Department of Agriculture, Environment and Rural Affairs

Corporate Governance Framework

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Department of Agriculture, Environment and Rural Affairs
www.daera-ni.gov.uk
An Roinn Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe
Depairtment o' Fairmin, Environment an' Kintra Matthers

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SECTION 1 BACKGROUND

Context

1.1 Corporate governance is the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance.

1.2 This document sets out details of the corporate governance arrangements in place in the Department for Agriculture, Environment and Rural Affairs

(DAERA). It provides information on the arrangements which have been established to ensure robust and effective management of the Department's affairs. It is key to demonstrating and encouraging a culture of openness, accountability and good governance in everything we do.

1.3 This framework provides an overview of the corporate governance processes and responsibilities within the Department.

1.4 Nothing in the framework impacts on the roles and responsibilities that operate between the DAERA Minister, civil servants and the NI Assembly. Similarly, it does not impact the discharge of the functions which DAERA carries out under the direction and control of the Secretary of State for Environment, Food and Rural Affairs (Defra) or between Defra ministers, civil servants and the UK Parliament.

1.5 These relationships are based on the following established principles:

- a department works under the direction and control of its minister(s) in delivering its functions.
- civil servants are accountable to the relevant minister, who in turn is accountable to the Assembly or to Parliament. In relation to those functions of DAERA that are within the remit of the Assembly, all civil servants also have a shared responsibility to support the work of the Executive as a whole, including the contribution of their minister to the Executive;
- the DAERA Minister is responsible and answerable to the Assembly for the exercise of powers on which the administration of the Department depends. They have a duty to the Assembly to account, and to be held to account, for all relevant policies, decisions and actions of the Department, including those of its ALBs.
- the Secretary of State for Environment, Food and Rural Affairs is responsible and answerable to the UK Parliament for the exercise of powers under regulation 3 of the Windsor Framework (Implementation) Regulations 2024. They have a duty to Parliament to account, and be

held to account, for all policies, decisions and actions of the Department under their direction and control.

- civil servants attend Assembly or Parliamentary Committees on behalf of their Minister;
- the permanent secretary who has been designated as the principal Accounting Officer is personally responsible and accountable to the Assembly for functions under the direction and control of the DAERA Minister and, in respect of functions under the direction and control of the Defra Secretary of State, to the UK Parliament, via the relevant Public Accounts Committees, for the organisation and quality of management by the Department, including use of public money and the stewardship of assets.

1.6 The Corporate Governance Framework also reflects the key principles in the Corporate Governance in Central Government Departments: Code of Good Practice NI 2025.

1.7 At all times, civil servants are bound by the NICS Code of Ethics.

Purpose

1.8 The Corporate Governance Framework is intended as a guide for everyone within the Department. It also provides a transparent insight for the public as a whole on the governance structures and arrangements in place within the Department.

1.9 The framework details the established organisational and governance structures and describes the roles and responsibilities of those charged with governance. It explains the machinery of government through which the Department receives its authority to function and the interconnection between governance, risk management and internal control.

1.10 The framework is a tool for staff at all grades across the Department and signposts them to specific guidance, policies and arrangements that support us in making decisions in the public interest.

1.11 In addition it allows us to provide transparency, showing that, as a Department, we are committed to high standards of governance that are consistent with the key principles of evolving best practice.

Review

1.12 The framework is intended to be a living document. It will therefore be kept under continuing review. It will be formally updated every two years with the next review due in 2028.

SECTION 2 ORGANISATION AND STRUCTURES

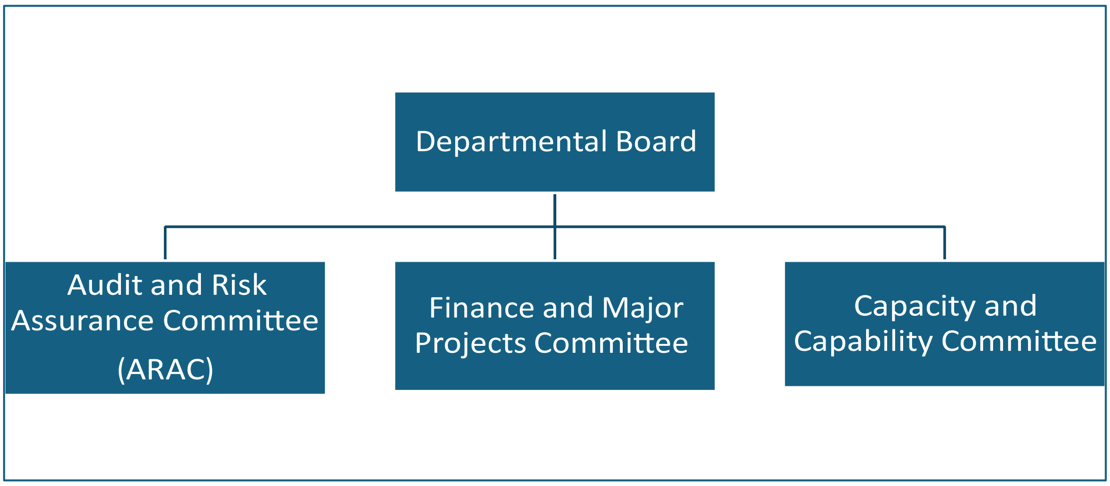
Department's Strategic Priorities

2.1 The vision of the Department is:
"*Towards 2050: Delivering a net zero, nature-positive future, supporting sustainable agriculture and thriving rural communities.*"

2.2 The priorities that shape our work are set out below:

- tackling and responding to Climate Change together in a fair and just way;
- protecting and restoring our terrestrial and marine environment;
- strengthening environmental governance;
- supporting sustainable, resilient and productive agri-food and fishing sectors;
- safeguarding animal health and welfare plus plant health;
- building strong, sustainable and diverse rural communities; • investing in our science and research and development capacity; and
- implementing the Windsor Framework.

2.3 Departmental board structures which support the delivery of our functions and objectives and delivery of good corporate governance in the Department are included in **Figure 1** below.



<u>Figure 1</u>

2.4 The Department's two executive agencies (the Northern Ireland Environment Agency (NIEA) and Forest Service) also have agency management boards in place which are chaired by their chief executives (who are also designated as Accounting Officers for their respective agencies). The agency management boards support the delivery of agency functions and objectives and the delivery of good corporate governance in the relevant agencies.

2.5 In addition to departmental board structures other management structures which support the work of the Department include:

- Top Leadership Team (TLT) meetings
- Weekly Business Review meetings
- Business Issues review
- Casework Committee

Further details in these structures are included at 2.11- 2.25.

2.6 While many other forums and working groups exist within the Department, it is important to note that, while these may aid communication and decision making, individuals are also accountable for the decisions they take. Individual members of the Senior Civil Service are personally accountable to the principal Accounting Officer and to the relevant Minister for all decisions taken in the course of delivering the work of the Department that they have been given delegated authority to take. Officials can only take those decisions that they have the authority to take.

Departmental Board

2.7 The permanent secretary, who is designated by the Department of Finance (DoF) as the principal Accounting Officer for the Department, chairs the Department Board. The role of the board is advisory in the sense that it aims to support and challenge the principal Accounting Officer in meeting their personal corporate governance responsibilities. The board's Operating Framework sets out the functions, aims and responsibilities of the board and its membership.

2.8 The board operates as a collective forum under the leadership of the permanent secretary, bringing together the Department's senior officials with non-executives from outside government. It concentrates on advising on strategic and operational issues affecting the Department's performance as well as scrutinising and challenging departmental performance, with a view to ensuring the long-term health and success of the Department. The board's role includes appropriate oversight of sponsored bodies.

2.9 The board does not decide policy or exercise the powers of ministers. The Department's policy is decided by its minister(s) on advice from officials. The board considers and advises on the operational implications and effectiveness of delivery.

2.10 The board normally meets on a bi-monthly basis, but the permanent secretary may call additional meetings as required. It provides scrutiny and advice on five main areas:

- Strategic Clarity;
- Commercial Sense;
- Talented People;
- Results Focus; and
- Management Information.

2.11 A board effectiveness review is carried out on an annual basis by the board.

Departmental Audit and Risk Assurance Committee

2.12 The board (and the principal Accounting Officer who chairs the board) is supported in its role by the Departmental Audit and Risk Assurance Committee (ARAC), which is a committee of the board with no executive powers. It is chaired by a suitably experienced non-executive board member. Its membership includes non-executive board members and independent external members from outside the Department. The Audit and Risk Assurance Committee is not charged with making or endorsing any decisions and it takes care to maintain its independence.

2.13 The ARAC supports the Accounting Officer and Board by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. Its terms of reference, including its role and the authority delegated to it by the board, are set out here.

Finance and Major Projects Committee

2.14 The role of the Finance and Major Projects Committee is to assist the Departmental Board to meet the corporate governance responsibilities for the Department. It carries specific responsibility for:

- ensuring that the Department has in place sound financial management and effective arrangements for scrutinising the allocation of financial resources to achieve strategic objectives;
- ensuring that clear, consistent, comparable performance information is used to drive improvement, and monitoring and steering performance against plans; and
- maintaining a strategic overview of how the Department's major programmes and projects are being managed and delivered.

2.15 The committee is normally chaired by a non-executive board member. Membership of the committee includes executive board members and the Finance Director.

2.16 The committee brings a particular focus to financial management and the management of projects/programmes to deliver current and future needs. The committee augments the existing governance arrangements already in place to manage the Department's major programmes and projects through additional oversight and scrutiny.

2.17 Its terms of reference, including its role and the authority delegated to it by the board, are set out here.

Capacity and Capability Committee

2.18 The Capacity and Capability Committee supports the work of the Departmental Board by ensuring that the Department has the necessary staff and skills to achieve its strategic objectives. The committee provides valuable insights and recommendations to the Departmental Board on matters related to workforce planning, training and development, and resource allocation.

2.19 The committee also monitors the progress of workforce planning initiatives, evaluating their effectiveness, and seeking additional assurances as needed. The committee is normally chaired by a non-executive board member, and membership includes executive board members, the Director of Strategic Support; the NICS HR Strategic Business partner; and the Head of the Capacity, Capability, Equality and Diversity Team.

2.20 Its terms of reference, including its role and the authority delegated to it by the Departmental Board, are set out here.

Top Leadership Team

2.21 The Top Leadership Team comprises the permanent secretary and staff at Grade 3 level including the NIEA chief executive and normally meets monthly with meetings chaired by the permanent secretary. These meetings are held to facilitate discussion and decision-making on the operational management of the Department and the delivery of policy advice to ministers.

Weekly Business Review

2.22 Weekly Business Review (WBR) meetings take the form of a stocktake to share information on relevant departmental issues including the DAERA Minister's diary; upcoming Executive and Assembly business; announcements and matters of media interest; and other strategic issues. Attendees at WBR meetings normally include the permanent secretary (who will normally chair); deputy secretaries; the NIEA chief executive; the Director of Strategic Support; and the heads of the Minister's Press and Private Offices.

Business Issues

2.23 Business Issues meetings are held regularly and are attended by the DAERA Minister, the Minister's special adviser, the permanent secretary, the NIEA chief executive and deputy secretaries or their nominees. The heads of Private Office and Press Office also attend. Business Issues meetings are held to facilitate discussion on strategic issues of interest to the DAERA Minister.

Casework Committee

2.24 The role of the Casework Committee is to provide greater assurance to the principal Accounting Officer and Departmental Board around significant expenditure decisions made within DAERA, particularly where affordability is a significant consideration. Meetings are held when both Resource Economics Team and Finance Division are content that relevant business cases should be submitted to the Casework Committee. Cases will be referred for committee's endorsement where the level of spending proposed is greater than £10 million or where there is a particular concern or focus – e.g. where projects are considered to be novel, contentious or repercussive.

2.25 The Casework Committee reports to the Finance and Major Projects Committee on the business cases it has considered.

2.26 The Committee is chaired by the Group Head of Strategic Planning and Corporate Services and includes the Finance Director, the Chief Economist and a non-executive board member. Membership may be extended on a case-by-case basis.

SECTION 3 ROLES AND RESPONSIBILITIES

Permanent Secretary/principal Accounting Officer

3.1 The permanent secretary is the Minister's principal adviser across the range of their Ministerial responsibilities.

3.2 As stated in paragraph 2.7 in terms of the Department's corporate governance arrangements, the permanent secretary is chair of the Departmental Board. The permanent secretary is also the appointed principal Accounting Officer for the Department.

3.3 The permanent secretary's role as chair of the departmental board is set out in the Board Operating Framework.

3.4 As principal Accounting Officer, the permanent secretary must be able to assure the Assembly and the public of high standards of probity in the management of public funds for which they are responsible. In the principal Accounting Officer role, the permanent secretary must personally sign:

- the organisation's accounts;
- the Annual Report; and
- the Governance Statement.

3.5 Acting within the authority of the Minister to whom they are responsible, the principal Accounting Officer should ensure that the organisation, and any subsidiary to it or organisation sponsored by it, operates effectively and to a high standard of probity. The main duties of Accounting Officers are outlined in Managing Public Money NI.

3.6 Managing Public Money NI and other associated guidance issued by DoF emphasises that Accounting Officers must also take personal responsibility and accountability for:

- regularity and propriety;
- affordability and sustainability;
- value for money;
- feasibility;

- selection, appraisal, evaluation and management of programmes and projects using the relevant guidance;
- control;
- management of opportunity and risk;
- learning from experience; and
- accounting accurately for the organisation's financial position and transactions.

Departmental Board Members

3.7 In addition to the permanent secretary, the following are members of the departmental board:

Executive Board Members

- all DAERA deputy secretaries
- the Northern Ireland Environment Agency (NIEA) chief executive; and
- the Finance Director.

Non-Executive Board Members

In addition, board membership should also include at least two non-executive board members. The non-executive board members have been appointed by the permanent secretary on merit following an open competition. They bring an important external perspective and challenge as board members.

3.8 Collectively the board provides corporate leadership to the organisation as a whole, taking responsibility for the Department's performance and provides support for the permanent secretary as principal Accounting Officer.

SCS Staff

3.9 Deputy secretaries (who are executive board members) with support from their senior management teams (Grade 5 directors), are responsible for:

- the development of strategy and for supporting the delivery of that strategy. This includes taking steps to ensure that the business is prioritised and decisions implemented in accordance with the priorities set by ministers and the statutory obligations of the Department;

- notifying the board of any matters that threaten the regularity, propriety value-for-money, or feasibility with which the Department carries out its business; and

- notifying the board of any significant issues which may impact on the Department’s leadership, medium term capability and significant risks to delivery of policy, along with mitigating actions taken.

3.10 Agency chief executives are responsible for the effective management and delivery of the functions delegated to their respective agencies in line with their letters of appointment and the provisions of the relevant framework document.

All staff - Code of Ethics

3.11 The Northern Ireland Civil Service Code of Ethics outlines the fundamental values and standards expected of civil servants in Northern Ireland. It emphasises four core principles: integrity; honesty; objectivity; and impartiality.

3.12 These values guide civil servants to act in the public interest, remain politically neutral, base decisions on evidence, and maintain transparency and fairness in all dealings. The Code ensures that civil servants uphold the trust placed in them by Ministers, the Assembly and the public, fostering good governance and accountability across Departments.

3.13 The NICS Code of Ethics also advises that civil servants as holders of public office are expected to uphold the Seven Principles of Public Life: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.

SECTION 4 BUSINESS PLANNING, RISK MANAGEMENT, INTERNAL CONTROL AND ASSURANCE

Background

4.1 Business Planning, Risk Management, Internal Control and Assurance are the interconnected components of governance arrangements.

- **Planning** is about setting and communicating organisational objectives, including the means of attaining objectives and monitoring performance.
- **Risk Management** is an integral part of planning and decision making. Risk is the effect of uncertainty on objectives. Management identifies, assesses and manages risks and opportunities in order to achieve objectives.
- **Internal Control** is the framework of processes, policies, procedures and activities established by management to identify and, as far as possible, mitigate risks and to optimise opportunities. Management executes/operates internal control on a day-to-day basis, reporting on variations so corrective action can be taken to do more of what works or to address deficiencies/get back on track.
- **Assurance** is about the confidence that can be placed on the operation of risk management and internal control. It is based on the objective assessment of information/evidence relating to the successful conduct of activities, efficient and effective design and operation of internal controls, compliance with internal and external requirements and the production of insightful and credible information to support decision making.

Business Planning

4.2 The Department's Corporate Plan 2025-27 outlines DAERA's vision of:

> *"delivering a net zero, nature-positive future"* and identifies the DAERA Minister's strategic priorities.

In support of the corporate plan the Department annually develops a detailed business plan which aligns with the corporate plan and the Executive's Programme for Government. Annual business plans reflect the Department's statutory obligations and the funding position under which it operates.

Annual business plans guide Departmental activities, establish performance objectives, and ensure transparency and accountability through regular monitoring and reporting. When agreed by the departmental board and approved by the Minister, annual business plans are published and communicated to staff and stakeholders.

Risk Management

4.3 Risk Management is the culture, process and structures that are directed towards the effective management of potential opportunities and threats facing an organisation in striving to meet its objectives. To assist in the process of identifying and managing risk, the Department has developed a Risk Management Strategy and Guidance. These documents set out the Department's approach to the identification and management of risk.

4.4 The Risk Management Strategy advises that risks should be managed at a number of levels, including at corporate, group, agency, directorate and team/project levels. The following key principles underpin the Department's approach to risk management:

- the departmental board, chaired by the permanent secretary, has overall responsibility for ensuring that there are effective arrangements for governance, risk management and internal controls for the whole departmental family i.e. the Department itself; its agencies; and its arm's length bodies (ALBs);
- key risks are identified against the Department's business objectives as an integral part of the business planning process;
- each corporate risk is assigned to an appropriate executive board member who is responsible for ensuring that controls are in place at all levels to manage the risk;
- all new business activities are assessed for key risks and controls put in place; and
- the Corporate Risk Register is subject to regular consideration by the departmental board. This includes consideration of changes to the risks facing the Department and to changes in risk status.

4.5 The following key principles underpin the Department's approach to risk management:

- the principal Accounting Officer assumes responsibility for risk management across the Department as a whole;
- in line with the Orange Book on Risk Management, the principal Accounting Officer has designated a senior individual to lead on risk management, who reports at a level that enables effective influence over governance and decision-making, and ensures objectivity in evaluating and reporting on risk;
- there is an open and receptive approach by the Departmental Board to discussing and addressing risks across the Department and the board is aware that a degree of managed risk taking is often necessary to enable a culture of innovation;
- there is a recognition and disclosure of the financial and non-financial implications of risks;
- monitoring of key risks is a priority for senior management;
- senior management supports business areas in the management of risk; and
- the risk management process is integrated with normal management processes and informs the annual business planning cycle so as to link risk management and internal control to the Department's ability to fulfil its statutory obligations.

Operational Controls

4.6 The development and operation of adequate and effective internal controls is primarily the responsibility of departmental staff, line managers, and the various levels of management in place within each of the Department's groups and agencies.

4.7 Management has primary ownership, responsibility and accountability for identifying, assessing and managing risks. Management 'owns' the risks and are responsible for execution of the organisation's response to those risks through the operation of internal controls on a day-to-day basis and implementation of corrective actions to address deficiencies.

4.8 Management, at all levels in groups, agencies, directorates and teams, is responsible for ensuring there is adequate managerial and supervisory controls in place to ensure compliance and to highlight control breakdown, variations in or inadequate processes and unexpected events, supported by routine performance and compliance information.

4.9 Operational managers are responsible for monitoring the performance of daily team activities, conducting compliance checks on controls and assessing the effectiveness of internal controls in operation. Managers will then report on the performance of controls and escalate issues as appropriate through established departmental assurance processes such as the Department's assurance reporting process.

4.10 Other operational controls include our business planning; budgeting and inyear monitoring, and HR performance management processes. These controls ensure the objectives of individual staff and the daily activities of operational business areas are strategically aligned. Operational managers are also responsible for developing a culture which reflects the high levels of ethical standards established in the NICS Code of Ethics.

Assurance Statements

4.11 Another key element of the system of internal control is the Assurance Statement process which provides biannual assurance reporting by deputy secretaries and agency chief executives to enable the permanent secretary as the principal Accounting Officer, to sign off the annual Governance Statement. Assurance Statements are intended to give the permanent secretary assurance that effective internal controls are in place and key risks are being managed for the achievement of business needs.

Governance Statement

4.12 At the end of each financial year the Department's Annual Report and Accounts is laid before the Northern Ireland Assembly in accordance with Section 10(4) of the Government Resources and Accounts Act (Northern

Ireland) 2001. Following the NIAO's approval, the Annual Report and Accounts are made available on the Department's website.

4.13 As part of the Annual Report and Accounts the principal Accounting Officer is required to sign a governance statement. The content of the governance statement is underpinned and informed by an effective governance framework, including a risk management process which involves a systematic approach to the evaluation and control of risk.

4.14 The governance statement will reflect the governance arrangements required to support sustainability reporting and climate-related disclosures. This will include a statement which describes the board's oversight of climate-related issues and a second statement describing managements role in assessing and managing climate-related issues.

Internal Audit

4.15 The principal Accounting Officer and the board are independently advised by an internal audit service operating in accordance with the Global Internal Audit Standards (GIAS) including the UK Application Note.
The primary objective of Internal Audit is to provide the principal Accounting Officer and the board with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives.

External Audit

4.16 Although sitting outside the Department's own internal control and risk management framework, external audit - provided through the NIAO - provides an external source of assurance to the principal Accounting Officer. Operating in line with the International Standards on Auditing (UK), the head of the NIAO (the Comptroller and Auditor General (C&AG) provide an annual opinion on whether the Department's Financial Statements give a true and fair view, in accordance with the Government Resources and Accounts Act

(Northern Ireland) 2001, of the Department's affairs. The Comptroller and Auditor General also forms an opinion on whether DAERA expenditure and income have been applied to the purposes intended by the Assembly.

4.17 The NIAO also carries out value for money audits which are independent evidence-based investigations that examine and report on whether economy, effectiveness and efficiency has been achieved in the use of public funds. The C&AG value for money work is reported to the NI Assembly (or to Parliament if it concerns functions delivered under the direction and control of the Secretary of State).

Reporting and Transparency

4.18 To demonstrate that we have delivered our stated commitments, requirements and priorities, and have used public resources effectively the Department reports publicly through its Annual Report and Accounts. It is through completing and signing off on the governance statement within the Annual Report and Accounts that the principal Accounting Officer assesses the effectiveness of the Department's system of internal control and confirms that it has operated effectively throughout the year.

4.19 Where this has not happened the principal Accounting Officer will disclose this within the governance statement.

SECTION 5 GOVERNANCE POLICIES AND PROCEDURES

5.1 In addition to the internal controls and risk management processes within the Department, there are a number of other policies and procedures which help ensure that good governance is observed within the Department.

5.2 **Conflict of Interest Policy**

The Department is committed to ensuring the highest possible standards of conduct in all that it does and has arrangements in place through which declarations of interest are identified and managed in order to maximise public confidence in the Department's delivery of public services. Each team maintains a register of interests and the register for the departmental board and senior civil servants is published annually on the Department's website.

5.3 **Gifts and Hospitality Policy**

As set out in Standards of Conduct of the NICS HR Handbook, civil servants must conduct themselves with honesty and impartiality in the exercise of their duties. They have a responsibility to carry out, and be seen to carry out, our duties in a transparent and equitable manner. It is important therefore to recognise that accepting or providing a gift, hospitality or benefit could unwittingly compromise, or be seen to compromise, the integrity of both staff and the Department.

The Department publishes a register of gifts and hospitality offered to DAERA senior civil servants on a quarterly basis.

5.4 **Anti-Fraud Policy**

The Departmental Anti-Fraud Policy details responsibilities regarding the prevention of fraud. A Fraud Response Plan which accompanies the policy specifies the procedures to be followed in the event of a fraud being detected or suspected. Where fraud occurs, the Department will take the appropriate legal and/or disciplinary action where that is justified and will make any necessary changes to systems and procedures to ensure that similar frauds are prevented in future.

Fraud registers are maintained at Directorate and Departmental level in order to identify trends/patterns, to ensure that individual cases are investigated appropriately and are monitored appropriately by management and the Departmental Audit and Risk Assurance Committee.

5.5 **Raising a Concern Policy**

DAERA is committed to the highest possible standards in the delivery of its services. Raising a Concern refers to someone drawing attention to a suspected risk, danger, malpractice, wrongdoing or illegality in or by the Department.

The DAERA Raising a Concern Policy is designed to encourage and enable members of staff and the public to raise concerns about any malpractice, abuse or wrongdoing at an early stage and in the right way. Reporting a matter promptly can reduce the potential for financial loss, avoid reputational damage and stop an abuse of position. The policy is intended to cover all staff within DAERA, including staff within DAERA's two executive agencies.

5.6 **Departmental Delegations**

DoF has delegated to departments authority to enter into commitments and to spend within defined limits. Delegation arrangements are established on the basis of criteria set out in MPMNI (Annex 2.2). DAO (DoF) 05/25 Departmental Delegations / Requirements for DoF approval, provides further information and details of DAERA's delegations.

Approval requirements, reflecting both DoF guidance and DAERA's internal procedures, apply across the Department and its Arm's Length Bodies when committing or authorising expenditure. Business areas must comply with this guidance and consult Finance Division where clarification or further advice is needed.

5.7 **Other Processes**

There are also a number of other processes which contribute to maintaining good corporate governance within the Department including:

- the performance management system for reviewing and assessing the performance of individual members of staff;
- HR policies designed to ensure the Department complies with employment law and has the appropriate numbers of staff with suitable skills to meet its objectives;
- Section 75 responsibilities, processes and departmental plans which include associated monitoring and reporting annually to the Equality Commission Northern Ireland;
- procurement of goods and services guidance;
- budgets and priorities setting and in-year monitoring processes;

- the Senior Information Risk Owner (SIRO) providing assurance to the principal Accounting Officer on information risk management by way of an information assurance strategic action plan;
- regular audit checks by local staff and Security Unit, which form the basis of the Annual Departmental Security Report; and
- guidance on the completion of business cases and the completion of a programme of test drilling of business case production and post project evaluation completion.

SECTION 6 EXECUTIVE AGENCIES

Relationship with our Executive Agencies

6.1 The permanent secretary has delegated the day-to-day responsibility for the management and operation of the Northern Ireland Environment Agency (NIEA) and Forest Service to the NIEA and Forest Service chief executives. The NIEA and Forest Service chief executives are designated as agency Accounting Officers for their respective agencies. They exercise their Accounting Officer roles within the terms of their letter of appointment and within their agreed agency framework documents. Both agencies have in place their own agency management boards and agency audit and risk assurance committees to support the agency chief executives/Accounting Officers.

6.2 Responsibilities set out in the letters of appointment to agency Accounting Officers and within agency framework documents include:

- preparation of draft corporate and business plans, including key performance targets, including submission to the Department and the Minister for approval;
- achieving key performance targets;
- managing resources efficiently, effectively and economically in compliance with government policy;
- contributing to the Department’s development of policy and impact of proposed policy changes;

- the preparation of Annual Report and Accounts for their respective organisations; and
- establishing effective governance and control systems which comply with MPMNI guidance.

SECTION 7 DEPARTMENTAL ARM'S LENGTH BODIES (ALBs)

7.1 The Department is responsible for the following bodies which operate at arm's length from the Department. These are:

- **Agri Food Biosciences Institute** (AFBI) – an executive non departmental public body. AFBI was established in 2006 by The Agriculture (Northern Ireland) Order 2004. The Institute's primary function is to undertake scientific work in the fields of agriculture, animal health and welfare, food, fisheries, forestry, the natural environment, and rural development and enterprise. It has a specific duty to carry out scientific work assigned to it by the Department.

- **Livestock and Meat Commission for NI** (LMC) is an executive non departmental public body established by the Livestock Marketing Commission Act (Northern Ireland) 1967. The body has a statutory duty to develop the livestock and livestock products industries in Northern Ireland (specifically cattle/beef and sheep/lamb). LMC is primarily funded from a statutory levy charged on the slaughter of cattle and sheep.

- **Northern Ireland Fishery Harbour Authority** (NIFHA) is an executive nondepartmental public body established under the Northern Ireland Fishery Harbour Authority Order (Northern Ireland) 1973. The Authority has a statutory duty to improve, manage and maintain NI's three main fishery harbours at Ardglass, Kilkeel and Portavogie. It is primarily funded through a levy on fish landings and other associated harbour activities.

- **Loughs Agency** is an agency of the Foyle, Carlingford and Irish Lights Commission (FCILC), which is a North South Implementation Body established under Strand Two of the Belfast Agreement and the North/South Cooperation (Implementation Bodies) (Northern Ireland) Order 1999. It operates under the governance of the North South Ministerial Council (NSMC) and is co-sponsored by DAERA and the Department of Climate, Energy and the Environment (DCEE). The agency is responsible for the conservation, management, promotion and development of the fisheries and marine resources of the Foyle and Carlingford Loughs areas (as well as connected inland waterways). It is funded on a 50/50 ratio by the co-sponsor departments.

- **Agricultural Wages Board (AWB)** was established under the Agricultural Wages (Regulation) (Northern Ireland) Order 1977. This board is responsible for setting minimum wage rates for agricultural workers, which includes a broad range of activities such as farming, horticulture, and livestock breeding.

- **Council for Nature Conservation and the Countryside** (CNCC) is an advisory non departmental public body. Its purpose is to provide independent strategic thinking, constructive challenge and scrutiny on nature conservation and countryside management issues and support the work of the Department by assisting in the development of strategies and related policies.

7.2 The principal Accounting Officer has responsibility for safeguarding the public funds which are given to or used by these bodies.

7.3 In relation to AFBI, LMC, NIFHA and Loughs Agency, the principal Accounting Officer is supported in this role by their chief executives who have been designated as Accounting Officers by the principal Accounting Officer for this purpose. These chief executives are responsible for running their respective bodies and for ensuring regularity and propriety is adhered to. These bodies also have in place Audit and Risk Assurance Committee arrangements.

7.4 Individual governance statements are prepared by the ALB Accounting Officer of each of these bodies and published as part of their Annual Report and Accounts. Additionally, each ALB's Annual Report and Accounts is subject to audit by the NIAO.

7.5 Chief executives/ALB Accounting Officers are also responsible and accountable to the boards of their relevant organisations. The boards of AFBI, LMC and NIFHA are appointed by the DAERA Minister. The purpose of the boards is to provide effective leadership and strategic direction to the organisation and to ensure that the policies and priorities set by the Minister are implemented.

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7.6 In the case of the Loughs Agency as a North South Implementation Body the board is appointed by the NSMC and the board is responsible for ensuring the body fulfils the aim(s) and objectives set by the sponsor departments and approved by the NSMC and for promoting the efficient, economic and effective use of staff and other resources by the body.

7.7 Partnership Agreements and Engagement Plans are in place between the Department and AFBI, LMC and NIFHA. These documents set out the partnership arrangements between the Department and the individual body.

The agreements set out the overall governance framework within which the ALBs operate, including the framework through which the necessary assurances are provided to stakeholders.

7.8 As a North South Body, Loughs Agency is governed by a Financial Memorandum agreed with the body and the two sponsor departments.

7.9 AWB and CNCC do not have a chief executive officer/designated Accounting Officer and do not have their own budget or staff. Accordingly, they are not required to publish an Annual Report and Accounts. Any expenditure incurred in respect of AWB or CNCC is accounted for through departmental mechanism and in the Department's accounts. There is an agreed Terms of Reference in place for AWB and CNCC.

7.10 Ultimately, the DAERA Minister is accountable to the Assembly for the overall performance and delivery of the Department's ALBs.

Departmental Board's Oversight of Arm's Length Bodies

7.11 The departmental board is responsible for ensuring that there are robust governance arrangements with each ALB and this assurance is sought by the board through the relevant departmental sponsor teams.