in this area. This consultation had been prepared but had not issued before the return of the Executive. With the restoration of the Executive, the direction ceased to have effect and decisions on consultation on this issue now fall to local ministers.

Review of the effectiveness of the system of internal control

The Accounting Officers have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the internal auditors and the Senior Responsible Officers (SRO) within the Department who have responsibility for the development and maintenance of the internal control framework. The Accounting Officers also take account of comments made by the external auditors in their management letter and other reports.

The SROs are required proactively to 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 and ARAC. 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 2023-24.

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:

1. review its Risk Register with a view to ensuring that, where necessary, further improvements to the process of risk management will be made;
2. promote and develop counter fraud and Raising a Concern awareness across the Department;
3. improve financial management generally, and the quality of financial information being provided to the Departmental Board; and
4. ensure proportionate and effective monitoring of ALB Governance arrangements and compliance with all key guidance, ensuring that the arrangements in place also embody the principles of partnership working.

Internal Audit

For 2023-24, the Annual Internal Audit report provided an overall satisfactory opinion. The scope of the Internal Audit work includes the Core Department, its Agencies and NDPBs excluding AFBI. The opinion of DAERA IAB was based on the results of 34 Final Reports and 14 Draft Reports. Of these Reports 26 had 'Satisfactory' opinions, 4 issued with a 'Limited' opinion and the remaining were special exercises (no opinion provided). In relation to previous years, Internal Audit completed follow up reviews on 4 'limited' opinion reports during 2023/24 and confirmed that the recommendations had been actioned sufficiently to enable their opinion on the control framework to be raised to 'satisfactory'. Two remaining 'limited' opinion reviews relating to CAFRE Lease Management and Licensing & Enforcement within Marine and Fisheries Division are scheduled for a follow up review during 2024/25.

In relation to AFBI the Internal Audit function is carried out by ASM. ASM provided an overall satisfactory opinion based on 6 reports and a follow up report on audit recommendations.

Key issues reported by DAERA IAB over the period.

Limited Audit Opinion Report 2023 –24

There were 4 limited opinion reports issued during 2023-24 for the core Department and NIEA. These limited reports are currently at draft stage and pending responses from the relevant business areas. They relate to Budget Planning & Control across DAERA; ERPD Grant Schemes; NIEA Financial Provisions; and NIEA Fleet Management. All limited opinion reports are reviewed by the relevant ARAC, and all are subject to follow up audit by our Internal Audit team.

Core Department

Budget Planning and Control across DAERA

The draft report for the review of **Budget Planning and Control across DAERA** issued in May 2024 with an overall 'limited' opinion. Internal Audit highlighted concerns around the capital bidding process and the challenge or scrutiny of bids, primarily around the Green Growth Capital Investment Profile (GGCIP), resulting in a significant portion of the CDEL being surrendered for both 2022/23 and 2023/24. Six recommendations were made including three classified as priority 1.

Environment Resource Policy Division (ERPD) Grant Schemes

A draft report for the review of **ERPD Grant Schemes** issued in December 2023 with a 'limited' opinion. Internal Audit limited its opinion due to concerns that appraisals were completed annually and did not cover each projects lifecycle. It also highlighted issues in relation to claim verification and associated management checks. The report included 5 recommendations, including two classified as priority 1, and is currently with management for consideration.

CAFRE Health & Safety and Rural Affairs Division Rural Support Network Contract.

A further 2 reports issued by Internal Audit during 2023/24 included recommendations categorised as priority 1. These related to reviews of CAFRE Health & Safety and Rural Affairs Division Rural Support Network Contract. The recommendations were accepted and are being progressed by management.

Agencies

Financial Provisions (FP) within NIEA

A draft report for the internal audit review of **Financial Provisions (FP) within NIEA** issued in January 2024 and retained the 'limited' opinion from the previous report that issued May 2021. The report concluded that progress had been made on improving the control framework around FPs, however as there continued to be multiple sites with no FP in place the 'limited' opinion was retained.

NIEA Fleet Management

A draft report for the review of **NIEA Fleet Management** issued in January 2024 with a 'limited' opinion. The report raised concerns about a lack of strategic approach to the provision of supporting IT systems and to ensure the effective delivery of fleet management across the Agency, with a silo approach across the different business areas to the acquisition and pooling of vehicles.

NDPBs

There were no limited Opinion reports or follow up on Priority 1 issues for any of the NDPBs including AFBI.

Other control issues reported

Absence of a Minister

In the absence of Ministers until 3 February 2024, the Northern Ireland (Executive Formation etc) Act 2022 permitted senior officers of NI departments to exercise a function of the Department where the senior officer is satisfied that it is in the public interest to do so. Senior officers must have had regard to the Guidance published by the Secretary of State, which set out the principles which must be considered in deciding whether the exercise of a function is prevented. The Act received Royal Assent on 6 December 2022 and, in the period from then until 2 February 2024, senior officers within DAERA took 112 decisions that in normal circumstances would have been brought to a minister to decide or agree. Decisions taken under the Act were published on a monthly basis by The Executive Office and are available at [Reports of decisions taken by Northern Ireland Departments - 2022/2023 | The Executive Office \(executiveoffice-ni.gov.uk\)](#)

Windsor Framework

In 2023, the European Commission and the UK Government reached a political agreement (the Windsor Framework) on the way forward regarding the operation of the Protocol on Ireland/Northern Ireland (the Protocol). The Windsor Framework included joint solutions, agreed by the Commission and the UK Government, to address challenges faced by people and businesses in Northern Ireland that had emerged since the date of application of the Protocol. Overall responsibility for the provision of adequate infrastructure, equipment and staff to deliver the necessary Sanitary and Phytosanitary (SPS) checks detailed in the Windsor Framework rests with the UK Government, however, as competent authority for the delivery of SPS checks, DAERA continued to support the UK Government's delivery of the joint solutions through the DAERA NI Windsor Framework SPS Implementation Programme.

DAERA also established a Windsor Framework Implementation Directorate to support implementation of the Windsor Framework across the Department, including the outworkings of the Windsor Framework (Implementation) Regulations 2024, laid in Parliament on 21 March 2024 and coming into force on 12 April 2024.

Retained EU legislation (REUL)

Prior to the REUL Bill becoming an Act an amendment was made to the Bill on 10 May 2023 by UKG which determined that Clause 1 (“sunset clause”) would be replaced with a new UK wide Schedule listing specific REUL to be revoked by the end of 2023. REUL not listed in the Schedule would now automatically be preserved and assimilated into domestic law from 1 January 2024.

The REUL Act also removed certain EU derived principles of interpretation ‘interpretive effects’ (IE) on 31 December 2023. EU interpretive effects no longer apply to domestic legislation following the renaming of REUL as Assimilated Law. The Assimilated Law remains the same as the REUL it has replaced, however, it will be interpreted differently due to EU interpretive effects ceasing at the end of 2023. Powers are available under the REUL Act until 23 June 2026 to restate lost IE for secondary Assimilated Law.

The DAERA Minister confirmed on 16 April 2024 that the Department would not be actively revoking or reforming any of its NI only Assimilated Laws and that going forward these would be assessed on a case-by-case basis. The Department continues to engage with Defra and other Devolved Administrations on their plans for Assimilated Law revocation and reform.

An ongoing concern is the potential impact the loss of IE will have on decision making within DAERA policy areas, particularly around application of the precautionary principle. The Department has been working to identify a pathway forward that would reduce risks in this area.

Animal Health Law

Regulation (EU) 2016/429 of the European Parliament and of the Council on "Animal Health Law" (AHL) is listed in Annex 2 of the Windsor Framework and automatically applies to Northern Ireland. AHL lays down rules for the prevention and control of diseases transmissible to animals or humans. Most AHL provisions apply since April 2021 with a small number delayed to April 2026. DAERA, as the Competent Authority (CA) and central veterinary authority for AHL, is working to introduce domestic legislation to effectively implement and enforce AHL. Failure to provide an adequate enforcement regime would constitute both a breach in EU law and the EU Withdrawal Act (EUWA) and could potentially lead to infraction proceedings against the UK. Furthermore, failing to implement the requirements of AHL could significantly affect trade in live animals and products of animal origin with the EU and third countries, and delays may affect disease control and present a potential risk to public and animal health.

Climate Change Act 2022

The Climate Change Act (Northern Ireland) 2022 places a number of significant requirements on the Department and other Northern Ireland departments. Key requirements with statutory deadlines in 2023 include setting five-yearly carbon budgets, starting in 2023, that

are consistent with meeting the 2030, 2040 and 2050 emissions reduction targets in the Act. The first three carbon budgets for NI should have been set, through regulations, by the end of December 2023. It was not possible to progress the legislation in the absence of the NI Assembly and work is underway, at pace, to bring these regulations forward.

The Act also requires that DAERA prepares and publishes a Climate Action Plan (CAP), for each five-year period, setting out proposals and policies to meet the carbon budget for that period and covering the areas of responsibility of each NI department. The first CAP was to be published by the end of December 2023 following a 16-week public consultation period. Whilst significant progress has been made, a draft CAP has not yet been published for consultation and work continues at pace. Failure to meet statutory deadlines increases the risk of legal challenge. Delays also increase the likelihood that NI will not meet carbon budgets and emission reduction targets set in legislation.

Environment Improvement Plan (EIP)

The Environment Improvement Plan is a plan for significantly improving the natural environment and is Northern Ireland's first Environment Strategy. The Environment Act 2021 includes a statutory requirement for the Department to publish an EIP by 25 July 2023. After careful consideration of the provisions of the Executive Formation Act and the accompanying guidance, officials determined that it was not appropriate to agree such a significant new policy in the absence of Ministers and notified the Office for Environmental Protection accordingly. Following the return of ministers, the DAERA Minister has been engaging with his Executive colleagues to secure approval of an EIP at the earliest possible opportunity.

Water quality

Lough Neagh Blue Green Algae is the manifestation of a combination of factors, decades in the making, and the undeniable impact of climate change. There are no quick fixes to the occurrence and probable re-occurrence of blue green algal blooms at Lough Neagh, however, it is important that there is an immediate start to correct the problem. It is clear the balance is not right between growing our economy and safeguarding our natural environment. Addressing and improving water quality in Lough Neagh has been identified as a key first year priority for the Executive. A report with evidence-based recommendations for action will be brought to the Executive for consideration and discussion. This will support the actions relevant to improving water quality across Northern Ireland in the Environmental Improvement Plan.

Several transitional and coastal water bodies around Northern Ireland are failing targets. Programmes have been put in place to address these issues. For example, in Belfast Lough and Lagan, the Living with Water Programme is in place, which is planned to address the primarily human-sourced nutrients and bacteria. Another failing water body is Dundrum Bay and catchment, where the predominant pollution has been proven to be from agricultural practices. To date, it has not been possible to turn the curve on quality, primarily due to the voluntary nature of the measures relating to environmental protection within current agri-environment policies.

Ammonia

The Department recognises the urgent need to reduce ammonia emissions from agriculture and is planning to do so through two key measures: a reworked draft Ammonia Strategy; and a revised Operational Protocol to assess the impacts of air pollution on the natural environment. A reworked draft Ammonia Strategy which has been informed by stakeholder responses received during public consultation, is well advanced and has a clear aim to deliver reductions in ammonia emissions from agriculture and meet legislative requirements. A new Operational Protocol is being developed following a Call for Evidence, informed by science and evidence, to support and deliver the Department's statutory obligations relevant to safeguarding our natural environment. Both measures will be finalised in 2024.

Industrial Action

Industrial Action was ongoing during 2023/2024. Union staff embarked on a period of Action Short of Strike and a total of four periods of week-long Industrial Action. Strike action had varying levels of impact on service delivery most notably in the period Monday 30 October to Friday 3 November 2023 when strike action in our Veterinary Service & Animal Health Group caused a delay to several veterinary services including the reduction of animal slaughter and processing, inspection capacities, reduction in export health certifications and delays in TB eradication tasks; and 18 January – Wednesday 24 January 2024 which resulted in the closure of frontline services in several DAERA Direct Offices and a delay in the delivery of several services across the department.

Loughs Agency – a north-south implementation body

It was not possible to secure North South Ministerial Council (NSMC) approval of the 2023 and 2024 Business Plans for the Lough's Agency during the period prior to the restoration of the NI Assembly. However, the 2023 and 2024 Business Plans were subsequently agreed at the NSMC Sectoral Meeting on 10 June 2024. All approvals are now in place. It is a legislative requirement under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 that any grants paid to bodies by a NI Sponsor Department must be approved by DoF. Where such an approval is absent, any expenditure is illegal and retrospective consent cannot confer legality. No grant payments were made in the 2023-24 financial year without DoF approval.

NIFHA End of Life Vessels

There are a number of end-of-life fishing vessels within the NI Fishery Harbour Authority's harbours. Some of these have been abandoned and others are awaiting disposal by their owners. The risks arising from these vessels are a key concern for the Authority and the risks are shared with DAERA as NIFHA does not have the powers or the funds to adequately manage the issue. As a short-term solution, DAERA currently provides NIFHA with funding (£90k in 2023/24) to decommission vessels at a dismantling facility in Portavogie harbour. DAERA also participates in an abandoned vessels working group with NIFHA and NIEA which is considering longer-term legislative measures to address this issue. However, as responsibility for making some of the required legislative changes rests with DfI, they would constitute a cross cutting policy change which will require Executive approval to proceed.

ALB Board Appointments

Three of DAERA's ALBs (Agricultural Wages Board (AWB), the Livestock and Meat Commission (LMC) and the Northern Ireland Fishery Harbour Authority (NIFHA)) were added to the Northern Ireland Executive Formation etc Act 2022 by statutory instrument on 10 July 2023. The Council for Countryside and Nature Conservation (CNCC) was added on 2 October 2023. This allowed the Secretary of State for NI to take appointments decisions in respect of these Boards in the absence of NI Ministers. In 2023/24, the Secretary of State made appointments to the AWB (Chair and two Independent Members); LMC (Chair and five Board Members); and NIFHA (Chair and three Board Members).

Mobuoy Illegal Waste Site

The Comptroller & Auditor General has advised in her certificate that the Department's group financial statements should include an additional provision of £107 million for the cost of remediating the impact of illegal dumping at the Mobuoy site. The Department has reached a different conclusion for the reasons set out below.

- The principle for remediation of environmental damage is that the polluter should pay and the Department is firmly committed to continuing the enforcement action against the former operators.
- The figure proposed for inclusion as a provision comes from a draft of an outline business case prepared by consultants and commissioned by DAERA in relation to the Mobuoy site. The completion of this business case will be informed by the imminent public consultation exercise.
- Decisions on remediation by the Department will be taken by ministers.
- DAERA considers that there is no current legal obligation as it does not own the land, although the Department has duties under the Water (NI) Order 1999 and the Environment (NI) Order 2002. Therefore, alongside the ongoing enforcement action, NIEA is incurring expenditure to monitor the site and a provision of £495k has been included to reflect the duty under the above two Orders.

Having applied careful professional judgement informed by all of the analyses, contextual factors, legal obligations and wider considerations in relation to this issue including the Minister's statement on this issue in the Assembly on 19 February 2024, it is the Department's view that it is appropriate to only recognise a provision for the ongoing monitoring costs over the next year and a contingent liability beyond that in these financial statements.

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 to the NI Assembly and is in line with corporate governance norms and codes.

1. Departmental Remuneration Report 2023-24

Remuneration Policy

The pay remit for the NI Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for NI's 27 April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31 May 2023 in FD (DoF) 05/23. This was subsequently updated on 12 March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023/24 has been finalised and is due to be paid in June 2024. The 2023-24 pay award for NICS industrial staff has also been finalised and is due to be paid in May 2024.

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

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation as set out in the Civil Service Compensation Scheme¹.

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.

¹ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](http://www.nicscommissioners.org)

Remuneration and pension entitlements – Minister [Audited Information]

Minister	Salary (£)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1,000)		Total (to nearest £1,000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Minister Muir MLA (from 4 February 24)	6,006	--	-	-	2	-	8,006	-
Minister Poots MLA (until 28 October 22)	-	21,758	-	-	-	1,000	-	23,000

*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 [Audited Information]

Officials	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Mrs Katrina Godfrey Permanent Secretary	135-140	130-135	(18,000)	(31,000)	115-120	95-100
Mr A Harbinson Permanent Secretary Until 30 April 2022	-	10-15 (120-125 FYE)	-	18,000	-	25-30
Mr B Doherty** Deputy Secretary	60-65	75-80	(40,000)	(129,000)	20-25	(50-55)
Mr N Fulton Deputy Secretary	105-110	100-105	52,000	(55,000)	155-160	(45-50)
Mr R Huey Deputy Secretary***	105-110	100-105	(24,000)	(50,000)	80-85	50-55
Mrs F McCandless** Deputy Secretary	60-65	80-85	(20,000)	(86,000)	40-45	(5-10)
Mrs T Teague Deputy Secretary	100-105	95-100	(16,000)	(26,000)	85-90	70-75
Mr D Reid Deputy Secretary/Chief Executive NIEA from 8 January 2024	95-100	55-60 (95-100 FYE)	44,000	44,000	140-145	100-105
Mr P Donnelly Deputy Secretary Chief Executive NIEA until 7 January 2024	75-80 (95-100 FYE)	95-100	1,000	18,000	75-80	110-115
Mr R Downey Finance Director	75-80	75-80	(1,000)	12,000	75-80	85-90
Ms L Loughran Assistant Secretary from 31 July 2023 Deputy Secretary from 8 January 2024	55-60 (80-85 FYE) (95-100 FYE)	-	21,000	-	75-80	-
Mrs L Lowe Corporate Services Director From 10 January 2022 to 8 October 2022	-	35-40 (70-75 FYE)	-	139,000	-	175-180

Officials	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Dr K Clarke Temporary Corporate Services Director until 8 July 2023	20-25 (75-80 FYE)	35-40 (70-75 FYE)	35,000	32,000	55-60	65-70
Ms S McCue Non Executive Board Member until 31 January 2024	20-25	15-20	-	-	20-25	15-20
Dr B Stuart Non-Executive Board Member	15-20	10-15	-	-	15-20	10-15
Mr W Cargo Non-Executive Board Member from 1 September 2023	10-15	-	-	-	10-15	-
Mr S Lynch Non-Executive Board Member from 1 January 2024	0-5	-	-	-	0-5	-

**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. The reason why some Pension Benefits have negative outcome is that the change in value is shown in real terms. A lack of pay rise since 2022 and CPI rate of 6.7% are the two factors responsible for the negative results. It is also dependent on the type of pension scheme each member is on.*

***Mr Brian Doherty and Mrs Fiona McCandless moved to partial retirement working arrangements during 2022-23 year.*

****Mr Robert Huey retired on 10 April 2024.*

Salary

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

The NI Assembly was dissolved from 28 March 2022 with an election taking place on 5 May 2022. An Executive was not initially formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. Ministers were appointed on 3 February 2024, and a new Executive formed. DAERA was under the direction and control of Minister Andrew Muir from this date. His salary and allowances were paid by the Department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the NI Assembly Commission 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 2023-24 or 2022-23.

Fair pay disclosure [Audited Information]**Pay Ratios**

The banded remuneration of the highest-paid director in DAERA in the financial year 2023-24 was £135k - £140k (2022-23, £130k - £135k). This was 4.2 times (2022-23, 4.1) the median remuneration of the workforce, which was £32,880 (2022-23, £32,893). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2023-24	25 th percentile	Median	75 th percentile
Total remuneration (£)	27,127	32,880	41,254
Pay ratio	5:1	4:2	3:3

2022-23	25 th percentile	Median	75 th percentile
Total remuneration (£)	26,575	32,893	40,711
Pay ratio	5:1	4:1	3.30:1

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

For 2023-24 and 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2023-24 and 2022-23 no employees received remuneration in excess of the highest paid director in either year.

Remuneration ranged from £21k to £137.5k (2022-23, £19k to £135k).

Percentage Change in Remuneration

The percentage change in respect of DAERA is shown in the following table. The change in ratio between current year and prior year for highest paid director is due to movement in pay scales. The average employee salary and allowances ratio is a reflection of the composition of grade, of individuals employed by us.

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances*	(0.73%)	1.53%
Highest paid director's salary and allowances*	3.77%	8.16%

*No performance pay or bonuses were payable in these years.

Pension Entitlements – Minister [Audited information required]

	Accrued pension at pension age as at 31/03/24 £'000	Real increase In pension at pension age £'000	CETV at 31/03/2024 £'000	CETV at 31/03/2023 £'000	Real increase in CETV £'000
Minister Muir MLA	0-5	0-2.5	1	-	1

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) 2011 establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the NI Assembly. The tenure of the first Panel ended in July 2016. As a consequence of the Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022.

Following the election in May 2022, full Assembly business did not commence, as no speaker was elected and therefore progress on the legislation and the appointment of a new Panel was further delayed. This matter will be taken forward by the Assembly Commission as soon as practicable now that full Assembly business has recommenced.

In April 2016 the Independent Financial Review Panel (IFRP) issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Members of the Legislative Assembly ("MLA" or "Member") aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgment found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgment could have an impact on MLAs who missed out on the Transitional Protection policy in the AMPS because of their age. However, the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new Panel is appointed.

As Ministers are MLAs, 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, taking account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as an MLA 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 an MLA. 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. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. 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. Following the publication of the triennial valuation of the AMPS by the Government Actuary’s Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. 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 the State Pension Age.

The Cash Equivalent Transfer Value (CETV)

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 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 Assembly Commission’s contribution 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 – Officials [Audited information]

Officials Table	Accrued pension at pension age as at 31-3-24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-24 or date of leaving if earlier	CETV at 31-3-23 or date of commencement if later***	Real increase/ (decrease) in CETV*	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mrs Katrina Godfrey Permanent Secretary	55-60 plus lump sum of 155-160	0-2.5	1,396	1,309	(37)	-
Mr B Doherty* Deputy Secretary	55-60 plus lump sum of 125-130 of which 125-130 has been paid on 5/09/22	-	1,258	1,200	(52)	-
Mr N Fulton Deputy Secretary	65-70	2.5-5	1,458	1,324	42	-
Mr R Huey** Deputy Secretary	45-50 plus lump sum of 130-135	-	1,080	1,055	(27)	-
Mrs F McCandless* Deputy Secretary	35-40 plus lump sum of 55-60 of which 55-60 has been paid on 5/09/22	-	742	696	(25)	-
Mrs T Teague Deputy Secretary	45-50 plus lump sum of 120-125	-	1,016	957	(29)	-
Mr D Reid Deputy Secretary	30-35 plus lump sum of 80-85	2.5-5 plus lump sum of 0-2.5	623	542	28	-
Mr Paul Donnelly Deputy Secretary (Until 7 January 2024)	30-35 plus lump sum of 85-90	0-2.5	695	653	(9)	-
Mr R Downey Finance Director	25-30 plus lump sum of 75-80	0-2.5	599	553	(11)	-
Dr K Clarke Corporate Services Director Until 8 July 2023	20-25 plus lump sum of 55-60	0-2.5 plus lump sum of 2.5-5	463	420	31	-
Ms L Loughran Assistant Secretary from 31 July 2023, Deputy Secretary from 8 January 2024	30-35 plus lump sum of 80-85	0-2.5 plus lump sum of -	651	586	9	-

*Brian Doherty and Fiona McCandless took partial retirement on 5 September 2022 claiming all their PCSPS benefits. Their CSOPS continue to increase each year.

** Robert Huey retired on 10 April 2024.

***31 March 2023 CETV values disclosed will not match those submitted in last year's accounts (22-23) due to the McCloud remedy and subsequent rollback of the system.

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by the Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022; and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this

'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using:

- a. Rolled back opening balance;
- b. Rolled back closing balance;
- c. CETV calculated by CSP on the rolled back basis; and
- d. No restatement of prior year figures where disclosed.

Alpha

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%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) – Closed Scheme

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

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

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.

Partnership Pension Account

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

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

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 are as follows:

Scheme Year 1 April 2024 to 31 March 2025

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 01 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

Cash Equivalent Transfer Values

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

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) 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. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum and Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at

<https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>

Real increase in CETV

This reflects the increase in CETV that is 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 (which therefore disregards the effect of any changes in factors).

Compensation for loss of office [Audited Information]

No compensation payments were made or due to any of the senior management of DAERA under the Civil Service Compensation Scheme (NI) (CSCS (NI)) in the year ending 31 March 2024 or 31 March 2023.

2. Staff Report

DAERA staff figures and costs for 2023-24 reflect the new Departmental boundary which excludes the Forest Service. The increase in staff numbers has been a result of vacancies being filled largely by General Service supply from volume recruitment.

The number of staff serving as senior civil servants (or equivalent) based on full year equivalent as at 31 March 2024 is as follows:

Core Department and Agency		
Pay Band	2023-24	2022-23
£65,000 - £70,000	1	-
£70,000 - £74,999	-	13
£75,000 - £79,999	23	12
£80,000 - £84,999	13	5
£95,000 - £99,999	2	4
£100,000 - £104,999	2	3
£105,000 - £109,999	3	-
£130,000 - £134,999	1	1

2.1 Staff Costs comprise [Audited Information]:

Group				2023-24	2022-23
	Permanent staff* £'000	Others £'000	Minister £'000	Total £'000	Total £'000
Wages	144,669	12,632	6	157,307	141,318
Social Security Costs	15,325	5	1	15,331	14,229
Other pension costs	41,525	5	1	41,531	39,933
Total net costs**	201,519	12,642	8	214,169	195,480
IAS 19 Actuarial Valuation					
Current Service Cost	147	-	-	147	271
Contributions per employer	(116)	-	-	(116)	(117)
Total Net Costs	201,550	12,642	8	214,200	195,634
Of which					
Charged to Administration	48,303	1,112	-	49,415	42,160
Charged to Programme	153,247	11,530	8	164,785	153,474
Total	201,550	12,642	8	214,200	195,634

*The 2023-24 figures include the cost of the Department's Special Advisor who was paid in the pay band £65-70k.

**Excluded from the total is £6,827,827.44 (2022-23 £6,685,805) which has been charged to capital.

DAERA and AFBI

The NICS main pension schemes are unfunded multi-employer defined benefit schemes but DAERA and AFBI are unable to identify their share of underlying assets and liabilities.

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

establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the Department of Finance to consult on changes to the scheme. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>

For 2023-24, employers' contributions of £40,962k were payable to the NICS pension arrangements (2022-23 £38,606k) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £121k (2022-23 £125k) 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% (2022-23, 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 £4k, 0.5% (2022-23 £3k, 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.

3 persons (2022-23: 11 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £29k (2022-23: £59k).

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 Agency and other bodies included within the consolidated Departmental Accounts.

Departmental Strategic Objective	2023-24				2022-23	
	Permanent staff	Others	Minister	Special advisor*	Total Number	Total Number
DAERA CORE	2,519	180	1	1	2,701	2,702
NIEA (Agency)	600	73	-	-	673	672
AFBI	678	75	-	-	753	770
LMC	19	4			23	24
NIFHA	21	-	-	-	21	22
Loughs Agency	24	-	-	-	24	31
Staff engaged on AFBI capital projects	1	3			4	-
Staff engaged on DAERA capital projects	144	2	-	-	146	117
Total	4,006	337	1	1	4,345	4,338
Of which:						
Core Department	2,663	182	1	1	2,847	2,819
Agency	600	73	-	-	673	672
Other designated bodies	743	82	-	-	825	847

Special Advisor left his post on 28 October 2022 due to no Minister in post.
Special Advisor joined on 3 February 2024 with appointment of a Minister.

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

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

Exit package cost band	2023-24			
	Number of other departures agreed	Department Total number of exit packages by cost band	Number of other departures agreed	Group Total number of exit packages by cost band
<£10k	-/(-)	-/(-)	-/(2)	-/(2)
£10k - £25k	-/(1)	-/(1)	-/(1)	-/(1)
£25k - £50k	1/(-)	1/(-)	2/(-)	2/(-)
£50k - £100k	3/(-)	3/(-)	4/(-)	4/(-)
Total number of exit packages	4/(1)	4/(1)	6/(3)	6/(3)
Total Resource Cost/£'000		£248k/(£25k)		£340k/(£35k)

In 2022-23, the former Minister’s Special Adviser received an exit package in accordance with the Code Governing the Appointment of Special Advisers issued under the Civil Service (Special Advisers) Act (Northern Ireland) 2013.

There were no compulsory redundancies in 2023-24 or 2022-23.

Redundancies and other departure costs are paid in accordance with the provisions of the CSCS(NI), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. The table above shows the total cost of exit packages agreed and accounted for in 2023-24 and 2022-23. £340k exit costs were paid out in 2023-24, the year of departure (2022-23 £35K) for the Group. Where the Department has agreed early retirement costs, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Staff Composition

The number of persons employed at 31 March 2024 by the Core Department and the NIEA was as follows:

Core Department and NIEA	Male*	Female*	Total
Board Members	5	5	10
Senior Managers	18	13	31
Other Employees	1,802	1,694	3,496
Total	1,825	1,712	3,537

*This excludes 1 female and 2 male Non Executive Board Members

Departmental employees are eligible for pension benefits that are disclosed in Note 1.18 and Note 3 to the Accounts and the Remuneration Report.

There were no Equal Pay payments made to any member of DAERA staff in the 2023-24 financial year. There are 3 DAERA staff yet to sign agreements totalling £665.

Sickness Absence Disclosures

The Department had an overall sickness absence rate of 10.9 days lost per employee in 2022/23. Annual sickness absence figures can be found in the “Sickness Absence in the NICS 2022/23” report at [Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](https://www.nisra.gov.uk/publications/sickness-absence-in-the-nics-2022-23).

The Department ensures that all staff are kept informed of plans and developments through online briefings, team briefings, circulars and the publication of business, learning and development 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. Staff turnover for the Department and its agency are shown

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

Employee Engagement

When launching the 2023 NICS People Survey in April 2023, the Head of the Civil Service issued a message that the frequency of the Survey was changing from yearly to every other year to allow for proper targeting of actions, and so a People Survey is not due to take place in 2024.

The 2023 NICS People Survey is therefore the most recent survey and was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DAERA there were 3,564 (2021: 3,442) permanent staff invited to complete the survey, of which 1,817 (2021: 1,686) participated, a response rate of 48.3% (2021: 49%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employment engagement questions, and it ranges from 0% to 100%. DAERA responses indicated an Employee Engagement Index of 57% (2021: 62%) compared to the NICS average of 54% (2021: 57%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>

The Departmental Staff Turnover percentage (the total number of people that have left the Department including those who have moved within the NICS) for 2023-24 is 6.2%, and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 5.2%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

	Departmental Turnover Rate Turnover Percentage	General Turnover Rate Turnover Percentage
DAERA	6.2%	5.2%

Staff Redeployment

The table below provides a breakdown of the number of persons that were loaned out in 23-24 to Defra to assist in its operations due to NI Protocol – Points of Entry (POE).

Grade	Total	Long Term Loan	Short Term Loan
Assistant Secretary	1	1	-
Grade 6	1	1	-
Grade 7	1	1	-
Deputy Principal	11	11	-
Staff Officer	9	9	-
Executive Officer I	4	4	-
Executive Officer II	3	3	-
	30	30	-

No staff were seconded due to EU Exit or COVID 19 staff implications in 22-23.

Thirty staff were redeployed out of the Department to Defra to assist in its operations due to NI Protocol – Points of Entry (POE) in 23-24, costing the Department £1,223k in programme costs.

Off Payroll Engagements

Temporary off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

	Core Department	Agency	ALBs	Departmental Group
Number of existing engagements as of 31 March 2024	-	1	-	1
Of which have existed for:				
Less than one year at time of reporting	-	-	-	-
Between one and two years at time of reporting	-	-	-	-
Between two and three years at time of reporting	-	1	-	1
Between three and four years at time of reporting	-	-	-	-

	Core Department	Agency	ALBs	Departmental Group
Four or more years at time of reporting	-	-	-	-

All existing off-payroll engagements outlined above have been subject to risk-based assessment. This is to determine whether assurance is required that the individual is paying the right amount of tax and that assurance has been sought.

All temporary off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

	Core Department	Agency	ALB's	Departmental Group
Number of off payroll workers engaged during the year ended 31 March 2024	-	2	-	2
Of which:				
Not subject to off payroll legislation				
Subject to off-payroll legislation and determined as in-scope IR35	-	-	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	2	-	2
Number of engagements reassessed for compliance or assurance purposes during the year	-	-	-	-
Of which: Number of engagements that saw a change to IR35 status following review	-	-	-	-

Off Payroll engagements of Board Members and/or Senior Officials

The following tables discloses off payroll engagements of Board Members and/or senior officials with significant financial responsibility between 1 April 2023 and 31 March 2024:

	Core Department	Agency	ALB's	Departmental Group
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	19	11	55	85

Liz Loughran and David Reid are both included Core Department and Agency numbers due to their change in roles.

Consultancy Costs

The following table is an analysis of consultancy and temporary staff costs:

	2023-24		2022-23	
	Core Dept & Agency	Group	Core Dept & Agency	Group
	£'000	£'000	£'000	£'000
Consultancy	26	26	93	93
Temporary staff costs	9,744	12,642	9,750	13,855
Total	9,770	12,668	9,843	13,948

DEPARTMENTAL POLICIES

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and in 2023 was accredited as a [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and understanding and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment process for in-work support commenced in 2023 and a new reasonable adjustment policy and supporting resources is anticipated to launch during 2024. The NICS Disability Working Group, which includes representatives from the disability sector and colleagues with lived experience is a key stakeholder in the reasonable adjustment policy review.

The NICS is committed to the employment of disabled people and offers work experience for disabled people through the [NICS Work Experience Scheme for Disabled People](#) and annual participation in International Job Shadow Day (IJSJ).

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme (GIS) which ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

Other Employee Matters

Learning and Development

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

Development and delivery of generic staff training is centralised in NICSHR². Training is delivered using a variety of learning delivery channels (including classroom delivery, online, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme and highlights the importance of the development conversation between managers and staff, with a number of resources available within a talent management toolkit.

² NICSHR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

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.

Application of Business Appointment Rules (BARs)

The NICS Standards of Conduct Policy, (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service, including procedures to make staff aware of these rules and provides that the Permanent Secretary of the Department is responsible for the effective operation of the Business Appointment Rules within their Department. Further detail is available in the [NICS Standards of Conduct Policy](#).

In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisors. Advice regarding specific business appointments has been published on The DAERA website [Department of Agriculture and Rural Affairs](#).

	SCS	G7	Total
Number of exits from the Civil Service*			174
Number of BARs applications assess by the Department over the year (by grade)	1 – G5	1	2
Number of BARs applications where conditions were set (by grade)			-
Number of applications that were found to be unsuitable for the applicant to take up (grade)			-
Number of breaches of the Rules in the preceding year			-

*Information includes DAERA and NIEA.

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. People & Organisational Development 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.

Equality, Diversity and Inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

The NICS Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network alongside the NICS corporate HR function, People and Organisational Development, develops and delivers an annual NICS Diversity Action Plan, which sets out priorities for action by diversity and inclusion theme and cross-cutting priorities.

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

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

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the NICS [Workforce Reviews](#)

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

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department's equality scheme is available on its website [Department of Agriculture and Rural Affairs](#).

Health and Safety

DAERA remains committed to ensuring, as 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 and Safety Policy Statement and regular health and safety reports are provided to the Departmental Board and individual Groups/Agencies.

The main Health and Safety focus for 2023-24 has been action towards compliance with DAERA Health and Safety Management Framework. Key areas of work are:

- Health and Safety has been integrated into the Department's governance process, with inclusion in the DAERA Strategy, Risk Management process and senior management Stewardship Reports;
- A Health and Safety Programme of Work has been in place;
- A Health and Safety Annual Report is provided to the Departmental Board, which includes departmental assurance returns;
- 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;

- 21 Departmental wide “Health and Safety Arrangements”, outlining how key Health and Safety issues should be managed, are in place;
- Health and Safety articles are a regular feature within DAERA Digest, DAERA Weekly update emails and Officers in Charge/Premises Officers are supported with Health and Safety updates, when required; and
- 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 representative also attends the interdepartmental Health and Safety Forum.

Assembly Accountability and Audit Report

Statement of Outturn against Assembly Supply (SOAS) [Audited Information]

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FRM) requires DAERA to prepare a Statement of Outturn against 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 NI 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 and corresponding Act of the Assembly, called control limits, its 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 SOAS contains a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly reconcile to cash spent) and administration.

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).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 61, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available at [CBG_2023-24_final.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118422/CBG_2023-24_final.pdf)

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOAS disclosures.

Summary Table of Resource Outturn 2023-24

								2023-24		2022-23	
				Outturn				Estimate		Outturn vs Estimate, saving / (excess)	Prior Year Outturn
Type of spend	Note	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	Total	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Departmental Expenditure Limit											
Resource	SOAS 1.1	638,758	-	638,758	639,588	-	639,588	830	830	594,886	
Capital	SOAS 1.2	97,325	-	97,325	97,452	-	97,452	127	127	82,294	
Total		736,083	-	736,083	737,040	-	737,040	957	957	677,180	
Annual Managed Expenditure											
Resource	SOAS 1.1	139	-	139	124,036	-	124,036	123,897	123,897	(1,240)	
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-	
Total		139	-	139	124,036	-	124,036	123,897	123,897	(1,240)	
Total Budget											
Resource	SOAS 1.1	638,897	-	638,897	763,624	-	763,624	124,727	124,727	593,646	
Capital	SOAS 1.2	97,325	-	97,325	97,452	-	97,452	127	127	82,294	
Total Budget Expenditure		736,222	-	736,222	861,076	-	861,076	124,854	124,854	675,940	
Non-Budget										-	
Resource	SOAS 1.1	-	-	-	-	-	-	-	-	-	
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-	
Total Non-Budget Expenditure		-	-	-	-	-	-	-	-	-	
Total Budget and Non Budget		736,222	-	736,222	861,076	-	861,076	124,854	124,854	675,940	

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Net Cash Requirement 2023-24

	Note	Outturn £'000	Estimate £'000	2023-24 Net total outturn compared with estimate: saving/(excess) £'000	2022-23 Prior Year Outturn £'000
Net Cash Requirement	SOAS3	665,776	733,419	67,643	655,001

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Administration Costs 2023-24

	Note	Outturn £'000	Estimate £'000	2023-24 Net total outturn compared with estimate: saving/(excess) £'000	2022-23 Prior Year Outturn £'000
Administration Costs	SOAS1.1	83,721	92,581	8,860	80,324

Administration costs are not a separate voted limit and a breach of the administration budget will not result in an excess vote.

Notes to the Statement of Outturn against Assembly Supply – 2023-24

SOAS Note 1 - Outturn detail by Estimate Line

SOAS Note 1.1 – Analysis of resource outturn by Estimate line

Type of spend (Resource)	Resource outturn						Estimate		Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2022-23		
	Administration			Programme			Total	Total inc. virements				
	Gross	Income	Net	Gross	Income	Net					Virements*	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure	85,642	(1,921)	83,721	616,817	(61,780)	555,037	638,758	639,588	-	639,588	830	594,886
Of which:												
1 – Food and Farming	47,882	(1,299)	46,583	397,105	(11,716)	385,389	431,972	444,041	(11,673)	432,368	396	416,284
Of which:												
Food and Farming – Departmental Expenditure	35,676	(1,299)	34,377	372,123	(11,716)	360,407	394,784	406,885	(11,717)	395,168	384	380,746
Livestock and Meat Commission (ALB - Net)	655	-	655	(285)	-	(285)	370	447	(65)	382	12	344
The Agric-Food and Biosciences Institute (ALB - Net)	11,551	-	11,551	25,267	-	25,267	36,818	36,709	109	36,818	-	35,194
2 – Veterinary Service and Animal Health	9,643	(11)	9,632	105,572	(18,827)	86,745	96,377	93,679	2,944	96,623	246	90,341
3 – Rural Affairs	5,963	(237)	5,726	10,706	(15)	10,691	16,417	16,717	(298)	16,419	2	16,578
4 – Foyle, Carlingford and Irish Lights Commission (ALB - Net)	-	-	-	3,063	-	3,063	3,063	3,883	(818)	3,065	2	2,912
5 – Environment, Marine and Fisheries	19,525	(371)	19,154	88,655	(28,379)	60,276	79,430	74,114	5,500	79,614	184	65,455
Of which:												
Environment, Marine and Fisheries – Departmental Expenditure	19,125	(371)	18,754	81,437	(23,711)	57,726	76,480	71,006	5,500	76,506	26	63,120
EU Community Initiatives	-	-	-	5,492	(4,668)	824	824	827	-	827	3	47
Northern Ireland Fishery Harbour Authority (ALB - Net)	400	-	400	1,726	-	1,726	2,126	2,281	-	2,281	155	2,288

Type of spend (Resource)	Resource outturn						Estimate				Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Administration			Programme			Total	Total	Virements*	Total inc. virements		
	Gross	Income	Net	Gross	Income	Net						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
6 - Forestry	2,629	(3)	2,626	8,881	(8)	8,873	11,499	7,154	4,345	11,499	-	3,316
7 - Common Agricultural Policy	-	-	-	2,835	(2,835)	-	-	-	-	-	-	-
Total Voted DEL	85,642	(1,921)	83,721	616,817	(61,780)	555,037	638,758	639,588	-	639,588	830	594,886
Non-voted Expenditure												-
Total non-voted DEL	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in DEL	85,642	(1,921)	83,721	616,817	(61,780)	555,037	638,758	639,588	-	639,588	830	594,886
8 – Provisions – Departmental Expenditure	-	-	-	(298)	-	(298)	(298)	118,170	-	118,170	118,468	(2,735)
9 – Revaluations - Departmental Expenditure	-	-	-	(74)	-	(74)	(74)	4,050	(10)	4,040	4,114	(394)
10 - Depreciation Departmental Expenditure	-	-	-	120	-	120	120	116	10	126	6	110
11 - Arms Length Bodies	-	-	-	391	-	391	391	1,700	-	1,700	1,309	1,779
Total voted AME	-	-	-	139	-	139	139	124,036	-	124,036	123,897	(1,240)
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	139	-	139	139	124,036	-	124,036	123,897	(1,240)
Total Non Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total resource	85,642	(1,921)	83,721	616,956	(61,780)	555,176	638,897	763,624	-	763,624	124,727	593,646

***ALB Outturn is recorded net**

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 NI 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 reason for the underspend is that the Department considers that International Accounting Standard (IAS) 37 criteria were not met in relation to a larger provision for the Mobuoy illegal waste site. Further details are set out on page 94 of the Governance Statement.

SOAS Note 1.2 – Analysis of capital outturn by Estimate line

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limits (DEL)	119,163	(21,838)	97,325	97,452	-	97,452	127	82,294
Voted Expenditure								
1 – Food and Farming	61,740	(1,784)	59,956	60,002	(45)	59,957	1	42,800
Of which:								
Food and Farming - Departmental Expenditure	32,700	(1,784)	30,916	33,196	(2,279)	30,917	1	21,816
Livestock and Meat Commission (ALB - Net)	6	-	6	30	(24)	6	-	3
The Agri-Food and Biosciences Institute (ALB - Net)	29,034	-	29,034	26,776	2,258	29,034	-	20,981
2: Veterinary Service and Animal Health	25,254	(14,568)	10,686	10,765	(32)	10,733	47	10,198
3: Rural Affairs	2,701	-	2,701	2,665	38	2,703	2	8,591
4: Foyle, Carlingford and Irish Lights Commission (ALB - Net)	940	-	940	1,040	(100)	940	-	314
5: Environment, Marine and Fisheries	19,569	(2,259)	17,310	19,110	(1,723)	17,387	77	18,451
Of which:								
Environment, Marine and Fisheries - Departmental Expenditure	17,824	(943)	16,881	18,800	(1,919)	16,881	-	17,648
EU Community Initiatives	1,549	(1,316)	233	310	-	310	77	460
Northern Ireland Fishery Harbour Authority (ALB - Net)	196	-	196	-	196	196	-	343
6: Forestry	5,732	-	5,732	3,870	1,862	5,732	-	1,940
7: Common Agricultural Policy	3,227	(3,227)	-	-	-	-	-	-
Total Voted DEL	119,163	(21,838)	97,325	97,452	-	97,452	127	82,294

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total 2022-23
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-voted Expenditure	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	119,163	(21,838)	97,325	97,452	-	97,452	127	82,294
Spending in Annually Managed Expenditure (AME)	-	-	-	-	-	-	-	-
Voted Expenditure	-	-	-	-	-	-	-	-
Total voted AME	-	-	-	-	-	-	-	-
Non-voted expenditure	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	-
Total Non Budget	-	-	-	-	-	-	-	-
Total Capital	119,163	(21,838)	97,325	97,452	-	97,452	127	82,294

* 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 NI 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.

SOAS Note 2 - Reconciliation of outturn to net expenditure

		Outturn total	Prior Year Outturn Total
Item	Note	2023-24	2022-23
		£'000	£'000
Total Resource Outturn	SOAS 1.1	638,897	593,646
Add: Capital Grants		29,701	21,325
R&D treated as Capital in the accounts (Resource for Outturn)		23,286	17,726
Other ALB Capital adjustments*		253	1,944
Total		53,240	40,995
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure (Note a)	SOCNE	692,137	634,641

*This relates to £253k of Capital adjustments for transactions with ALB's that have eliminated on consolidation.

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.

SOAS Note 3 - Reconciliation of Net Resource Outturn to Net Cash requirement

Item	Note	Outturn total	Estimate	Outturn vs Estimate, Saving / (excess)
		£'000	£'000	£'000
Total Resource outturn	SOAS 1.1	638,897	763,624	124,727
Total Capital outturn	SOAS 1.2	97,325	97,452	127
Adjustments for ALBs:				
Remove voted resource		(42,377)	(45,020)	(2,643)
Remove voted capital		(30,176)	(27,846)	2,330
Add cash grant in aid		63,771	74,038	10,267
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(28,857)	(33,159)	(4,302)
New provisions and adjustments to previous provisions		(242)	(118,170)	(117,928)
Other non-cash items		(954)		954
Adjustments to reflect movements in working balances				
Increase/(decrease) in inventories		5	-	(5)
Increase/(decrease) in receivables		(14,007)	-	14,007
(Increase)/decrease in payables		(18,153)	22,500	40,653
Use of provisions		544	-	(544)
Total		(70,446)	(127,657)	(57,211)
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other Adjustments		-	-	-
Total		-	-	-
Net cash requirement		665,776	733,419	67,643

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 2023 when forecasting the cash requirements of the Department to 31 March 2024. The variance of £67.6m mainly related to the year end regarding movements in working capital balances, as a result of Trade Payables being lower than anticipated, offsetting the high provisions limit in place for unexpected potential liabilities, that did not crystallise.

SOAS Note 4– Amounts of Income to the Consolidated Fund

The Department had no income or receipts in 2023-24 due to the Consolidated Fund (2022-23 income nil and receipts nil).

Assembly Accountability Disclosure

Business activities attracting fees and charges [Audited Information]

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

The table 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	2023-24	2023-24	2023-24	Financial Objective
	Income	Full Cost	Surplus / (Deficit)	
	£'000	£'000	£'000	
Carrier Bag Levy	13,061	12,386	675	Full cost recovery - achieved with marginal over recovery.
NIEA - Resource Efficiency Pollution	9,588	9,163	425	Full cost recovery - achieved with marginal over recovery.
Food Standards Agency	8,211	8,270	(59)	Full cost recovery - achieved with marginal under recovery.
Total	30,860	29,819	1,041	

Income Source	2022-23	2022-23	2022-23	Financial Objective
	Income	Full Cost	Surplus/ (Deficit)	
	£'000	£'000	£'000	
Carrier Bag Levy	14,307	13,825	482	Full cost recovery - achieved with marginal over recovery.
NIEA - Resource Efficiency Pollution	9,327	8,669	658	Full cost recovery - achieved with marginal over recovery.
Food Standards Agency	7,877	7,983	(106)	Full cost recovery - achieved with marginal under recovery.
Total	31,511	30,477	1,034	

Remote Contingent Liabilities [Audited Information]

In addition to contingent liabilities reported within the meaning of International Accounting Standard (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 2023-24 no further information in addition to the items covered in the Provisions Note 17 and the contingent liabilities Note 21, have been noted.

Regularity of Expenditure [Audited Information]

A Stewardship Reporting exercise is undertaken twice a year and Finance Division along with the Casework Committee has a role in reviewing Economic Appraisals to assess the regularity, propriety and value for money proposals. Business Areas are asked on a quarterly basis to confirm that the information held on the Losses and Special Payments Register is correct.

Losses and special payments [Audited Information]**Losses Statement**

	2023-24		2022-23	
	Core Department & Agency	Departmental Group	Core Department & Agency	Departmental Group
Total number of losses/cases	26	26	69	69
Total value of losses £'000	60	60	266	266

These cases include abandoned claims, other losses, and unvouched or incompletely vouched expenditure. The above table does not include losses in relation to the 2023-24 payments for Basic Payment Scheme, Greening and Young Farmers. Based on an error rate of 0.34% the expected losses on Pillar 1 national payments for 2023-24 is £1,027k (2022-23 £3,589k). This is an estimated loss extrapolated from sampling and in some cases recovery will be sought by the Department.

Special Payments

	2023-24		2022-23	
	Core Department & Agency	Departmental Group	Core Department & Agency	Departmental Group
Total number of special payments	10	10	8	8
Total value of special payments £'000	335	335	560	560

The special payments include Ex Gratia payments, Compensation payments, Extra Contractual and Extra Statutory payments. Out of the total, no cases exceed £250k.



Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
1 July 2024

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

Qualified opinion on financial statements

I certify that I have audited the financial statements of the Department of Agriculture, Environment and Rural Affairs and of its Departmental Group for the year ended 31 March 2024 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Department comprises the core Department and its agency. The Departmental Group consists of the Department and the bodies designated for inclusion under the Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) Order 2022. The financial statements comprise those of the Department and the Departmental Group and include:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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

In my opinion, except for the effects of the matter described in the Basis of Opinions section of my certificate, the financial statements:

- give a true and fair view of the state of the Department and the Departmental Group's affairs as at 31 March 2024 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

At Note 21 to the financial statements, the Department has included disclosure of a contingent liability relating to the remediation costs of an illegal dump at Mobuoy, County Londonderry. I disagree with this accounting treatment as it is my opinion that the conditions are met for the costs to be accounted for by way of a provision in the financial statements.

The quantum of the provision is £107m.

DAERA has accounted for provisions to the value of £829k in its financial statements of which £495k relates to the ongoing monitoring of the Mobuoy site. DAERA has chosen not to adjust the quantum of its provisions in the financial statements for the 2023-24 and 2022-23 financial years to reflect the £107m estimated cost of remediation of the Mobuoy site. Therefore, on that basis, I have qualified my true and fair opinion on the DAERA 2023-24 financial statements for the omission of a provision of £107m for the 2023-24 year and also for the comparative figures for 2022-23.

The result is that the provisions figure in the Statement of Financial Position is materially understated for both the 2023-24 year and the 2022-23 year, as is the prior year comparative net operating expenditure figure in the Statement of Comprehensive Net Expenditure and the £17.33m prior year underspend against the Annually Managed Expenditure (AME) budget figure in the Statement of Outturn against Assembly Supply. In addition, a contingent liability has been disclosed in the notes to the financial statements when the conditions for doing so are not met.

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

My staff and I are independent of the Department of Agriculture, Environment and Rural Affairs and of its Departmental Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department of Agriculture, Environment and Rural Affairs and its Departmental Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department of Agriculture, Environment and Rural Affairs' and of its Departmental

Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Department of Agriculture, Environment and Rural Affairs and for its Departmental Group is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Department of Agriculture, Environment and Rural Affairs and of its Departmental Group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Department of Agriculture, Environment and Rural Affairs and its Departmental Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department of Agriculture, Environment and Rural Affairs and its Departmental Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Agriculture, Environment and Rural Affairs and of its Departmental Group through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001, Government Resources and Accounts (Northern Ireland) 2001 (Estimates and Accounts) (Designation of Bodies) Order 2022, the Financial Reporting (Departments and Public Bodies) Act (Northern Ireland) 2022;
- making enquires of management and those charged with governance on Department of Agriculture, Environment and Rural Affairs and its Departmental Group's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Department of Agriculture, Environment and Rural Affairs and its Departmental Group's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included but were not limited to, reading Board and committee minutes and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;

- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. 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.

Report

I have qualified my true and fair audit opinion on the DAERA 2023-24 financial statements for the omission of a provision of £107m for the 2023-24 year and also for the comparative figures for 2022-23.

The fact that the Department has included a contingent liability note in its annual financial statements acknowledges that it has a financial obligation relating to the Mobuoy site. It also plans to launch a public consultation to obtain the views of the local population on the most appropriate means of remediating the site. On that basis, a valid expectation has been created that it will remediate the site and therefore I am content that a constructive obligation existed at the year end and there is likely to be an outflow of economic benefits required to meet this obligation.

An external consultancy firm was commissioned to provide expert technical advice around the potential means of remediation of the site and the associated costs. A draft business case has been prepared setting out a number of options with associated financial consequences and a preferred option has been proposed. The estimated costs of implementing the various options range from £17m to £700m, with the cost of the

preferred option being £107m. On that basis, it is my view that £107m is deemed to be a reliable estimate of the potential costs of remediation.

In summary, it is my opinion that the conditions required by International Accounting Standard 37 have been met and a provision for this cost should be included within the financial statements.

I recommended in my 2022-23 report that DAERA should continue to develop and refine the outline business case to enable the Mobuoy waste site to be remediated. I understand that the business case has not been significantly progressed since the date of my last report. I would again recommend that DAERA progress this to completion with a view to inclusion of an appropriate provision in the financial statements. I will keep this issue under review as part of my audit of the 2024-25 financial statements.

My recommendation on refining the procedures in place for the preparation of the financial statements has been addressed by the Department and there have been no delays in the audit of the 2023-24 financial statements. The Department has also put in place arrangements to ensure that relevant approvals are obtained prior to incurring expenditure.

I have no other observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

4 July 2024

Financial Statements

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Consolidated Statement of Comprehensive Net Expenditure for the Year ended 31 March 2024

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.

	Note	2023-24 Core Dept & Agency £'000	2023-24 Departmental Group £'000	2022-23 Core Dept & Agency £'000	2022-23 Departmental Group £'000
Revenue from contracts with customers	6	(57,604)	(62,292)	(55,182)	(65,158)
Other Operating Income	6	(15,333)	(17,970)	(17,809)	(23,341)
Total Operating Income		(72,937)	(80,262)	(72,991)	(88,499)
Staff costs	3	174,556	214,200	157,792	195,634
EU expenditure	5	12,939	12,570	17,754	14,526
National grant expenditure and disallowance	4,5	423,987	357,084	395,746	337,543
Funding to Public Corporation	4,5	12,725	12,725	1,585	1,585
Purchase of goods and services	4,5	54,041	68,965	49,262	70,688
Depreciation and impairment charges	4,5	28,843	34,832	23,057	29,265
Provision expense	5	299	414	753	632
Other operating expenditure	4,5	59,866	72,313	62,206	74,080
Revaluation of Biological Assets		-	(745)	-	(1,136)
Total Operating Expenditure		767,256	772,358	708,155	722,817
Net Operating Expenditure		694,319	692,096	635,164	634,318
Taxation		-	(262)	-	79
Finance income		-	(69)	-	(32)
Finance Expense		3	373	3	276
Net Expenditure for the year		694,322	692,138	635,167	634,641
Notional Audit Costs	4	168	175	156	170
Other Notional Costs	4,5	16,931	17,894	16,272	17,305
Total Notional Costs		17,099	18,069	16,428	17,475
Net Expenditure for the year including notionals		711,421	710,207	651,595	652,116

	Note	2023-24		2022-23	
		Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
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	(4,016)	(4,771)	(12,860)	(16,302)
Net (gain)/loss on revaluation of Intangible Assets	8	(4,599)	(4,614)	(9,474)	(9,528)
Actuarial (gain)/loss on retirement benefit obligations		-	(413)	-	(2,365)
Deferred tax on indexation uplift	19	-	230	-	600
Deferred tax credit/(debit) on retirement benefit	19	-	103	-	206
Comprehensive Net Expenditure for the year		702,806	700,742	629,261	624,727

All income and expenditure are derived from continuing operations.

The notes on pages 147 to 192 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS**Consolidated Statement of Financial Position as at 31 March 2024**

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.

	Note	2022-23 Core Dept & Agency £'000	2022-23 Department al Group £'000	2022-23 Core Dept & Agency £'000	2022-23 Departmental Group £'000
Non-current assets					
Property, plant & equipment	7.1	257,303	315,242	267,831	320,240
Biological assets	7.2	1,441	2,542	1,699	3,092
Heritage assets	7.3	2,197	2,197	2,197	2,197
Intangible assets	8	125,548	128,356	102,840	105,350
Deferred income tax assets	19	-	429	-	338
Pension Assets		-	433	-	46
Financial Assets		26	133	26	26
Total non-current assets		386,515	449,332	374,593	431,289
Current assets					
Inventories	13	944	1,597	939	1,538
Trade and other receivables	15	25,312	33,993	34,057	52,502
Cash and cash equivalents	14.1	569	1,934	683	2,258
Short Term Bank Deposits	14.2	-	1,579	-	1,552
Total current assets		26,825	39,103	35,679	57,850
Total assets		413,340	488,435	410,272	489,139
Current liabilities					
Trade and other payables	16	(93,602)	(101,073)	(75,411)	(90,426)
Cash and cash equivalents	14.1	(6,669)	(6,669)	(1,521)	(1,521)
Provisions	17	(829)	(1,667)	(1,131)	(1,961)
Total current liabilities		(101,100)	(109,409)	(78,063)	(93,908)
Total assets less current liabilities		312,240	379,026	332,209	395,231
Non current liabilities					
Deferred income	16	-	(1,547)	-	(1,919)
Other Payables	16	(1,547)	(1,637)	(1,585)	(1,659)
Deferred income tax liabilities	19	-	(7,181)	-	(7,019)
Pension liability	20	-	(8,098)	-	(8,182)
Provisions	17	-	(21)	-	(12)
Total non-current liabilities		(1,547)	(18,484)	(1,585)	(18,791)
Total assets less Total liabilities		310,693	360,542	330,624	376,440

	Note	2022-23		2022-23	2022-23
		Core Dept & Agency £'000	Department al Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Taxpayer's equity & other reserves:					
General fund	CSoCITE	184,656	218,186	206,392	234,956
Revaluation reserve	CSoCITE	126,037	142,356	124,232	141,484
Total equity		310,693	360,542	330,624	376,440



Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
1 July 2024

The notes on pages 147 to 192 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Consolidated Statement of Cash Flows for the year ended 31 March 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. 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 departments' future public service delivery.

	Note	2023-24		2022-23	
		Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Cash flows from operating activities					
Net operating cost	CSocNE	(711,421)	(710,207)	(651,595)	(652,116)
Adjustments for non-cash transactions		56,704	62,863	39,772	45,977
(Increase)/Decrease in trade and other receivables	15	8,745	18,509	(1,500)	(4,284)
Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure	15	5,262	5,262	(1,799)	(1,799)
Adjustment for ALB Capital Grants				-	-
(Increase)/Decrease in Inventories	13	(5)	(59)	103	215
Increase/(Decrease) in trade and other payables	16	18,153	10,253	527	1,109
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(499)	(519)	(2,609)	(2,122)
Use of Provisions	17	(544)	(629)	(3,405)	(3,558)
Other Movements		-	-	-	(47)
Net cash outflow from operating activities		(623,605)	(614,527)	(620,506)	(616,625)
Cash flows from investing activities					
Purchase of property, plant and equipment		(9,213)	(20,992)	(11,182)	(17,605)
Purchase of intangible assets		(32,667)	(33,163)	(22,855)	(23,743)
Increase of biological assets		258	247	-	(12)
Interest received		-	28	-	(31)
Proceeds of disposal of property, plant and equipment		76	669	101	260
Proceeds from disposal of biological assets		-	1,081	-	944

	Note	2023-24		2022-23	
		Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Net cash outflow from investing activities		(41,546)	(52,130)	(33,936)	(40,187)
Cash flows from financing activities					
Capital grants received		-	1,321	-	975
Cash outflows for leases		-	-	-	(20)
Capital Payments in respect of Lease Liability		(624)	(649)	(516)	(516)
Interest payments in respect of Lease Liability		-	-	(43)	(43)
From the Consolidated Fund (Supply) – current year	CSoCITE	659,675	659,675	654,163	654,163
From the Consolidated Fund (Supply) – prior year	CSoCITE	838	838	2,637	2,637
Net financing		659,889	661,185	656,241	657,196
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to Consolidated Fund	14	(5,262)	(5,472)	1,799	384
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		(5,262)	(5,472)	1,799	384
Cash and cash equivalents at beginning of the year	14	(838)	737	(2,637)	353
Cash and cash equivalents at the end of the year	14	(6,100)	(4,735)	(838)	737

The notes on pages 147 to 192 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 2024**

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). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

DEPARTMENTAL GROUP

Notes	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2022	198,329	122,447	320,776
Net Assembly Funding - drawn down	654,163	-	654,163
Net Assembly Funding – supply receivable	838	-	838
Net Assembly Funding – supply payable	-	-	-
Comprehensive Net Expenditure for the year	(652,116)	25,230	(626,886)
Actuarial gain/(loss) on pension scheme – Loughs	8,731	-	8,731
Non-cash charges – auditor's remuneration	170	-	170
Non-cash charges – accommodation and other charges	17,305	-	17,305
Transfers to reserves	6,193	(6,193)	-
IFRS 16 Leases	1,559	-	1,559
Other Reserve Movements	(216)	-	(216)
Balance at 31 March 2023	234,956	141,484	376,440
Net Assembly Funding - drawn down	659,675	-	659,675
Net Assembly Funding – supply receivable	6,100	-	6,100
Comprehensive Net Expenditure for the year	(710,207)	9,380	(700,827)
Actuarial gain/(loss) on pension scheme – Loughs	413	-	413
Non-cash charges – auditor's remuneration	175	-	175
Non-cash charges – accommodation and other charges	17,894	-	17,894
Transfers to reserves	8,284	(8,284)	-
Net gain/loss on revaluation	-	6	6
Other Reserve Movements	896	(230)	666
Balance at 31 March 2024	218,186	142,356	360,542

CORE DEPARTMENT & AGENCY

	General Fund	Revaluation Reserve	Taxpayers' Equity
Notes	£'000	£'000	£'000
Balance at 31 March 2022	180,744	106,428	287,172
Net Assembly Funding - drawn down	654,163	-	654,163
Net Assembly Funding – supply receivable	838	-	838
Net Assembly Funding – supply payable			
Comprehensive Net Expenditure for the year	(651,595)	22,334	(629,261)
Non-cash charges – auditor’s remuneration	156	-	156
Non-cash charges – accommodation and other charges	16,272	-	16,272
IFRS 16 Leases	1,280	-	1,280
Other Reserve Movements	4	-	4
Transfers to reserves	4,530	(4,530)	-
Balance at 31 March 2023	206,392	124,232	330,624
Net Assembly Funding - drawn down	659,675	-	659,675
Net Assembly Funding – supply receivable	6,100	-	6,100
Comprehensive Net Expenditure for the year	(711,421)	8,616	(702,805)
Non-cash charges – auditor’s remuneration	168	-	168
Non-cash charges – accommodation and other charges	16,931	-	16,931
Transfers to reserves	6,811	(6,811)	-
IFRS 16 Leases	-	-	-
Other Reserve Movements	-	-	-
Balance at 31 March 2024	184,656	126,037	310,693

The Group adopted IFRS 16 ‘Leases from 1 April 2022. As a result, Peppercorn Leases, previously recognised as Operating leases, were classified as non-current assets in the Statement of Financial Position, and were professionally valued by LPS at this date. The difference between the carrying amount of the non-current asset and lease liabilities have been included as part of the adjustment to the opening balances of the Taxpayer’s Equity in 2022/23. Carrying amounts are disclosed in Note 7.1 to the accounts.

The notes on pages 147 to 192 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS**RESOURCE ACCOUNTS AT 31 MARCH 2024**

Notes to the Group Resource Accounts

1.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by DoF. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the DAERA Group 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 Outturn against 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.

1.2 Accounting convention

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

1.3 Basis of consolidation

These accounts comprise a consolidation of the core Department, its Departmental agency and other bodies listed in note 22 which fall within the departmental boundary as defined in the FReM and make up the 'Departmental Group'. Transactions between entities included in the consolidated accounts are eliminated. The consolidated bodies prepare accounts in accordance with either FReM or Financial Reporting Standard (FRS) 102. For those bodies that do not prepare accounts in accordance with FReM, adjustments are made at consolidation if necessary where differences would have a significant effect on the accounts.

From April 2020 the Forest Service, an executive agency of DAERA was reclassified as a Non Financial Public Corporation for Accounts and Budgeting purposes, by the Office of National Statistics (ONS). Its Accounts are no longer consolidated in the Departmental Group.

1.4 Property, plant & equipment and biological assets

Capitalisation

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

On initial recognition property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the Consolidated Statement of Financial Position (CSoFP) 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 are undertaken every five years by Land and Property Services (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 2020 and NIEA buildings at 1 April 2021.

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.

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 CSoFP and also in Note 7.3. Heritage Assets are carried at the last professional valuation which was carried out by LPS on 1 April 2021.

Assets under Construction are carried at cost.

With the exception of items under construction, fair value is estimated by restating the value annually by reference to indices compiled by the ONS.

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

In accordance with IAS 41 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

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

Donated fixed assets

Donated fixed assets are capitalised at their fair value on receipt and this value is credited to the General Fund. Donated fixed assets are valued and depreciated as described below for purchased assets. Gains and losses on revaluations are also taken to the General Fund and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset charged to the SoCNE. Any impairment on donated assets charged to the SoCNE is matched by transfer from the General Fund.

1.5 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. The licences are amortised over their expected useful life, which can be from 1 to 15 years depending on the licence.

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' as prepared by the ONS to ensure that the carrying value of the intangible asset does not exceed its recoverable amount.

1.6 Biological Assets

Biological assets comprise livestock which are used for education and research purposes which are commercially sold.

Biological assets are valued at fair value less estimated costs at the point of sale at the end of the reporting period. This is further disclosed in accordance with IAS 41 Agriculture, by showing the aggregate value of purchases, sales, changes in value due to changes in physical conditions of the herd and changes in the value of the herd due to changes in market price.

1.7 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.

1.8 Current Assets Held for Sale

The Group 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.

1.9 Inventories

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

1.10 Research and Development expenditure

DAERA applies European System of Accounts (ESA) 10 in regard to accounting and budgeting for Research and Development expenditure. Under ESA 10 Research and Development is defined as: "Creative work undertaken on a systematic basis to increase the stock of knowledge, and use of this stock of knowledge for discovering or developing new products, including improved versions or qualities of existing products, or discovering or developing new or more efficient processes of production".

Research and development expenditure includes all costs relating to the scientific and technical patent work, education and training necessary to ensure the development, start-up and commercialisation of new or improved products or processes.

Research expenditure is recognised as an expense when incurred.

Development expenditure on new or substantially improved products is capitalised as an intangible asset and amortised through cost of sales over the expected useful life of the product concerned. Capitalisation commences from the point at which the technical feasibility and commercial viability of the product can be demonstrated and AFBI Management is satisfied that it is probable that future economic benefit will result from the product once completed. This is usually at the point of regulatory filing in a major market and approval is highly probable. Capitalisation ceases when the product is ready for launch.

1.11 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. It includes the Group's accruing resources and any income payable to the Consolidated Fund. Other Operating Income is income received from the EU.

1.12 Funding to, and public corporation dividend from, Forest Service

The DAERA Group makes an annual funding payment to Forest Service, which is accounted for as expenditure in the Group accounts. The Group receives a dividend from Forest Service reflecting the expected rate of return on funding provided. The dividend rate has been agreed with DoF and is currently set at zero per cent whilst Forest Service is loss-making. If Forest Service makes a surplus before revaluation gains on biological assets in the future, HM Treasury's real rate of interest will apply.

1.13 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.

1.14 Leases

The Group adopted IFRS 16 'Leases' from 1 April 2022. IFRS 16 represents a significant change in lessee accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introduces a single lessee accounting model. IFRS 16 requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. For these leases the lease payments are recognised as an operating expense on a straight line basis over the term of the lease. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments.

Leases previously classified as operating leases: transition to IFRS 16

NIEA has adopted IFRS 16 on the cumulative catch-up basis as mandated in FReM, and therefore the cumulative impact on previous years' results has been recognised within reserves at the beginning of the period. As such, the prior year comparative information has not been restated and note 1.14(i) applies for the prior year. Under the 'grandfathering' rules mandated in FReM for the initial transition to IFRS 16, a right-of-use asset and lease

liability has been recognised for all relevant leases not previously recognised as finance leases for accounting purposes under IAS 17.

Peppercorn Leases

As mandated by the FReM, the definition of a lease is expanded to include arrangements with nil consideration. Peppercorn leases are examples of these, they are defined by HM Treasury as lease payments significantly below market value. On initial recognition, these assets are measured at fair value. On transition, any differences between the discounted lease liability and the right-of-use asset are included as part of the adjustment to the opening balance of taxpayers' equity. Any differences between the lease liability and right-of-use asset for new leases after implementation of IFRS 16 are recorded as income as required by IAS 20 as interpreted by the FReM.

Measurement of Right-of-Use asset on transition

On initial application, the right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position (SoFP) immediately before the date of initial application.

Measurement of lease liability on transition

On initial application, the lease liability is measured at the present value of the remaining lease payments, using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:

- The interest rate implicit in the lease; or
- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined (0.95% for leases recognised in 2022, 3.51% in 2023 and 4.72% in 2024).

When the lease liability is re-measured, a corresponding adjustment is made to the right of use asset or recorded in the SoCNE, if the carrying amount of the right of use asset is £nil.

The group presents right of use assets that do not meet the definition of investment properties per IAS 40 Investment Properties as right of use assets under SoFP. The lease liabilities are included within lease liabilities within current and non-current liabilities on the SoFP.

Impact on Financial Statements

On transition to IFRS 16, the Departmental Group recognised an additional £3.9m of right of use assets (Note 7, 8 and 10.2.1) and £2.5m of lease liabilities at 1 April 2022.

1.15 Grants

The Group 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 Group is accrued in line with the relevant expenditure.

1.16 Provisions

The Group provides for legal or constructive obligations, which are of uncertain timing, or amount at the CSoFP 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.

1.17 Value Added Tax (VAT)

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

1.18 Third-Party assets

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

1.19 Administration and programme expenditure

An analysis of the split between administration and programme is included at note 4. 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 Departmental agency and the NDPBs' income and expenditure relates directly to service delivery and as such are designated as programme.

1.20 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 Group 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 Group recognises the contributions payable for the year. See Remuneration and Staff Report for further details.

Further details of the civil service pension arrangements can be found at the website [Civil Service Pensions: \(civilservicepensionscheme.org.uk\)](http://civilservicepensionscheme.org.uk)

North South Pension Scheme

On 1 January 2015, the Foyle Fisheries Commission Pension (Amendment) Scheme 1979 closed and members were transferred to the North/South Pension Scheme (NSPS).

The NSPS was established by the North South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. Funding is provided to the Agency via co-sponsoring by DAERA and the Department for Environment, Climate and Communications in the Republic of Ireland.

The NSPS consists of a number of sections with different benefit structures.

The Core Final Salary section is a final salary pension arrangement with benefits modelled on the Classic section of the Principal Civil Service Pension Scheme in NI. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha section is a Career Averaged Revalued Earnings (CARE) pension arrangement or scheme with benefits modelled on the Alpha Section of the Principal Civil Service Pension Scheme in NI. The Scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal retirement age is a member's State pension age in the relevant jurisdiction. In the UK the State pension age is currently 66. The UK Government is planning further increases, which will raise the State pension age from 66 to 67 between 2026 and 2028 and from 67 to 68 between 2044 and 2046.

In Ireland, the State pension age is currently 66. This was due to rise to 67 from 1 January 2021 and then 68 from 1 January 2028. However, the government has deferred this change and a Pensions Commission has been established to consider the change to the State pension age, among other issues such as sustainability and intergenerational fairness.

Pensions in payment (and deferment) increase in line with general price inflation.

Most Core section members have benefits in both the Final Salary and Alpha Sections and new entrants who joined the Scheme after 1 April 2015 will, in most cases, become members of the Core Alpha section.

The liability at 31 December 2023 has been included in the Financial Statements and a disclosure note has been included (Note 20) detailing the actuarial review calculations, which were carried out by Deloitte Total Reward and Benefits Limited (appointed 1 July 2016). This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of Loughs Agency for the purposes of the accounts for the year ended 31 December 2023. Comparative figures for 2022 are also shown.

Pension costs reflect pension benefits earned by employees in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments. Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents a corresponding asset, being resources to be made available in future periods from the UK and Irish Exchequers in the manner described above.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income.

The SoFP recognises the cumulative liability for pensions earned by employees as at the year end, together with a corresponding asset.

1.21 Contingent Liabilities

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

1.22 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 Group 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.

1.23 Related Party Transactions

The Group 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 Group's officials, in the interests of transparency the Group considers it necessary that its top managerial officials and members of the Departmental Board and the Ministers 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.

[Departmental Board - register of interests | Department of Agriculture, Environment and Rural Affairs \(daera-ni.gov.uk\)](#)

1.24 Functional Currency and Rounding

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

1.25 Critical Accounting Estimates and Key Adjustments

As a result of the uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information. Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.26 Impending application of newly issued accounting standards not yet effective

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

IFRS 16

The Amendments add requirements explaining how a seller-lessee subsequently accounts for sale and leaseback transactions with variable lease payments that do not depend on an index or rate.

In particular, the Amendments require a seller-lessee to subsequently measure such leaseback liabilities in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The Department does not expect any impact on the financial statements from the amendment to IFRS 16.

IFRS 17

IFRS 17 (Insurance Contracts) will replace IFRS 4 (Insurance Contracts) and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. The Department does not expect any impact on the financial statements from the introduction of IFRS 17.

IFRS 18

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

IAS 1

The IASB issued an amendment to IAS 1, which was effective from 1 January 2024. Classification of Liabilities as Current or Non-current clarifies a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The Non-current Liabilities with Covenants amendments specify that debt covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. No amendment to FReM was deemed necessary as a result of this amendment.

1.27 Notional Charges

Notional charges are non-cash transactions. Notional charges, in respect of services received from other Government departments and agencies and audit costs, are included in the Consolidated SoCNE to reflect the full economic cost of services. Further detail on this can be seen at note 4.

2. Statement of Operating Costs by Operating Segment

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

The individual business units engage in separate business activities in line with the Group's aims and objectives incurring expenditure and earning revenue. 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.

	2023-24			2022-23		
	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Veterinary Services and Animal Health	91,394	(18,798)	72,596	91,379	(19,132)	72,247
Food, Farming and Rural Affairs	425,540	(20,618)	404,922	420,256	(28,193)	392,063
Environment, Marine and Fisheries	60,777	(17,141)	43,636	50,362	(16,316)	34,046
Northern Ireland Environment Agency	49,569	(16,021)	33,548	52,068	(17,775)	34,293
Climate Change and Science Innovation	8,057	(681)	7,376	5,846	(458)	5,388
Strategic Planning and Corporate Services	137,020	(7,003)	130,016	102,906	(6,625)	96,281
Total	772,357	(80,262)	692,094	722,817	(88,499)	634,318

The information provided is disclosed at Consolidated level with intra Group transactions being eliminated on consolidation. A large proportion of the Group's activities are based on the distribution of HM Treasury replacement funding for Agriculture, Agri Environment and the wider Rural Economy.

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.

Description of segments

Veterinary Service and Animal Health

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

Food, Farming and Rural Affairs

Expenditure on CAFRE, provision of advice, support and guidance to farmers and the rural community by specialist advisors and frontline office staff. Measures associated with the provision of scientific services (by AFBI in the fields of agriculture, animal health and welfare, food, fisheries, the natural environment, rural development, enterprise and by other scientific bodies) and research grants to rural businesses. Delivery of food strategy and policy support to the agri-food industry, collection, collation and dissemination of agricultural and related statistics. Implementation of and payments in relation to CAP and European Agricultural Fund for Rural Development (EAFRD) and payments under Future Agricultural Policy. DAERA also manages the rural elements of the NIRD for 2014 to 2020 and the network of DAERA Direct offices.

Environment, Marine and Fisheries

Environment, Marine and Fisheries Group (EMFG) has an important role to play in developing policy, legislation and effective environmental regulation to protect, conserve and enhance our environment (including land, air, freshwaters and marine waters). It also operational responsibilities to protect and ensure the sustainable use of our seas and inland fishery resources and management of the Public Angling Estate. In addition, the Group incorporates the Department's Forest Service which has responsibility for NI's Forestry and Plant Health functions on behalf of DAERA. It is responsible for implementation of forest policy through woodland creation and maintenance of NI's high plant health status. Operation of the Loughs Agency of the FCILC and NIFHA.

Northern Ireland Environment Agency

The Northern Ireland Environment Agency 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 NI's environment, and in doing so, deliver health and well-being benefits and support economic growth. NIEA is responsible for the regulation of a range of activities potentially harmful to our natural environment. As the statutory nature conservation body, the Agency is also responsible for implementing policies to protect Northern Ireland's biodiversity and wildlife, and providing science, advice and funding to support nature conservation and restoration.

Climate Change and Science Innovation

Climate Change, Science and Innovation Group brings together the policy and delivery aspects of DAERA's climate change work as well as recognising the role played by science and innovation across DAERA. Combining these areas into one Group provides important synergies as the Department seeks to move forward with the climate agenda. The Group

works closely with colleagues across DAERA especially with EMFG and FFRAG. We also work closely with all other Government Departments facilitating their input to NI's Climate Action Plan.

Strategic Planning and Corporate Services

The principle activities of the Group include, developing new digital technologies to better deliver enhanced customer services, delivering high quality corporate services ensuring that departmental expenditure is incurred appropriately and delivers value for money for the public, delivering contingency planning and delivering central communications. DAERA also manages the DAERA estate portfolio. This includes day-to-day maintenance of the estate and also includes identifying and implementing measures to improve the energy efficiency of the estate as well as managing accommodation leases and the disposal of surplus property. In addition it is responsible for management of DAERA's historic estate, which comprises several hundred historic buildings and monuments.

Agri Food and Biosciences Institute

AFBI is NI's largest agri-food science organisation which exists primarily to provide DAERA with a range of statutory, surveillance, analytical and diagnostic scientific services, research and development and an emergency response capability. It also serves the agri-food and marine industries and wider community in a local, national, and international context by delivering high quality scientific services.

AFBI has three sciences divisions supported by the Finance and Corporate Affairs Division (FCAD). The operational divisions are:

- Sustainable Agri-Food Sciences Division (SAFSD) which provides statutory services and specialist advice to DAERA. Further SAFSD provides scientific support for the growth, sustainability and competitiveness of NI's farming and agri-food industries;
- Veterinary Sciences Division which delivers world class veterinary science to the animal, food and fish based sectors of the agri-food industry; and
- Environment and Marine Sciences Division which focuses on evidence based science and is key to addressing the significant environmental challenges whilst ensuring the sustainable use of natural resources and the future prosperity of the agri-food sector.

Livestock and Meat Commission

The Livestock and Meat Commission for NI is an Executive Non-Departmental Public Body, which was established to assist the development of the livestock and livestock products industries. The LMC mission statement is to support, examine and inform the marketing and development of the NI beef and sheep meat industry.

Northern Ireland Fisheries Harbour Authority

NIFHA has a statutory responsibility for improving, managing and maintaining the three fishery harbours and harbour estates of Ardglass, Kilkeel and Portavogie and for operating the facilities which are provided at these harbours. The Authority's mission is to facilitate sustainable wealth creation in the harbour areas for which it is responsible.

Loughs Agency of the Foyle Carlingford and Irish Lights Commission

Loughs Agency aims to provide sustainable social, economic and environmental benefits through the effective conservation, management, promotion and development of the fisheries and marine resources of the Foyle and Carlingford Areas.

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

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Wages and Salaries	127,432	157,309	113,350	141,318
Social security costs	12,570	15,330	11,786	14,228
Other pension costs	34,554	41,561	32,656	40,088
Total net costs	174,556	214,200	157,792	195,634
Of which:				
Charged to Administration	47,857	49,415	42,160	42,160
Charged to Programme	126,699	164,785	115,632	153,474
	174,556	214,200	157,792	195,634

4. Other Administration Costs

4 (a) Administration Costs

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Purchase of Goods & Services				
Office services	2,004	2,749	2,168	2,168
Contracted out services	3,318	3,318	3,211	3,211
Professional costs	896	1,198	1,925	1,910
ALB Auditor's remuneration	-	17	-	15
Consultancy costs	193	193	144	144
Other expenses	880	880	1,207	1,207
Total Purchases of Goods & Services	7,291	8,355	8,655	8,655
Depreciation & impairment charges				
Non Cash Costs:				
Depreciation – property, plant and equipment	486	1,054	630	630
Amortisation of intangible assets	14,636	14,636	10,450	10,450
Impairment/revaluation of assets	4	4	-	-
Total	15,126	15,694	11,080	11,080
Other operating expenditure				
Rentals under operating leases	19	19	126	126
Staff related costs	2,369	2,439	2,237	2,237
Accommodation costs	301	301	379	379
Sub Total Other Operating Expenditure	2,689	2,759	2,742	2,742
(Gain)/loss on disposal of assets	-	-	1	1
Sub Total (Gain)/loss on disposal of assets	-	-	1	1
Notional Charges				
Notional Auditor's remuneration	168	175	156	156
Notional accommodation	5,571	5,571	5,282	5,282
Other notional costs	11,360	11,370	10,990	10,990
Total Notional Charges	17,099	17,116	16,428	16,428
Finance expense	3	3	-	-
Total Administration Costs	42,208	43,927	38,906	38,906

4 (b) Notional Audit Costs

	2023-24 £'000	2022-23 £'000
Core Department	150	
Agency	18	
Total Core Department and Agency	168	156
Loughs Agency	-	-
AFBI	-	-
LMC	7	14
NIFHA	-	-
Departmental Group Notional Audit Costs	175	170

4 (c) Total Operating Expenditure Reconciliation

	Administration Expenditure	Programme Expenditure	2023-24 Total
	£'000	£'000	£'000
Core Department & Agency			
Staff costs	47,857	126,699	174,556
EU expenditure	-	12,939	12,939
National grant expenditure and disallowance	-	423,987	423,987
Forest Service Public Corp Funding	-	12,725	12,725
Purchase of goods & services	7,291	46,750	54,041
Depreciation & impairment	15,126	13,717	28,843
Provision expenses	-	299	299
Other operating expenditure	2,689	57,177	59,866
Total	72,963	694,293	767,256

	Administration Expenditure	Programme Expenditure	2022-23 Total
	£'000	£'000	£'000
Core Department & Agency			
Staff costs	42,160	115,632	157,792
EU expenditure	-	17,754	17,754
National grant expenditure and disallowance	-	395,746	395,746
Forest Service Public Corp Funding	-	1,585	1,585
Purchase of goods & services	8,655	40,607	49,262
Depreciation & impairment	11,080	11,977	23,057
Provision expenses	-	753	753
Other operating expenditure	2,743	59,463	62,206
Total	64,638	643,517	708,155

	Administration Expenditure	Programme Expenditure	2023-24 Total
	£'000	£'000	£'000
Departmental Group			
Staff costs	49,415	164,785	214,200
EU expenditure	-	12,570	12,570
National grant expenditure and disallowance	-	357,084	357,084
Forest Service Public Corp Funding	-	12,725	12,725
Purchase of goods & services	8,355	60,610	68,965
Depreciation & impairment	15,694	19,138	34,832
Provision expenses	-	414	414
Other operating expenditure	2,759	69,554	72,313
Biological Asset revaluation	-	(745)	(745)
Total	76,223	696,135	772,358

	Administration Expenditure	Programme Expenditure	2022-23 Total
	£'000	£'000	£'000
Departmental Group			
Staff costs	42,160	153,474	195,634
EU expenditure	-	14,526	14,526
National grant expenditure and disallowance	-	337,543	337,543
Forest Service Public Corp Funding	-	1,585	1,585
Purchase of goods & services	8,655	62,033	70,688
Depreciation & impairment	11,080	18,185	29,265
Provision expenses	-	632	632
Biological Asset revaluation	-	(1,136)	(1,136)
Other operating expenditure	2,743	71,337	74,080
Total	64,638	658,179	722,817

5. Programme Costs

5 (a) Programme Costs

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Grant Expenditure				
EU Grants & Subsidies:				
Capital grants & subsidies	5,437	4,056	11,578	7,686
Area Aids Basic Payment Scheme	-	-	-	-
COVID-19 Grant	-	-	-	-
Current grants & subsidies – other	7,502	8,514	6,176	6,840
	12,939	12,570	17,754	14,526
National Grants & Subsidies:				
Grant in aid	63,771	-	58,202	-
Capital grants & subsidies	30,864	30,864	22,521	22,521
Current grants & subsidies inc Areas Aids & Basic Payment Scheme	329,264	326,132	314,149	314,148
	423,899	356,996	394,872	336,669
CAP Disallowance	88	88	874	874
Total Grant Expenditure	436,926	369,654	413,500	352,069
Funding to Public Corporation				
Resource subsidy to Forest Service	8,365	8,365	791	791
Capital subsidy to Forest Service	4,360	4,360	794	794
Other subsidy to Forest Service	-	-	-	-
Total Funding to Public Corporation	12,725	12,725	1,585	1,585
Purchase of Goods & Services				
Office services	2,098	3,633	2,021	4,002
Contracted out services	15,812	15,821	12,990	15,813
Private veterinary practitioners' fees & expenses	12,275	12,275	9,545	9,545
Laboratory expenditure	-	4,929	-	4,240
Ship operating costs	-	3,477	-	3,672
Professional & legal costs	6,661	6,764	7,236	9,324
ALB Auditor's remuneration	-	148	-	181
Royalty costs	-	45	-	460
Consultancy costs	265	278	833	833
Consumables & materials	1,799	4,473	1,568	7,179
Other goods and services	7,840	8,767	6,414	6,784
Total Purchase of Goods & Services	46,750	60,610	40,607	62,033
Depreciation & Impairment Charges				
Non Cash Costs:				
Depreciation – property, plant & equipment	12,599	17,811	11,933	18,005
Amortisation of intangible assets	1,136	1,345	433	569
Impairment/revaluation of assets	(18)	(18)	(389)	(389)

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Total Depreciation & Impairment Charges	13,717	19,138	11,977	18,185
Bad Debts	57	69	249	259
Provision expense	242	345	504	373
Provisions Total	299	414	753	632
Other Operating Expenditure				
Rentals under operating lease	(121)	(116)	350	353
Staff related costs	2,492	3,487	2,335	3,336
Accommodation costs	9,592	17,160	9,768	16,101
Exchange rate losses/(gains) - realised	332	332	1,450	1,450
Exchange rate losses/(gains) - unrealised	(13)	(13)	3	3
Diseased animals compensation	36,568	36,568	38,206	38,206
Other compensation	-	-	29	29
Non-capital plant and equipment purchases	6,158	6,158	4,811	4,811
Irrecoverable VAT	-	2,669	-	3,062
Preliminary Project Expenditure	-	-	-	176
Vessel decommissioning	-	88	-	67
Vehicle, ship and plant costs	2,288	3,479	2,365	3,675
Sub total	57,296	69,812	59,317	71,269
Non-cash items				
Loss/(gain) on disposal of assets	(65)	(332)	(4)	(132)
Notional Auditor's remuneration	-	-	-	14
Notional charges	-	953	-	1,033
Provision for doubtful debt	(54)	74	150	200
Non Cash Total	(119)	695	146	1,115
Total Other Operating Expenditure	57,177	70,507	59,463	72,384
Biological Assets revaluation	-	(745)	-	(1,136)
Taxation charges	-	(262)	-	79
Finance Income	-	(69)	-	(32)
Finance Expenses	-	370	-	276
Total Programme Expenditure	567,594	532,342	527,885	506,075

5 (b) Non Cash Costs

Core Department & Agency	Administration Expenditure £'000	Programme Expenditure £'000	2023-24 Total £'000
Depreciation & impairment	15,126	13,717	28,843
Provision expenses	-	299	299
Other operating expenditure	17,099	(119)	16,980
Total	32,225	13,897	46,122

Core Department & Agency	Administration Expenditure £'000	Programme Expenditure £'000	2022-23 Total £'000
Depreciation & impairment	11,080	11,977	23,057
Provision expenses	-	753	753
Other operating expenditure	16,428	146	16,574
Total	27,508	12,876	40,384

Departmental Group	Administration Expenditure £'000	Programme Expenditure £'000	2023-24 Total £'000
Depreciation & impairment	15,694	19,138	34,832
Provision expenses	-	414	414
Other operating expenditure	17,116	695	17,811
Total	32,810	20,247	53,057

Departmental Group	Administration Expenditure £'000	Programme Expenditure £'000	2022-23 Total £'000
Depreciation & impairment	11,080	18,185	29,265
Provision expenses	-	632	632
Other operating expenditure	16,428	1,115	17,543
Total	27,508	19,932	47,440

6. Income

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Revenue from contracts with customers				
Inspection & testing	9,148	14,480	8,840	17,103
Rent & recreation income	7,743	1,313	7,198	1,196
Environmental regulatory charges	9,588	9,588	9,395	9,395
Diseased animal salvage	9,882	9,881	10,394	10,394
Carrier bag levy	12,929	12,929	14,307	14,307
Education	2,291	2,291	1,957	1,957
Farm and supplies sales	1,154	2,107	1,540	2,775
Seconded staff	23	305	-	95
Fees, Levies, Charges	-	3,340	-	1,909
Royalties	-	19	-	2,091
Other	4,846	6,039	1,551	3,936
Total	57,604	62,292	55,182	65,158
Other Operating Income				
Other EU programme income	15,333	15,333	17,809	17,809
Other grants	-	817	-	981
Revenue grants from Departments	-	(176)	-	(66)
Capital grant released	-	-	-	300
Net deferred funding for pensions	-	374	-	813
EU Grants	-	1,622	-	3,504
	15,333	17,970	17,809	23,341
Total Income	72,937	80,262	72,991	88,499

7.1 (a) Property, Plant and Equipment 2023-24: Consolidated

	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
2023-24						
Cost or valuation						
At 1 April 2023	298,227	76,911	21,007	6,650	27,400	430,195
Opening balance adjustment	(23)	(11)	-	(173)	-	(207)
Restated at 1 April 2023	298,204	76,900	21,007	6,477	27,400	429,988
Additions	1,918	3,918	665	327	14,663	21,491
Disposals	(205)	(3,196)	(322)	(367)	-	(4,090)
Reclassifications	4,023	1,577	85	11	(6,936)	(1,240)
Transfers	1,977	(339)	(55)	-	(12,591)	(11,008)
Impairments	(14)	(314)	-	-	-	(328)
Revaluations to CSocNE	90	(19)	3	-	-	74
Revaluations through revaluation reserve	4,985	1,027	108	34	-	6,154
At 31 March 2024	310,978	79,554	21,491	6,482	22,536	441,041
Depreciation						
At 1 April 2023	39,569	50,288	15,324	4,743	31	109,955
Opening balance adjustment	79	(8)	-	(90)	-	(19)
Restated at 1 April 2023	39,648	50,280	15,324	4,653	31	109,936
Charged in year	11,862	5,044	1,177	763	-	18,846
Disposals	(204)	(2,859)	(295)	(362)	-	(3,720)
Reclassification	-	(15)	15	3	(31)	(28)
Transfers	-	(325)	(55)	-	-	(380)
Impairment	41	(300)	-	1	-	(258)
Revaluations to CSocNE	13	4	3	-	-	20
Revaluations through revaluation reserve	719	625	67	(28)	-	1,383
At 31 March 2024	52,079	52,454	16,236	5,030	-	125,799
Carrying Amount at 31 March 2023	258,658	26,623	5,683	1,907	27,369	320,240
Carrying Amount at 31 March 2024	258,899	27,100	5,255	1,452	22,536	315,242
Asset Financing						
Owned	256,380	26,495	5,255	1,452	22,536	312,118
Leased	2,519	605	-	-	-	3,124
Carrying Amount at 31 March 2024	258,899	27,100	5,255	1,452	22,536	315,242
Carrying Amount at 31 March 2024						
Of the Total:						
Core Department	200,669	9,919	3,292	1,023	12,707	227,610
Agency	24,151	2,814	708	-	2,020	29,693
Other designated bodies	34,079	14,367	1,255	429	7,809	57,939
Carrying Amount at 31 March 2024	258,899	27,100	5,255	1,452	22,536	315,242

Land and Buildings includes land with a net book value of £54m. There were no donations in 2023-24 or 2022-23.

During the financial year the Department transferred assets to Defra in respect of the construction of the Permanent Inspection Facilities, worth £12.6m. Also, in year Defra transferred assets to DAERA in respect of the Product Inspection Facility on the completion of its construction, with a value of £1.98m.

7.1 (b) Property, Plant and Equipment 2022-23 Consolidated

	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
2022-23						
Cost or valuation						
At 1 April 2022	272,591	66,863	19,006	6,240	25,129	389,829
IFRS 16 Adjustment**	3,380	286	-	-	-	3,666
Restated at 1 April 2022	275,971	67,149	19,006	6,240	25,129	393,495
Additions	2,485	4,004	890	477	9,573	17,429
Disposals	(18)	(2,492)	(374)	(341)	(51)	(3,276)
Reclassifications	4,404	2,615	215	19	(7,252)	1
Transfers	(19)	-	-	-	-	(19)
Impairments	-	-	-	-	-	-
Revaluations to CSocNE	410	37	5	54	-	506
Revaluations through revaluation reserve	14,994	5,598	1,265	201	1	22,059
At 31 March 2023	298,227	76,911	21,007	6,650	27,400	430,195
Depreciation						
At 1 April 2022	26,895	44,370	13,429	3,866	31	88,591
Charged in year	11,442	4,968	1,160	1,061	-	18,631
Disposals	(2)	(2,482)	(332)	(316)	-	(3,132)
Reclassification	-	(148)	148	(2)	-	(2)
Transfers	7	-	-	-	-	7
Impairment	-	1	-	5	-	6
Revaluations to CSocNE	42	21	5	27	-	95
Revaluations through revaluation reserve	1,185	3,558	914	102	-	5,759
At 31 March 2023	39,569	50,288	15,324	4,743	31	109,955
Carrying Amount at 31 March 2022	245,696	22,494	5,576	2,375	25,097	301,238
Carrying Amount at 31 March 2023	258,658	26,623	5,683	1,907	27,369	320,240
Asset Financing						
Owned	255,453	26,515	5,683	1,907	27,369	316,927
Leased	3,205	108	-	-	-	3,313
Carrying Amount at 31 March 2023	258,658	26,623	5,683	1,907	27,368	320,240
Of the Total:						
Core Department	201,789	9,180	3,699	1,217	22,219	238,104
Agency	23,067	2,692	737	8	3,220	29,724
Other designated bodies	33,802	14,751	1,247	682	1,930	52,412
Carrying Amount at 31 March 2023	258,658	26,624	5,682	1,908	27,368	320,240

Land and Buildings includes land with a net book value of £51m. These valuations were carried out on existing use by LPS Division of DoF. The above land and buildings are revalued annually to reflect general movements in property prices using indices. All valuations have been carried out by LPS in accordance with the current edition of Royal Institution of Chartered Surveyors Valuation Professional Standard (known as the Red Book) at the time of valuation. There were no donations in 2022-23 or 2021-22.

**The Group adopted IFRS 16 'Leases' from 1 April 2022, and as a result, leases, previously classified as Operating Leases, have been recognised in the Statement of Financial Position.

7.2 Biological Assets

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Value at 1 April	1,699	3,092	1,458	2,639
Revaluation adjustment				
Increase in stocks	(258)	(258)	241	241
Additions	-	11	-	12
Disposals	-	(1,048)	-	(936)
Price/Growth increment	-	745	-	1,136
Value at 31 March	1,441	2,542	1,699	3,092

7.3 Heritage Assets

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Value at 1 April	2,197	2,197	2,193	2,193
Revaluations to CSocNE	-	-	-	-
Revaluations through Revaluation Reserve	-	-	4	4
Total Heritage Assets	2,197	2,197	2,197	2,197

Heritage assets are revalued annually, using indices provided by the Office for National Statistics. No depreciation is provided on any heritage assets. Heritage Lands are subject to professional valuations and annual revaluations in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2021 with the next full valuation due to take place as at 1 April 2026.

8.1 (a) Intangible Assets Consolidated

	Forest Land Rights	Software	Software Licences	Asset under construction	Total
2023-24	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	1,432	163,539	5,306	22,628	192,905
Adjustment**	-	-	-	487	487
Restated at 1 April 2023	1,432	163,539	5,306	23,115	193,392
Additions	-	26,475	288	5,913	32,676
Disposals	-	-	(89)	-	(89)
Reclassification	-	16,450	88	(15,298)	1,240
Revaluations to CSocNE	-	14	28	-	42
Revaluations through Revaluation Reserve	60	9,537	205	-	9,802
Total Cost	1,492	216,015	5,826	13,730	237,063
Amortisation					
At 1 April 2023	29	83,437	4,089	-	87,555
Charged in year	29	15,424	527	-	15,980
Disposal Depreciation	-	-	(86)	-	(86)
Reclassification Depreciation	-	31	(3)	-	28
Revaluation to CSocNE	-	14	28	-	42
Revaluations through Revaluation Reserve	-	5,033	155	-	5,188
At 31 March 2024	58	103,939	4,710	-	108,707
Carrying Amount at 31 March 2023	1,403	80,102	1,217	22,628	105,350
Carrying Amount at 31 March 2024	1,434	112,076	1,116	13,730	128,356
Asset financing:					
Owned	1,233	112,076	1,116	13,730	128,155
Leased	201	-	-	-	201
Carrying Amount at 31 March 2024	1,434	112,076	1,116	13,730	128,356
Of the Total:					
Core Department	1,434	112,076	741	11,295	125,546
Agency	-	-	-	-	-
Other designated bodies	-	-	375	2,435	2,810
Carrying Amount at 31 March 2024	1,434	112,076	1,116	13,730	128,356

8.1 (b) Intangible Assets Consolidated

2022-23	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2022	1,034	125,436	4,539	18,111	149,120
IFRS 16 Adjustment**	259	-	-	-	259
Restated at 1 April 2022	1,293	125,436	4,539	18,111	149,379
Additions	-	18,975	349	4,420	23,744
Disposals	-	(9)	(22)	-	(31)
Reclassification	-	-	(97)	97	-
Revaluations to CSocNE	-	50	74	-	124
Revaluations through Revaluation Reserve	139	19,087	463	-	19,689
Total Cost	1,432	163,539	5,306	22,628	192,905
Amortisation					
At 1 April 2022	-	62,848	3,433	-	66,281
Charged in year	29	10,723	266	-	11,018
Disposal Depreciation	-	(7)	(21)	-	(28)
Reclassification Depreciation	-	-	-	-	-
Revaluation to CSocNE	-	50	73	-	123
Revaluations through Revaluation Reserve	-	9,823	338	-	10,161
At 31 March 2023	29	83,437	4,089	-	87,555
Carrying Amount at 31 March 2022	1,034	62,588	1,106	18,111	82,839
Carrying Amount at 31 March 2023	1,403	80,102	1,217	22,628	105,350
Asset financing:					
Owned	1,173	80,102	1,217	22,628	105,120
Leased	230	-	-	-	230
Carrying Amount at 31 March 2023	1,403	80,102	1,217	22,628	105,350
Of the Total:					
Core Department	1,403	80,101	753	20,580	102,837
Agency	-	1	2	-	3
Other designated bodies	-	-	462	2,048	2,510
Carrying Amount at 31 March 2023	1,403	80,102	1,217	22,628	105,350

9.1 Impairments

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Charged to the consolidated statement of comprehensive net expenditure	56	56	6	6
Charged to revaluation reserve	17	17	5	5
	73	73	11	11

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.

9.2 Indexation

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Charged to the consolidated statement of comprehensive net expenditure	-	(22)	-	(19)
Charged to revaluation reserve	-	-	-	(1,177)
	-	(22)	-	(1,196)

10 Capital and other commitments

10.1 Capital commitments

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements				
Intangible	79,802	79,802	48,286	48,286
Plant, Property & Equipment	2,955	3,121	30,004	30,161
	82,757	82,923	78,290	78,447

10.2 Leases – Right of use assets

IFRS 16 Leases has been implemented from 1 April 2022 which introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. This replaces the previous standard, IAS 17. Further details are disclosed in Note 10.2.1.

Quantitative disclosure around right-of-use assets

2023-24	Land £'000	Buildings £'000	Plant & Machinery £'000	LTAO £'000	Total £'000
Right-of-Use Assets:	816	1,143	108	170	2,237
At 1 April 2023					
Additions	31	93	682	-	806
Remeasurements	(299)	(12)	-	-	(311)
Depreciation charged in year	(85)	(373)	(185)	(28)	(671)
At 31 March 2024	463	851	605	142	2,061
Peppercorn Leases:					
At 1 April 2023	1,220	-	-	60	1,280
Depreciation charged in year	(15)	-	-	(1)	(16)
At 31 March 2024	1,205	-	-	59	1,264
Balance 31 March 2024	1,668	851	605	201	3,325
Balance 31 March 2023	2,036	1,143	108	230	3,517
2022-23	Land £'000	Buildings £'000	Plant & Machinery £'000	LTAO £'000	Total £'000
Right-of-Use Assets:	714	1,431	286	198	2,629
At 1 April 2022					
Additions	179	43	-	-	222
Disposals	(18)	-	(16)	-	(34)
Remeasurements	-	-	-	-	-
Depreciation charged in year	(59)	(331)	(162)	(28)	(580)
At 31 March 2023	816	1,143	108	170	2,237
Peppercorn Leases:					
At 1 April 2022	1,235	-	-	61	1,296
Depreciation charged in year	(15)	-	-	(1)	(16)
At 31 March 2023	1,220	-	-	60	1,280
Balance 31 March 2023	2,036	1,143	108	230	3,517
Total IFRS 16 Adjustment at 1 April 22	1,949	1,431	286	259	3,925

Additions to right-of-use assets during 2023-24 totalled £806k (2022-23 - £222k).

10.2.1 Quantitative disclosure around lease liabilities – maturity analysis

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

	Core Dept & Agency £'000	2023-24 Departmental Group £'000	Core Dept & Agency £'000	2022-23 Departmental Group £'000
Land				
Not later than one year	171	173	160	160
Later than one year and not later than five years	286	290	507	507
Later than five years	644	687	257	257
	1,101	1,150	924	924
Less interest element	(273)	(273)	(93)	(93)
Present Value of Obligations	828	877	831	831
Buildings				
Not later than one year	94	132	544	555
Later than one year and not later than five years	228	381	332	378
Later than five years	207	549	680	711
	529	1,062	1,556	1,644
Less interest element	(53)	(55)	(462)	(465)
Present Value of Obligations	476	1,007	1,094	1,179
Other				
Not later than one year	261	269	125	127
Later than one year and not later than five years	495	523	118	118
Later than five years	5	5	33	33
	761	797	276	278
Less interest element	(31)	(33)	(6)	(5)
Present Value of Obligations	730	764	270	273
	2,034	2,648	2,195	2,283

Consolidated 2023-24**Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure.****Amounts recognised in the Statement of Comprehensive Net Expenditure**

	Core Department & Agency £'000	2023-24 Departmental Group £'000	Core Department & Agency £'000	2022-23 Departmental Group £'000
Low value and short term leases	(102)	(97)	476	479

Quantitative disclosures around cash outflows for leases**Amounts recognised in the Statement of Cash Flows**

	Core Department & Agency £'000	2023-24 Departmental Group £'000	Core Department & Agency £'000	2022-23 Departmental Group £'000
Total cash outflow for lease	624	649	516	516

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

The Department had no PFI commitments at 31 March 2024 or 31 March 2023.

10.4 Other Financial Commitments

The Department and its agency have entered into non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) to give assistance to farmers and others who meet appropriate criteria. A commitment is deemed to arise for the balance of the total possible payment unpaid, unclaimed and not yet due to be claimed at 31 March 2024.

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

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Total Grant Commitments				
Not later than one year	25,733	25,736	24,243	24,243
Later than one year and not later than five years	37,310	37,313	15,790	15,790
Later than five years	-	-	-	-
	63,043	63,049	40,033	40,033

Grant commitments at 31 March 2024 relate only to National Schemes.

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

The Department 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

Refer to Note 5 on payments made to the Forest Service Public Corporation.

13. Inventories

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Consumable materials and supplies	944	1,597	939	1,538

14.1 Cash and cash equivalents

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
At 1 April	(838)	737	(2,637)	352
Net change in cash and cash equivalent balances	(5,262)	(5,472)	1,799	385
At 31 March	(6,100)	(4,735)	(838)	737
The following balances at 31 March were held at:				
Government Banking Service	(6,144)	(6,144)	(882)	(882)
Commercial banks and cash in hand	44	1,409	44	1,619
At 31 March	(6,100)	(4,735)	(838)	737
The balance comprise				
Cash & bank	569	1,934	683	2,258
Bank overdraft	(6,669)	(6,669)	(1,521)	(1,521)
	(6,100)	(4,735)	(838)	737

14.2 Short term bank deposits

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Short term bank deposits	-	1,579	-	1,552

14.3 Reconciliation of liabilities arising from financing activities

There were no liabilities arising from financing activities at 31 March 2024 or 31 March 2023.

15. Trade Receivables, financial and other assets

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Amounts falling due within one year				
VAT	3,445	3,737	3,381	3,799
Trade receivables	1,808	6,652	1,984	5,091
Other receivables	949	1,845	908	1,989
Prepayments & accrued income	8,107	8,177	9,718	17,795
Amounts due from Rural Payments Agency in relation to Common Agriculture Policy (CAP)	4,903	4,903	17,228	17,228
Amounts due from the EU	-	2,579	-	5,762
	19,212	27,893	33,219	51,664
Amounts due from Consolidated Fund in respect of supply	6,100	6,100	838	838
Total at 31 March due within one year	25,312	33,993	34,057	52,502
Amounts falling due after one year				
Prepayments & accrued income	-	-	-	-
Total at 31 March due after one year	-	-	-	-

16. Trade Payables, financial and other liabilities

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Amounts falling due within one year				
Other taxation and social security	1	188	1	311
Trade payables	441	2,548	737	1,354
Other payables	1,781	3,684	2,233	2,572
Accruals and deferred income	59,042	62,298	39,218	52,953
Current part of lease liabilities	487	505	610	624
CAP Disallowance	370	370	955	955
EU grant creditors - CAP	1,752	1,752	9,298	9,298
Other grant creditors	29,728	29,728	22,359	22,359
Total at 31 March due within one year	93,602	101,073	75,411	90,426
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	-	-	-
	93,602	101,073	75,411	90,426
Amounts falling due after one year				
Lease Liabilities	1,547	1,637	1,585	1,659
Deferred income	-	1,547	-	1,919
Total at 31 March due after one year	1,547	3,184	1,585	3,578

CAP Disallowance

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

Scheme	2023-24 £'000	Charged to CSocNE* £'000	2022-23 £'000
Pillar II	79	-	81
EAF 2022 and 2023 Accounts	291	75	875
TOTAL	370	75	956

* Included within the amounts credited to CSocNE is £13k of exchange gain. This is included within Exchange rate movements in note 5.

17. Provisions for liabilities and charges

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Balance at 1 April	1,131	1,973	4,032	5,158
Provided in the year	495	629	767	813
Provisions not required written back	(253)	(285)	(263)	(440)
Provisions utilised in year	(544)	(629)	(3,405)	(3,558)
Balance at 31 March	829	1,688	1,131	1,973

Analysis of expected timing of discounted flows

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Not later than one year	829	1,667	1,131	1,961
Later than one year and not later than five years	-	21	-	12
Later than five years	-	-	-	-
Balance at 31 March	829	1,688	1,131	1,973

	2023-24		Departmental Group Total £'000
	Litigation Claims £'000	Other Provisions £'000	Total £'000
Not later than one year	716	951	1,667
Later than one year and not later than five years	-	21	21
Later than five years	-	-	-
Balance at 31 March 2024	716	972	1,688

	2022-23		Departmental Group Total £'000
	Litigation Claims £'000	Other Provisions £'000	Total £'000
Not later than one year	689	1,272	1,961
Later than one year and not later than five years	-	12	12
Later than five years	-	-	-
Balance at 31 March 2023	689	1,284	1,973

18. 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. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Deferred income tax assets to be recovered within 12 months	-	429	-	338
	-	429	-	338
Deferred income tax liabilities to be recovered within 12 months	-	(6,752)	-	(6,681)
Deferred income tax liabilities - net	-	(429)	-	(338)
	-	(7,181)	-	(7,019)
Deferred income tax liabilities - net	-	(6,752)	-	(6,681)

The gross movement on the deferred income tax account is as follows:

	2023-24		2022-23	
	Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
At 1 April	-	(6,681)	-	(6,081)
Credited to the net expenditure account	-	262	-	206
Charged directly to the statement of other comprehensive income	-	(333)	-	(806)
At 31 March	-	(6,752)	-	(6,681)

The movement in deferred tax assets and liabilities during the year is as follows:

DAERA GROUP	Valuation of property, plant & equipment £'000	Tax losses £'000	Pension provision £'000	Total £'000
At 1 April 2022	(6,495)	262	152	(6,081)
(Credited)/charged to net expenditure account	87	76	43	206
(Credited)/charged directly to the statement of other comprehensive income	(600)	-	(206)	(806)
At 31 March 2023	(7,008)	338	(11)	(6,681)
(Credited)/charged to net expenditure account	164	91	7	262
(Credited)/charged directly to the statement of other comprehensive income	(230)	-	(103)	(333)
At 31 March 2024	(7,074)	429	(107)	(6,752)

20. Pension Liabilities

	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
	Core Dept & Agency	Agri-Food & Biosciences Institute	Livestock & Meat Commission for Northern Ireland	NIFHA	Loughs Agency	Departmental Group
	£'000	£'000	£'000	£'000	£'000	£'000
Amounts falling due after one year						
Pension liabilities	-	-	-	-	8,098	8,098

	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	Core Dept & Agency	Agri-Food & Biosciences Institute	Livestock & Meat Commission for Northern Ireland	NIFHA	Loughs Agency	Departmental Group
	£'000	£'000	£'000	£'000	£'000	£'000
Amounts falling due after one year						
Pension liabilities	-	-	-	-	8,182	8,182

21. Contingent liabilities disclosed under IAS 37

The Northern Ireland Environment Agency has a duty under the Water (NI) Order 1999 to promote the cleanliness of water and have regard to the protection of human health. Whilst this duty is being exercised through the ongoing monitoring of the Mobuoy site, the Department continues to consider long term options to protect water quality in the River Faughan. The delivery of a long-term strategy will be subject to public consultation, confirmation of a preferred option and the availability of funding. Therefore, it is not possible to determine a reliable estimate beyond one year.

Legal Cases

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

Public Sector Pensions - Injury to Feelings Claims

DoF is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the NICS Departments. This is an extremely complex case and may have significant implications for the NICS and wider public sector. However, the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

22. Related-party Transactions

DAERA is the parent Department of 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 the Departmental Board, Special Adviser and the Minister. The following interests were declared:

Seven 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;
- Northern Ireland Horse Board;
- Irish Draught Horse Society (NI);
- Northern Ireland Institute of Agricultural Science;
- Downshire Tennis Club; and
- Momentum One Zero Industry Advisory Board.

Eleven officers, or their spouses, or other family members have an interest in 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.

Three officers have family members that work elsewhere in the Department and one officer has a family member that is employed by a private veterinary practice which conducts animal testing on behalf of the DAERA. The departmental officer had no role in the procurement of the contract award.

One officer has family members that are involved in the management of an organisation that has received grants payments from DAERA. The Officer is not involved in the administration of grant schemes.

One officer has a family member that is an employee of a facilities management company which may have dealings with DAERA or wider NICS. The officer has no knowledge or involvement in any transactions.

The Special Adviser has undertaken to excuse herself from participation if potential conflicts of interests arise during normal course of business.

All the above interests are regarded as not material.

The Department is working towards ensuring it is compliant with the Business Appointment rules outlined in the NICS HR Policy 6.01 Standards of Conduct in terms of declaration and management of interests for all staff and for the transparency of processes to be applied to any potential employment for civil service staff (including Special Advisers) after leaving the NI Civil Service. During 2023-24, there was one application made via DoF to the Department in line with NICS policy.

23. Third-party Assets

The Department held third-party assets at 31 March 2024 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 CSoFP. The assets held at the reporting year date to which it was practical to ascribe monetary values as at 31 March 2024 are set out in the table below.

Consolidated

NI Central Investment Fund for Charities	No. of Shares	2023-24 £	2022-23 £
Description			
DAERA Moore Memorial Fund	96	1,502	1,404
DAERA Thomson Memorial Account	990	15,484	14,483
DAERA Thompson Bequest Account	10,973	171,628	160,531
Vaughan's Charity	181,395	2,837,181	2,653,736
Vaughan's Charity – Fermanagh Pig Project	1,099	17,189	16,098
Total	194,553	3,042,984	2,846,252

Educational Trust Fund Accounts

2023-2024

Account	WD Thomson £	Thompson Bequest £	Moore Memorial £	ETF Account £
Opening Balance	15,802	527	1,507	-
Receipts	1,209	4,965	115	-
Payments	-	(5,040)	(50)	-
Closing Balance	17,011	452	1,572	-

2022-2023

Account	WD Thomson £	Thompson Bequest £	Moore Memorial £	ETF Account £
Opening Balance	15,095	10,822	1,488	100
Receipts	707	5,105	69	-
Payments	-	(15,400)	(50)	(100)
Closing Balance	15,802	527	1,507	-

Third-party account balances	Bank Accounts		Consolidated Fund	
	2023-24	2022-23	2023-24	2022-23
	£	£	£	£
DAERA Horse Racing Business Investment	73,393	18,753		367,651
Enniskillen Student Resource Account	5,090	4,765		-
Enniskillen Student Vaughan Charity – current account	5,000	5,000		-
Enniskillen Student Vaughan Charity – deposit account	34,938	29,258		-
Greenmount College Sports Fund	11,495	10,128		-
Greenmount College Sports and Recreation	-	2,244		-
Greenmount Travel – Current	18,398	16,200		-
Greenmount Travel – Business Reserve	271	267		-
Greenmount – Projects	-	862		-
Greenmount – Cream Advisory #43114406	-	26,815		-
Greenmount College Football Club	-	12		-
Greenmount Bursaries	2,166	24,729		-
Greenmount Erasmus Euro account	9,421	24,472		-
Greenmount Erasmus Sterling account	34,619	1,416		-
Greenmount Computer Club	-	109		-
Greenmount Student Recreational Council	-	1,626		-
Loughry Student Affiliation Account	15,681	16,157		-
DAERA Moore Memorial Fund	153	87	1,420	1,420
DAERA Thomson Memorial Account	3,291	2,082	13,720	13,720
DAERA Thompson Bequest Account	367	442	85	85
Totals	214,283	185,424	15,225	382,876

24. Entities within the Departmental boundary

The supply funded NI Environment Agency is within the departmental boundary.

From 1 April 2020 the Forest Service was reclassified to a Non Financial Public Corporation and is outside of the Departmental boundary for reporting purposes. The annual reports and accounts of Forest Service and Northern Ireland Environment Agency are published separately.

The entities within the Group boundary during 2023-24 were as follows:

Department

Department of Agriculture, Environment and Rural Affairs

Executive Agency

Northern Ireland Environment Agency

Executive NDPB's

Agri-Food & Bio Sciences Institute

Livestock and Meat Commission

Northern Ireland Fisheries Harbour Authority

North South Body

The Loughs Agency

The annual reports and accounts for all these bodies are published separately.

25. Events after the reporting period

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

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 4 July 2024.

List of Abbreviations

AFBI	Agri-Food and Biosciences Institute
ALB	Arm's Length Body
AME	Annually Managed Expenditure
AMPS	Assembly Members' Pension Scheme
ARAC	Audit and Risk Assurance Committee
AWB	Agricultural Wages Board
BEIS	Business, Energy and Industrial Strategy
BPS	Basic Payment Scheme
bTB	Bovine Tuberculosis
C3	Co-ordinate, Command and Control
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
CETV	Cash Equivalent Transfer Value
CNCC	Council for Nature Conservation and the Countryside
CO2e	Carbon Dioxide equivalent
CPI	Consumer Prices Index
CRR	Departmental Corporate Risk Register
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
Defra	Department for Environment, Food and Rural Affairs
DEL	Departmental Expenditure Limits
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DFP	Department of Finance and Personnel
DoF	Department of Finance
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EEI	Employee Engagement Index
EIP	European Innovation Partnership
EMFF	European Maritime and Fisheries Fund
EMFG	Environment, Marine and Fisheries Group

EU	European Union
FCILC	Foyle, Carlingford and Irish Lights Commission
FD	Finance Director
FFG	Food and Farming Group
FIV	Farm Innovation Visit
FReM	Government Financial Reporting Manual
FTE	Full Time Equivalent
FYE	Full Year Equivalent
GAD	Government Actuary's Department
GB	Great Britain
GDPR	General Data Protection Regulations
GHG	Green House Gas
GLAA	Gangmasters and Labour Abuse Authority
ha	Hectares
HM	His Majesty's
HOCS	Head of the Civil Service
HPAI	High Pathogenic Avian Influenza
HR	Human Resources
IAB	Internal Audit Branch
IAO	Information Asset Owners
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRP	International Financial Review Panel
IFRS	International Financial Reporting Standards
IRRV	Institute of Revenue Rating and Valuation
ISMS	Information Security Management System
ISVA	Incorporated Society of Valuers and Auctioneers
IT	Information Technology
KNIB	Keep Northern Ireland Beautiful
KPI	Key Performance Indicator
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.
LMC	Livestock and Meat Commission
LPS	Land & Property Services
m³	Metres cubed
MCZ	Marine Coastal Zones
MLA	Member of the Legislative Assembly
MPMNI	Managing Public Money NI
MtCO₂e	Million tonnes of Carbon Dioxide equivalent
NDPB	Non-Departmental Public Bodies
NEBMs	Non Executive Board Members
NEMs	Non Executive Members

NI	Northern Ireland
NIAO	NI Audit Office
NICS	Northern Ireland Civil Service
NICS HR	Northern Ireland Civil Service Human Resources
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
OEP	Office for Environmental Protection
ONS	Office of National Statistics
PAC	Public Accounts Committee
PC	Public Non-Financial Corporation
PfG	Programme for Government
PO	Provisional Outturn
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
RoFP	Review of Financial Processes
RPI	Retail Price Index
SAC	Special Areas of Conservation
SBRI	Small Business Research Initiative
SCS	Senior civil servants
SI	Statutory Instrument
SIRO	Senior Information Risk Owner
SLA	Service Level Agreement
SOAS	Statement of Outturn against Assembly Supply
SoFP	Statement of Financial Position
SPA	Special Protection Areas
SPS	Sanitary and PhytoSanitary
SRO	Senior Responsible Officer
TB	Tuberculosis
TRPSI	Tackling Rural Poverty and Social Isolation
UK	United Kingdom
UKG	United Kingdom Government
UK-GDPR	United Kingdom General Data Protection
VAT	Value Added Tax

VfM	Value for Money
VSAHG	Veterinary Service Animal Health Group
WMS	Written Ministerial Statement

