Department of Agriculture, Environment and Rural Affairs

Annual Report and Accounts for the year ended 31 March 2026

Department of Agriculture, Environment and Rural Affairs | An Roinn Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe | Depairtment o' Fairmin, Environment an' Kintra Matthers

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

ANNUAL REPORT AND ACCOUNTS 2025-26
For the year ended 31 March 2026

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by the Department of Finance
on 3 July 2026

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Department of Agriculture, Environment and Rural Affairs

Annual Report and Accounts for the year ended 31 March 2026

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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 2026.

Performance Report

Permanent Secretary's Perspective on Performance

I am pleased to present the 2025-26 Annual Report and Resource Accounts for the Department of Agriculture, Environment and Rural Affairs (DAERA).

This foreword provides a high-level overview of the breadth of activity undertaken by DAERA during 2025–26. The subsequent sections of the Annual Report and Accounts set out a more detailed assessment of performance and progress, with additional information on the work of our agencies included in their respective Annual Reports and Accounts.

During 2025–26, our work was guided by the DAERA Corporate Plan and aligned with the Executive's Programme for Government (PfG), providing a clear framework to support decision making, prioritisation and delivery.

DAERA's responsibilities touch the daily lives of people across Northern Ireland, from leading the response to climate change and the protection and recovery of the natural environment, to support for sustainable food and farming, safeguarding animal health and welfare, and strengthening the resilience of rural communities.

Throughout the year, the Department remained focused on meeting its statutory obligations and maintaining essential services, while using available resources carefully and responsibly in a constrained fiscal environment.

Progress continued on delivering the environmental priorities of Minister Muir and on improving transparency and accountability of reporting. In January 2026, the Department published Northern Ireland's first Environmental Improvement Plan Annual Progress Report, providing a clear and accessible account of progress against environmental priorities set out in statute. Alongside this, work continued on a range of programmes and actions aimed at improving environmental outcomes, including water quality, nature recovery and climate resilience.

Supporting a resilient and sustainable agri-food and fisheries sector remained central to the Department's work. During 2025–26, more than £330m was provided through the Sustainable Agriculture Programme to support farm businesses, including Farm Sustainability Transition Payments, to over 23,000 eligible farm businesses. This support helped farmers manage the transition to new arrangements, while continuing to encourage sustainability, productivity and long-term resilience. Investment in education, skills and knowledge transfer through the College of Agriculture, Food and Rural Enterprise also continued, supporting capability across the sector. Separately, fisheries support focuses on developing Fisheries Management Plans (FMPs) for sustainability in the Irish Sea and coastal waters.

The Department has focused on supporting rural communities through targeted programmes and partnerships. Under the Tackling Rural Poverty and Social Isolation Framework, over £10m was committed to initiatives expected to benefit 165,000 rural dwellers, contributing to improved wellbeing, connectivity and community resilience across rural areas.

Protecting animal health and maintaining strong biosecurity arrangements required sustained attention throughout the year. The Department responded to a range of disease risks, including avian influenza, bluetongue and bovine tuberculosis, through established surveillance, controls and close cooperation with partners. In addition, the Northern Ireland Environment Agency (NIEA) co-ordinated a multi-agency response to NI's first confirmed Asian hornet incursion, helping to protect pollinators and local ecosystems.

Between September and November 2025, DAERA participated in Exercise PEGASUS, the UK-wide Tier 1 pandemic preparedness exercise, contributing across the emergence, containment and mitigation phases. The Department provided specialist scientific and One Health advice through the Chief Scientific Adviser's Office, including engagement with UK-wide emergency science advisory structures.

Across all areas of its work, the Department continued to engage closely with delivery partners, stakeholders and local communities. These relationships remain essential to ensuring that policies are informed by evidence, responsive to local needs and capable of being delivered effectively in practice. It also played a key role in supporting the Executive's commitment to ending violence against women and girls, supporting The Executive Office to commission a community-led review to better understand the needs of rural women and girls.

The achievements and progress described in this report reflect the commitment, professionalism and resilience of staff across the Department and its agencies during what has been a difficult and challenging year on many fronts. I would like to thank colleagues for their continued dedication and public service throughout the year.

Looking ahead, DAERA will continue to focus on delivering its statutory responsibilities and the priorities of its ministers in line with the Corporate Plan and PfG. This will include continuing to progress our climate change responsibilities, maintaining strong environmental protections, supporting a productive and sustainable agri-food sector, enabling strong and inclusive rural communities, discharging its responsibilities under the Windsor Framework and strengthening the use of science, data and evidence to inform policy and delivery.

Non-Executive Directors’ Report

Shane Lynch
Appointment -
1 January 2024

Mike Johnston
Appointment -
1 April 2025

Scott King
Appointment -
1 April 2026

Bill Cargo
Appointment -
1 September 2023 -
31 August 2025

As non-executive board members (NEBMs), we have contributed to the governance of the Department, by offering constructive challenge to seek to ensure that the Department's activities are effective and efficient. In doing so we have participated in the formulation of business planning and strategy development and in considering the management of risks. We have also contributed to the monitoring of the Department’s progress towards meeting agreed objectives and targets.

Throughout the year, we contributed fully to board discussions and considered regular reports on progress against the DAERA business plan, financial performance, health and safety, and the Department’s key strategic and corporate risks as set out in the Corporate Risk Register.

We also received updates on the Department’s civil contingencies arrangements; Windsor framework implementation; key strategic and policy areas including major projects and work to develop a new Investment Strategy for NI; Bovine Tuberculosis and the bTB Blueprint for Eradication; the DAERA Enforcement Policy; the Lough Neagh Action Plan; information security and the Department’s Information Security Management System; the Department’s long term estate strategy plan; and the fleet decarbonisation policy. We also reviewed agency business plans, progress in implementing recommendations from the Office of Environmental Protection and progress in addressing recommendations flowing from the Renewable Heat Incentive (RHI) Inquiry and associated NIAO reports. Additionally, we considered progress in implementing the NICS People Strategy and the development of the DAERA People Plan 2025–2027, as well as participating in a board deep-dive session on fostering a culture of innovation across the Department.

To support ongoing board effectiveness, we contributed to the Board Effectiveness Review carried out during the year and to the development of the associated action plan. This work supports continuous improvement in governance, assurance and Board oversight.

Engagement with the Department's arm's length bodies (ALBs) was an important aspect of our work during the year. We contributed to discussions at joint board meetings with the Agri-Food and Biosciences Institute (AFBI), the Livestock and Meat Commission (LMC) and the Northern Ireland Fishery Harbour Authority (NIFHA). We also attended an ALB engagement event in April 2025 with Minister Muir and senior departmental officials, which facilitated discussion on the alignment of ALB activities and business planning with the Minister's priorities and the agreed Programme for Government. We have also contributed to discussions on ALB governance arrangements and issues of shared strategic importance through these interactions.

When carrying out the role of chairs of the departmental board's three committees — the Audit and Risk Assurance Committee (ARAC); the Finance and Major Projects Committee; and the Capability and Capacity Committee we provide regular reports to the Board on the business conducted by the committees for consideration by the full Departmental Board.

During the course of the year Bill Cargo left his role as a NEBM and as Chair of the ARAC. Shane Lynch has taken over the role of ARAC Chair in year and Scott King who has recently joined as new NEBM will chair the Finance and Major Projects Committee. We would like to thank Bill for his contribution to our NEBM activities during his period of tenure.

More detail of the work undertaken by us as NEBMs is contained at Audit and Risk Assurance Committee (ARAC) page 80.

Overview

The purpose 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 2025-26. It is designed to provide sufficient information for users to form a high-level understanding of our organisation and its performance.

The Department delivers most of its functions under the direction and control of Minister Andrew Muir MLA who is serving his third year in office. Some functions are, however, discharged under the direction and control of the Secretary of State for Defra.

During 2025–26, the Department's work was guided by its Corporate Plan, Business Plan priorities and wider Executive objectives, including alignment with the Programme for Government, with a focus on delivering improved environmental outcomes, supporting a sustainable and resilient agri-food sector, strengthening rural communities and maintaining high standards of animal health and biosecurity. These objectives reflect the core outcomes the Department is seeking to achieve over the medium to long term.

Across the reporting period, the Department progressed a broad range of activity to support these outcomes. This included delivery of financial and policy support through the Sustainable Agriculture Programme, ongoing implementation of environmental and climate-related strategies and reporting (including the Environmental Improvement Plan), targeted interventions to support rural communities and reduce social isolation, and continued delivery of surveillance, controls and response measures to manage animal and plant health risks. This work was undertaken alongside the delivery of statutory functions and essential services, ensuring continuity of provision while progressing strategic priorities.

Who We Are

DAERA and its agencies (NIEA and Forest Service) carry responsibility for environment, climate change and sustainability, food, farming, fisheries, forestry and the development of the rural sector in NI.

What We Do

The work of the Department touches the daily lives of everyone in Northern Ireland. We deliver cross cutting activities that protect and enhance our natural environment, address the challenge of climate change, support sustainable agri-food and fishing sectors, develop our rural communities and improve animal health and welfare in our ambitious drive towards disease eradication. Together with its agencies, non-departmental public bodies and stakeholders, DAERA:

- leads the Executive's climate change agenda, working with all Northern Ireland Civil Service (NICS) departments and sectors to develop and implement NI's first Climate Action Plan and reduce carbon emissions and setting carbon budgets;
- acts to safeguard and improve the environment so that both present and future generations benefit;

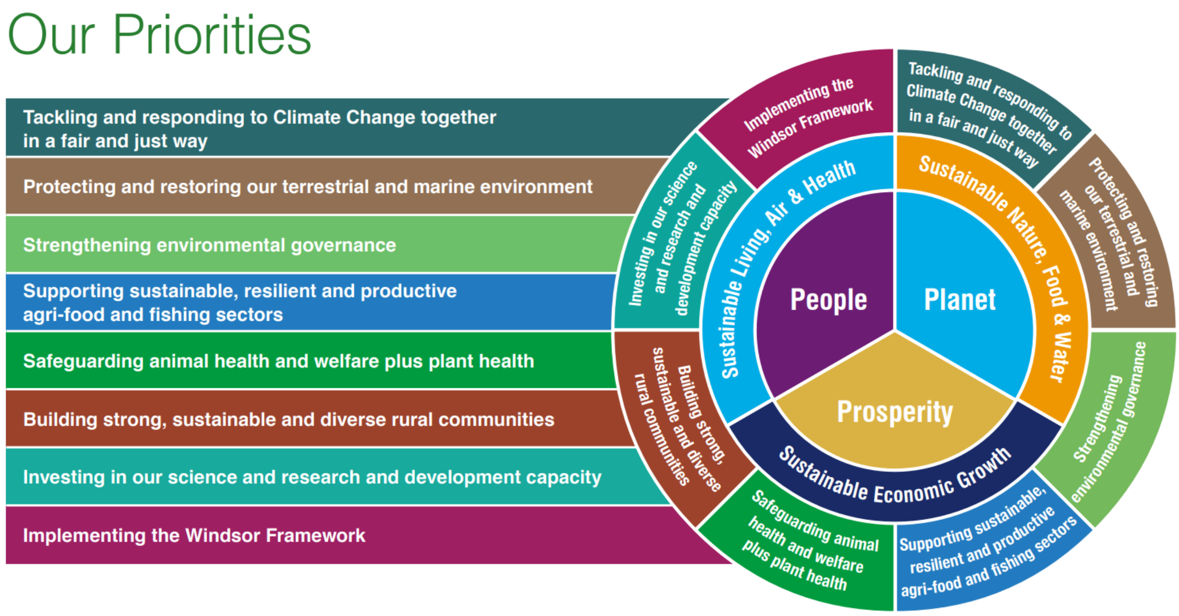
- promotes sustainable development in environmental, agri-food, fishing and forestry sectors, focusing on consumer needs, animal and plant health, the welfare of animals and the conservation and enhancement of the environment;
- delivers education programmes and knowledge transfer as essential components of successful policy delivery programmes across DAERA;
- partners with other departments to tackle violence against women and girls, address socio-economic issues and enhance outcomes for rural communities; and
- ensures the full, faithful and timely implementation of its Windsor Framework responsibilities.

Vision

Success will see us deliver our vision, '*Delivering a net zero nature positive future, supporting sustainable agriculture and thriving rural communities.*'

DAERA's Key Ministerial Priorities

The priorities that shape our work are set out below:



Our Key Pledges

We will deliver many policies, programmes and services during the life of the DAERA Corporate Plan 2025-27, but we are committing in particular to delivering ten key pledges by the end of the Assembly mandate in May 2027. They are:

1	We will have brought forward the Carbon Budget Regulations to set **carbon budgets** and published **climate action plans** capable of delivering those budgets. The Just Transition Commission will be established.
2	We will have delivered **improvements to water quality**, including through **implementation of the Lough Neagh Action Plan** and other related interventions.
3	We will have presented to the Executive and the Assembly a robust and effective way forward for **improving environmental governance**.
4	We will continue roll out of the Sustainable Agriculture Programme to help drive **sustainable agricultural practices** and a **positive future for agri-food**, whilst also protecting animal health and restoring our natural environment.
5	We will have brought forward new, effective and evidence-based solutions capable of reducing and then **eradicating bovine Tuberculosis**.
6	We will have delivered a range of new **animal welfare** priorities, including legislation to better protect domestic and farmed animals.
7	We will have delivered a **new, partnership-based rural policy** framework capable of improving the wellbeing of our rural communities coupled with new support arrangements.
8	We will have published and worked to deliver a new **Nature Recovery Strategy** to ensure 30% of our land and seas are protected and well managed for nature by 2030.
9	We will have published and will be working to implement a new **Waste Management Strategy** to help build a low carbon circular economy.
10	We will continue to **fulfil our international obligations** through full, timely and faithful implementation of Windsor Framework and in supporting the UK Government to negotiate a new ambitious and comprehensive agri food, drink and sanitary and phytosanitary (SPS) and Veterinary Agreement with the EU.

To support delivery of the corporate plan priorities and pledges, we also agreed a further cross-cutting area of focus: building our capacity to deliver by investing in our people while safeguarding our resources. These priorities and areas of focus are translated into action through the DAERA Business Plan which is supported by group and directorate business plans setting out the operational detail for delivery in 2025–26.
These plans contributed to the achievement of annual targets for 2025-26 and provided staff with a clear line of sight between their individual contribution and improved outcomes for customers and stakeholders.

Programme for Government 2024-27

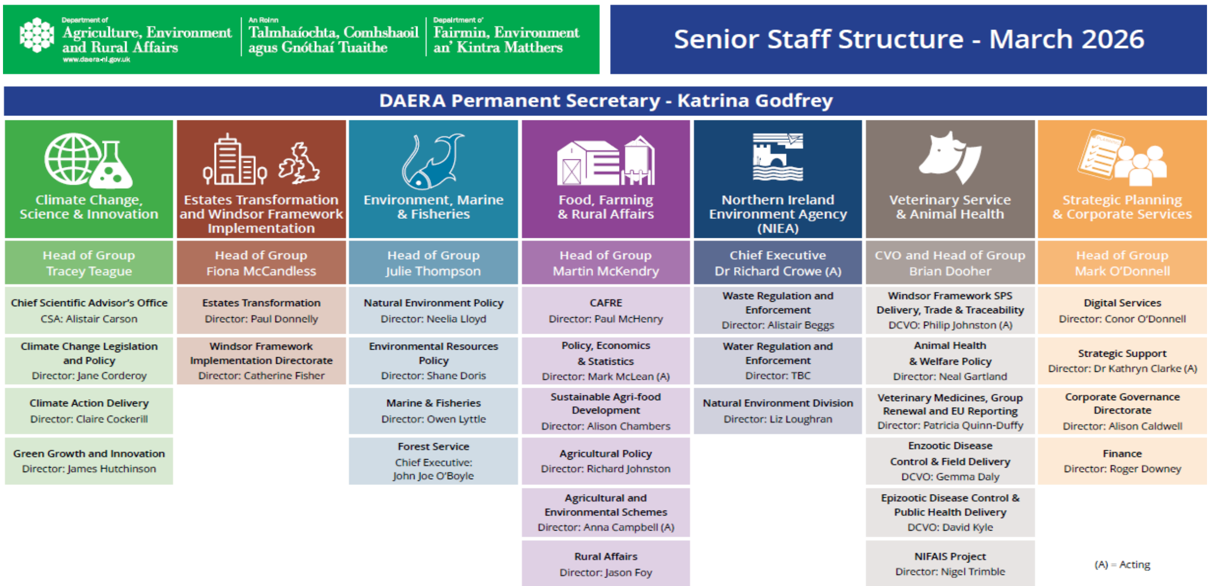
The PfG sets a bold direction for NI, and DAERA is committed to delivering on this ambition in partnership with other departments. All PfG commitments are embedded within the DAERA Corporate and Business Plans.
Our vision — *"Delivering a net zero, nature-positive future, supporting sustainable agriculture and thriving rural communities"* — underpins our contribution to PfG outcomes.
More detailed information on the performance against these commitments can be found on page 18 of the Performance Analysis section.

Organisation Structure

The core department is structured into six 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



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, including its arm's length body (ALB) partners.

Arm's Length Bodies (ALBs)	Role of the Body
afbi AGRI-FOOD & BIOSCIENCES INSTITUTE	The Agri Food and Biosciences Institute (AFBI) is an executive non-departmental public body (NDPB) of DAERA. It 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.
LMC Livestock & Meat Commission	The Livestock and Meat Commission for NI (LMC) is an executive NDPB of the Department and 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.

Arm's Length Bodies (ALBs)	Role of the Body
	NI Fishery Harbour Authority (NIFHA) is an executive NDPB sponsored by DAERA which has a statutory responsibility for improving, managing and maintaining the three fishery harbours of Ardglass, Kilkeel and Portavogie and for operating the facilities provided at these harbours. The Authority's mission is to safely, efficiently and sustainably provide harbour facilities and services which meet the needs of its customers and stakeholders.
	Loughs Agency (an agency of the Foyle Carlingford and Irish Lights Commission) is a North South Implementation Body co-sponsored by DAERA. It has a statutory remit 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.

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. This includes all agencies and ALBs. 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 adviser, advises the Department on matters affecting nature conservation and the countryside.

The Agricultural Wages Board (AWB) is a statutory body responsible for setting minimum wage levels and regulating various employment rights including holiday entitlement, overtime rates, sick pay and piecework rates for agricultural workers in NI.

We also fund enforcement activity 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 associated food processing and packaging sectors.

Business Plan Monitoring and Reporting Arrangements

The Department's 2025-26 Business Plan sets out the 42 actions that it undertook to deliver on its key corporate plan priorities and pledges. Progress against our business plan targets was reported to the Departmental Board throughout the year. More detailed information on the performance against these business plan measures can be found on page 18 of the Performance Analysis section. The table below sets out a summary of performance against 2025-26:

Business Plan actions:

DAERA Year End Status of Business Plan Action	**Number**	**% Achieved**
Achieved	33	79
Delivery Delayed	8	19
Not achieved	1	2
Total	**42**	**100%**

Highlights of 2025-26

Executive agreement to publish Climate Change Adaptation Programme (NICCAP 3) was achieved on 12 March 2026

CAFRE delivered programmes to over 15k participants.

Implementation of the Lough Neagh Action Plan

Sanitary & Phytosanitary Sites operational

Wet Wipes legislation laid

13th Anniversary of Farm Safety Week

Animal Welfare Pathway published

Food Action Plan published

Peatland Strategy published

The Department continued to champion Rural Communities and their needs

Summary of Issues and Key Risks Facing Department in 2025-26

Issues

1. Resourcing & People Management

As is the case across the Northern Ireland Civil Service, the Department faced significant challenges matching its ambitions for delivery of statutory obligations and ministerial priorities with the funding and availability of staff to deliver these.

2. Bovine Tuberculosis

Bovine Tuberculosis (Tb) in cattle remained a significant issue, with disease prevalence continuing to pose a threat to the agri-food sector. The Department faced ongoing challenges in managing outbreaks, implementing effective control measures and supporting affected farmers. Rising incidence rates placed additional pressure on veterinary and compensation budgets, while also necessitating ongoing engagement with stakeholders to refine the disease eradication strategy.

3. Avian Influenza/bluetongue

The year was marked by significant animal health risks, particularly in relation to avian influenza and bluetongue. The Department responded to several outbreaks, requiring rapid mobilisation of resources to contain the spread and mitigate impacts on the poultry and livestock sectors. These incidents highlighted the importance of robust disease surveillance, biosecurity measures and cross-border cooperation to protect animal health and safeguard trade.

4. Environment/water quality

Environmental protection and water quality remained areas of significant concern. The Department was required to address ongoing problems related to agricultural run-off, pollution incidents and the implementation of new regulatory standards. Efforts to improve water quality involved collaboration with stakeholders and enforcement of compliance, as well as responding to public and political scrutiny regarding the health of key water bodies such as Lough Neagh.

5. Nutrients Action Programme (NAP) and Ammonia Emissions

DAERA continues to address the challenge of nutrient pollution from agriculture which negatively impacts water and air quality as well as nature. DAERA has committed to improving water quality by delivering a revised Nutrients Action Programme with measures that meet legislative requirements, are evidence based and workable at farm level. This is one of the actions in the Lough Neagh Action Plan and will be critical to managing one of the sources of phosphorus which makes a significant contribution to the issues seen in the Lough in recent years. Aligned with this, DAERA faces the challenge of delivering an Ammonia Strategy with both mandatory and voluntary measures that will help reduce ammonia emissions from agricultural nutrients which damage plants and habitats. A key part of protecting our environment is through environmental assessments plans and projects which must be carried out using a legally and scientifically robust methodology that meets the requirements of the Habitats Directive. The key challenge is balancing strong scientific evidence and environmental law obligations against farm viability and stakeholder acceptability, under close scrutiny from the Office for Environmental Protection and amid the need to align multiple strategies into a coherent, deliverable regulatory package.

6. Exercise PEGASUS

Exercise PEGASUS highlighted a range of issues and risks relevant to DAERA's responsibilities, including the need for timely access to robust scientific evidence, effective coordination of One Health advice across animal health, environmental and food systems, and clear interfaces with UK-wide emergency science advisory structures. The exercise also underscored risks associated with cross-departmental dependency, surge capacity for specialist scientific advice, and the requirement for well-established governance and communication arrangements to support rapid decision-making during a pandemic response within a UK-wide framework.

Overview of risk management in the Department

This section contains a summary of the principal risks and significant issues faced by DAERA. Further detail on risks is contained within the Performance Analysis section on page 15.

The Departmental Group has adhered to [The Orange Book Management of Risk – Principles and Concepts - GOV.UK] The Risk Management Framework sets out the Department's approach to risk and the mechanisms through which potential risks to the achievement of Departmental objectives are identified and evaluated.

Risk management is applied in a consistent way in the Department. The departmental board oversees the development and management of the Corporate Risk Register (CRR). This is an ongoing process throughout the year but with a particular focus given to the Department's risk profile when agreeing the annual Business Plan, whereby any new or existing risks associated with delivery are identified and assessed and, if appropriate, included in the CRR.

Throughout the year, any risks significant to the Department's delivery of its core business, including new risks arising, are considered and monitored by both the Audit and Risk Assurance Committee (ARAC) and departmental board. The risks contained in the CRR link to the Department's ministerial priorities.

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 ARAC and our departmental board. While there was no change to the risk ratings throughout the year the progress against mitigating actions was continually monitored and updated as appropriate.

Key risks in 2025-26

The start of the 2025-26 year saw the Department manage six corporate risks:

- Emergency Response;

- Health and Safety;
- Policies and Programmes;
- People;
- Funding; and
- Windsor Framework Implementation.

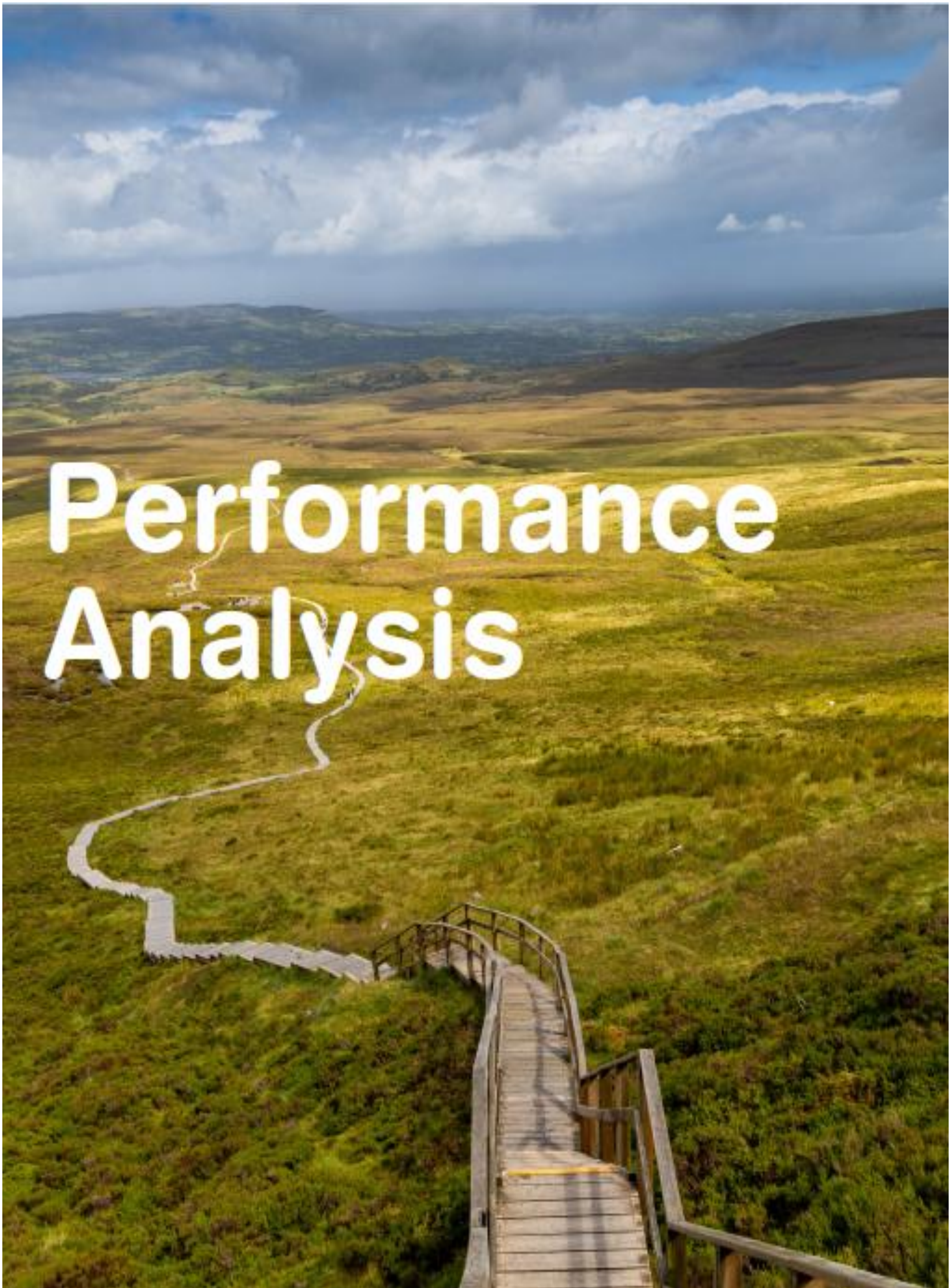
In addition to these, two enduring risks were identified: Cyber Security and Epizootic disease.

Each year the departmental board undertakes a horizon scanning exercise to consider risks facing the Department and identify emerging risks that may affect future performance. The Department's risk profile was reviewed during the year by the board, particularly in the context of considering the ministerial priorities for DAERA.

The development of an updated set of corporate risks reflected the challenges presented by the political and budgetary context at that time. Following engagement with senior leadership and staff across the Department, a new set of five corporate risks was considered and approved by the departmental board in May 2025:

- Cyber Security;
- Health and Safety;
- Animal Disease and Welfare;
- People; and
- Policies and Programmes.

Throughout the 2025-26 year, these risks were continuously monitored and reviewed on a quarterly basis.


Performance
Analysis

DEPARTMENT'S RISK PROFILE

This section provides further detail on the Department's risk profile and risk management arrangements, expanding on the summary of issues and risks set out in the Performance Report.

As outlined earlier, the DAERA board and ARAC reassessed the Department's risk profile during the year and agreed a revised set of five corporate risks, reflecting the political and budgetary context.

These risks replaced the six risks in operation during April and May 2025 and were subject to quarterly review by Senior Responsible Officers, ARAC and the departmental board throughout 2025–26.

Further detail on risk governance, controls and assurance is set out in the Governance Statement under the 'Risk and Control Framework' section.

Throughout the year progress against mitigating actions were continually monitored and updated as appropriate.

Key Risk	Details	Mitigating Actions
Cyber Security	Risks associated with outdated controls, rapid adoption of emerging technologies and third-party vulnerabilities.	• Maintaining ISO 27001 certification. • Staff training. • Governance forums. • Expanding Information Security Management System coverage. • Implementing GovAssure Framework for all systems.
Health and Safety	Risks to staff and public wellbeing due to inconsistent standards, poor escalation and climate-related threats.	• Training. • Reporting structures. • Contingency planning, with actions aimed at strengthening audit and assurance processes.
Animal Disease and Welfare	Risks of epizootic outbreaks and biosecurity failures impacting public health and trade.	• Enhanced surveillance. • Strict biosecurity protocols. • Stakeholder engagement.

Key Risk	Details	Mitigating Actions
		• Contingency planning, with future actions targeting legislative alignment and surge capacity.
People	Risks related to workforce capacity, recruitment delays and wellbeing.	• Strategic planning. • Training. • Engagement forums, with actions focused on succession planning, recruitment reform and wellbeing integration.
Policies and Programmes	Risks of misalignment with Ministerial priorities, weak stakeholder engagement and legislative gaps.	• Governance frameworks and delivery boards. • Future actions aimed at improving project management capability, evidence use and legislative support.

Actions & Outcomes delivered by the Department in 2025-26

The purpose of the Performance Analysis is to provide a detailed summary of how the Department measured its performance during 2025-26. This will include an overview of performance against the key actions in the departmental business plan and ministerial priorities.

The Departmental Business Plan

The 2025-26 DAERA Business Plan sets out the key work planned by us during the year. A summary of the outcome at 31 March 2026 in relation to each of the targets included in our business plan can be found in the following section.

MINISTERIAL PRIORITY 1: TACKLING CLIMATE CHANGE TOGETHER

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
1	We will launch a 16-week consultation on the level of the fourth Carbon Budget, covering the period 2038-2042.	Carbon Budgets ensure that NI has a gradual and phased pathway to decarbonisation and meeting our statutory climate targets.	31 August 2025	Measure Achieved.	
2	We will bring forward draft regulations for Executive approval to set NI's fourth Carbon Budget, covering the period 2038-2042.	Carbon Budgets ensure that NI has a gradual and phased pathway to decarbonisation and meeting our statutory climate targets.	31 December 2025	Delivery Delayed. Following a 16-week public consultation and analysis of the responses received regulations to set Fourth Carbon Budget have been drafted.	
3	Working with all departments, we will launch a 16-week consultation on the draft Climate Action Plan.	The Climate Action Plan, once finalised, will set out the policies and proposals that will be implemented to meet the carbon budget for the period up to 2027.	30 June 2025	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
4	We will bring forward for Executive approval draft regulations to establish an independent Just Transition Commission in NI.	The Just Transition Commission will help ensure that there is a fair and just transition to net zero including through the provision of advice to departments.	30 September 2025	Measure Achieved.	
5	Working with all Executive departments, we will develop and publish the Third NI Climate Change Adaptation Programme.	NI needs to take action to adapt and be resilience to the impact of climate change.	31 December 2025	Measure Achieved.	
6	We will ensure a balanced approach is taken to addressing climate change, protecting the environment and supporting the development of the green economy by leading the implementation of the Green Growth Strategy, subject to executive approval.	To deliver a low carbon, nature positive environment bringing the advantage of good green jobs and the associated health and wellbeing benefits.	31 March 2026	Delivery Delayed. The paper has been updated to reflect the passage of time.	
7	We will consult on a draft Waste Management Strategy to help build a low carbon circular economy.	To futureproof resources and waste management in NI whilst helping to embed the Circular Economy and achieve our climate goals.	31 March 2026	Measure Achieved	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
8	Forest Service will plant 600 hectares (ha) of new woodland by grant aiding landowners and on new land acquired on the Forest Estate.	To contribute to the Forests for Our Future programme to plant 9,000 hectares new woodland from 2020 to 2030 and to Climate Change Committee recommendations.	31 March 2026	Measure not achieved. At end of March Forest Service delivered 253 ha of newly created woodland supported by forestry grants and planting on acquired land. An additional 57 ha of newly created woodland has also been identified, giving an overall afforestation of 310 ha.	

MINISTERIAL PRIORITY 2: PROTECTING OUR NATURAL ENVIRONMENT

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
9	Working with other departments, we will continue to drive forward implementation of the Executive agreed Lough Neagh Action Plan.	To support and improve the water quality in Lough Neagh.	31 March 2026	Measure Achieved.	
10	Following public consultation, we will bring forward a new Nature Recovery (Biodiversity) Strategy for Executive approval.	To halt and reverse biodiversity loss and to put nature on a path to recovery for the benefit of people and planet by conserving, restoring and sustainably using biodiversity.	31 March 2026	Delivery delayed. Draft Nature Recovery Strategy was published for consultation on 20 January 2026 which closed on 15 April 2026. Publication of the strategy will follow in 2026-27 after the responses to the consultation have been considered.	
11	We will continue to take action to safeguard water quality and the environment at Mobuoy site.	Protecting the environment and to maintain and safeguard water quality.	31 March 2026	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
12	We will publish the Reviews of Sensitive Areas and bring forward proposals for the designation of Inner Belfast Lough Shellfish Waters Protected Area as a sensitive area for Executive approval.	Protecting the environment and to maintain and safeguard water quality.	30 September 2025	Measure Likely to be achieved.	
13	Following and informed by public consultation, we will bring forward for Executive approval a revised Nutrients Action Programme 2026 – 2029 that properly reflects and responds to the statutory obligations placed on DAERA.	Protecting the environment and to maintain and safeguard water quality.	31 March 2026	Delivery delayed. Positive engagement with stakeholders through the NAP Stakeholder Task and Finish Group and two sub-groups continue. Further Stakeholder meetings have been arranged in March 2026. Next steps are to commence work to prepare for the upcoming consultation. Proposed timing of consultation launch is spring 2026.	

MINISTERIAL PRIORITY 3: STRENGTHENING ENVIRONMENTAL GOVERNANCE

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
14	We will complete a review of Environmental Governance and following receipt of the findings of the independent panel, DAERA will present a proposed way forward to the Executive for consideration and agreement.	To strengthen environmental governance and help protect and improve the environment.	31 March 2026	Measure Achieved.	
15	As part of our commitment to enhancing environmental governance, we will bring forward proposals for new primary legislation in the form of a Fisheries and Water Environment Bill.	We want to establish a robust legal framework for the enforcement of environmental protections, including the introduction of penalties and fines for offences impacting the ecological integrity of our waterways.	31 March 2026	Measure Achieved.	
16	We will publish the first annual progress report on Environmental Improvement Plan (EIP) implementation.	Under the provisions of the Environment Act 2021, the Department has a statutory duty to report annually on progress on the current EIP.	31 March 2026	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
17	Following consultation, we will bring forward for Executive approval an Ammonia Strategy and also bring forward a Revised Operational Protocol to assess the Impacts of Air Pollution on the Natural Environment.	To deliver reductions in ammonia emissions from agriculture, improve environmental sustainability on farms, improve air quality and contribute to nature restoration.	31 March 2026	Delivery Delayed. The Nutrients Action Programme consultation will include two proposed mandatory measures for inclusion in the final Ammonia Strategy. The strategy will be finalised following the second NAP consultation which is proposed for spring 2026.	

MINISTERIAL PRIORITY 4: SUPPORTING SUSTAINABLE, RESILIENT AND PRODUCTIVE AGRI-FOOD AND FISHING SECTORS

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
18	Through the Sustainable Agriculture Programme, we will develop new policies to transition to a more sustainable farming sector.	To reduce agricultural carbon emissions, improve environmental sustainability, boost productivity and support resilient, economically viable farm businesses.	31 March 2026	Measure Achieved.	
19	We will ensure that 95% of payments for live farm-based schemes are delivered accurately and on time to eligible businesses.	To support the resilience and economic viability of farm businesses and the wider rural economy.	31 March 2026	Measure Achieved.	
20	We will deliver a phased rollout of the Farming with Nature package to support nature-friendly farming across all land types in NI, beginning with the Transition Scheme in June 2025 and progressing toward landscape-scale environmental improvements.	To enhance biodiversity and deliver a nature-positive farming environment.	31 March 2026	Measure Achieved.	
21	Through the second year of the Marine Environment and Fisheries Funding Scheme, we will deliver	To support a sustainable, resilient and environmentally responsible fishing industry.	31 March 2026	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
	£3.25m across six key areas: vessel investment, conservation, aquaculture, marketing, port infrastructure and science.				
22	We will implement the Executive approved two-year cross-departmental Food Strategy Framework Action Plan and report our progress.	To deliver a whole of government approach towards food, recognising the interconnection between food, health, the economy and the environment.	31 March 2026	Measure Achieved	
23	We will maintain and develop international market access for NI agri-food produce by hosting of at least two international inward trade missions/delegations.	To support sustainability, green growth and a regionally balanced, globally competitive economy through demonstrating NI's high animal health and welfare and public health standards.	31 March 2026	Measure Achieved.	
24	We will progress the Agriculture Bill and the first use of the Bill's regulation-making powers to improve support for horticulture.	To support a resilient horticulture sector that advances environmental sustainability and maintains an efficient supply chain.	31 March 2026	Measure Achieved.	

MINISTERIAL PRIORITY 5: SAFEGUARDING ANIMAL HEALTH AND WELFARE AND PLANT HEALTH

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
25	We will work collaboratively with stakeholders to advance the following science-led, evidence-based measures aimed at reducing bovine tuberculosis: • Progress policy on future wildlife intervention measures, informed by public consultation. • Proposals for a pilot research project to trial innovative, multi-pronged approaches in a targeted NI region. • Clear, practical and accessible biosecurity advice. • Enhanced disease surveillance and testing, including	To reduce bTB through an evidence-based approach that lowers disease incidence, eases the emotional and financial burden on farmers, reduces costs to the public purse and protects trade.	31 March 2026	Delivery delayed. Work is also progressing on a number of other Blueprint for Eradication (as agreed with the TB Partnership Steering Group) actions. Although preparations for consultation on wildlife interventions are underway, the strategic environmental assessment to inform consultation is not expected to be completed until May 2026.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
	policy proposals to expand the use of interferon gamma testing. • Explore measures that support herds with prolonged or recurrent infections.				
26	We will bring forward legislation to ban the third-party sale of pups and kittens in NI for Executive agreement and Assembly approval.	To better protect domestic animals by helping to combat puppy farming and promote responsible breeding practices.	31 March 2026	Delivery delayed. Consultation Response and Way Forward document published on 18 February 2026. Legislation has been drafted and in process of setting up implementation group with councils.	
27	We will bring forward legislation to make the use of camera surveillance (CCTV) in abattoirs compulsory.	To support welfare policies for all animals in NI and further public and industry confidence in the high standards throughout our food chain.	31 March 2026	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
28	We will publish a draft DAERA Animal Welfare Pathway 2025-27.	To support the advancement of welfare policies for all animals in NI.	31 March 2026	Measure Achieved.	
29	We will enhance equine traceability by implementing the mandatory registration of equine establishments and delivering new legislation that introduces an effective enforcement regime under the EU Animal Health Law.	To ensure effective equine traceability and compliance with food chain, Identification Registration and Movement (IRM) and welfare standards, supported by aligned legislation and policies across NI, Ireland and Great Britain.	31 March 2026	Measure Achieved.	
30	We will implement Official Controls on behalf of the Food Standards Agency (FSA) across approved slaughterhouses, cutting plants and game handling establishments in accordance with Service Level Agreement.	To ensure compliance with statutory standards of animal health, animal welfare and public health and production of safe food.	31 March 2026	Measure Achieved.	
31	We will undertake a review of disease contingency plans with focus on the high-risk epizootic “Triple Threat” diseases	To strengthen preparedness for epizootic disease threats and protect NI’s high animal health status.	31 March 2026	Measure Achieved.	

MINISTERIAL PRIORITY 6: BUILDING STRONG, SUSTAINABLE AND DIVERSE RURAL COMMUNITIES

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
32	We will co-design with rural stakeholders a new, evidence-based rural policy and publish for public consultation.	To enable and support rural communities where people want to live, work and be active in a sustainable and environmentally responsible way.	31 March 2026	Measure Achieved.	
33	Under the Tackling Rural Poverty and Social Isolation (TRPSI) Framework we will support rural communities through effective delivery of projects and interventions under the Rural Community Development Support Service, the Rural Micro capital Grant Scheme, the Rural Business Development Grant Scheme and the Social Farming Capital Grant Scheme.	To tackle poverty and social isolation in rural areas through organisations working in partnership to design and implement measures which target the needs of vulnerable people.	31 March 2026	Measure Achieved.	

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
34	In collaboration with key departments and the Special EU Programmes Body, we will invest €12.7m in PEACEPLUS projects that will boost economic growth, stimulate social and economic regeneration and promote social inclusion.	To help create a rural community where people want to live, work and be active in a sustainable and environmentally responsible way.	31 March 2026	Delivery delayed. Delays in Letters of Offer issuing, changes in project partners, withdrawal of a project and clarification of project implementation conditions delayed spend in 2025-26.	
35	We will fulfil DAERA's statutory obligations under the Rural Needs Act (NI) 2016, including completion of the 2024 review of the list of bodies and persons listed in the Schedule to the Act.	To ensure rural communities' social and economic needs are reflected in policy-making and public service delivery.	31 March 2026	Measure Achieved.	
36	We will introduce a Dilapidation Bill to the Assembly.	To give local councils modern and fit-for-purpose powers to tackle dilapidated properties, thereby improving the quality of the environment of our communities.	30 June 2025	Measure Achieved.	

PRIORITY 7: INVESTING IN OUR SCIENCE AND RESEARCH DEVELOPMENT CAPACITY.

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
37	We will leverage our transformed DAERA science systems to actively inform and shape policy and programme development including greater investment in our science and R&D capacity and making best use of the High-Level Science Advisory Group.	Science, innovation and knowledge transfer are essential drivers of evidence-based policy, climate action and green economic growth. These are critical enablers to support delivery of core departmental priorities.	31 March 2026	Measure Achieved.	
38	We will support business areas to exploit opportunities offered by AI and Data to improve service delivery, policy development and staff productivity.	To build the capability within DAERA to enable delivery of the Corporate Plan priorities and pledges.	31 March 2026	Measure Achieved.	

PRIORITY 8: IMPLEMENTING THE WINDSOR FRAMEWORK.

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
39	We will fulfil our international obligations through full, timely and faithful implementation of the Windsor Framework, including delivery of required resources and legislative programme along with delivery of an effective Sanitary and Phytosanitary (SPS) Regime across NI.	To ensure the Department is compliant with its statutory obligations under the Windsor Framework and to protect public health, animal health & welfare, plant health, and support trade and agri-food supply chain continuity.	31 March 2026	Measure Achieved.	
40	We will continue to support the UK Government to negotiate a new, ambitious and comprehensive agri-food, drink and SPS Veterinary Agreement with the EU by continuing to implement our statutory obligations under the Windsor Framework, demonstrating that NI is upholding our Windsor Framework responsibilities in relation to EU regulations in these areas.	To minimise trade friction on movements of agri-food products from GB to NI and ensure continuity of veterinary medicine supply.	31 March 2026	Measure Achieved.	

SUPPORTING MEASURE: To support the delivery of all of our Corporate Plan priorities and pledges we have also agreed a further area of focus which is:

WE WILL BUILD OUR CAPACITY TO DELIVER, BY INVESTING IN OUR PEOPLE, WHILE ALSO SAFEGUARDING OUR RESOURCES

Number	What we are going to do	Why we are doing this	Target date	Progress and actions taken to 31 March 26	Measure RAG @ 31 March 26
41	We will live within the budgets allocated to us, ensuring that we manage public expenditure in line with the principles of regularity, propriety, value for money and feasibility.	We have a responsibility to be effective stewards of taxpayers' money, ensuring high standards of financial management and accountability and living within the legal budget ceiling for DAERA set out in the Budget Act.	31 March 2026	Measure Achieved.	
42	We will have developed a new DAERA People Plan and begun implementation of 2025-26 actions that will support the implementation of the NICS People Strategy within DAERA.	The actions, in our People Plan will enable us to ensure that we have the right staff in the right place, at the right time with the right skills to deliver our strategic objectives.	30 September 2025	Measure Achieved.	

PRIORITY 1: TACKLING AND RESPONDING TO CLIMATE CHANGE TOGETHER IN A FAIR AND JUST WAY

CLIMATE CHANGE
A consultation was carried out on NI's fourth Carbon Budget and draft regulations were prepared for consideration by the Executive and Assembly.
Executive agreement to publish Climate Change Adaptation Programme (NICCAP 3) was achieved on 12 March 2026, with publication and laying before the Assembly completed on 19 March 2026, marking progress in planning for climate resilience as part of the wider climate change agenda in 2025–26.
Key achievements for 2025–26 included launching an online portal for Public Body climate reporting, completing initial mitigation and adaptation reports and finalising consultation on NI's first Draft Climate Action Plan. Progress was also made under the NI Emissions Trading Scheme with Ministerial sign-off on vital legislation and ongoing scheme development. The new NICS Sustainability reporting framework was rolled out for departments and the NI Blue Carbon Action Plan 2025–30 was published, setting out strategic actions to harness blue carbon for climate mitigation, adaptation and biodiversity gains.
JUST TRANSITION
Executive agreement has been secured to proceed with establishing the Just Transition Commission (JTC), with draft regulations set to be introduced soon.
GREEN GROWTH
The paper has been updated to reflect the passage of time.
DRAFT WASTE MANAGEMENT STRATEGY
DAERA is consulting the public on a draft Resources and Waste Management Strategy, which focuses on policy reforms, technology and partnerships to drive sustainability and adaptability for NI.
FOREST PLANTING
Around 300 hectares of new woodland were planted, boosting NI's total under the Forests for Our Future programme.

PRIORITY 2: PROTECTING AND RESTORING OUR TERRESTRIAL AND MARINE ENVIRONMENT

LOUGH NEAGH
Implementation of the Lough Neagh Action plan has continued throughout 2025-26. To date 20 actions have been delivered and 17 actions are currently progressing.
PEATLAND STRATEGY
The first NI Peatland Strategy was published. This provides a framework to guide the conservation, restoration and management of semi-natural peatland habitat in NI. Implementation of the strategy will play a vital role in the Department's work in relation to climate change and biodiversity.
NATURE RECOVERY STRATEGY
A public consultation on a draft Nature Recovery Strategy for NI to 2032 was launched. This is a proposed strategy for halting and reversing the loss of biodiversity, which is closely aligned with the international commitments of the Kunming-Montreal Global Biodiversity Framework.
WILDFIRE STRATEGIC FRAMEWORK
The Wildfires in NI Strategic Framework 2025-30 was published which aims to reduce the threat of wildfires through a comprehensive approach focusing on prevention, preparedness, response, recovery and enforcement
MOBUOY
A comprehensive Environmental Monitoring Programme is in place at the Mobuoy site and is continuing to be delivered on schedule. The public consultation on the draft remediation strategy for the Mobuoy site launched on 13 June 2025 and ran over 16 weeks. The consultation events were attended by 110 people and a total of 26 written responses were received. All responses have been carefully considered and the Integrated Consultancy Team appointed by the Department has completed a comprehensive technical evaluation of these responses. NIEA has complied a 'Summary Report on Responses to the Consultation on the draft Remediation Strategy for the Mobuoy Site' and this report was published in March 2026.
LANDSCAPE ACTION PLAN
Development of the first multi-year Landscape Action Plan (LAP) was achieved. The LAP aims to promote resilient, cherished landscapes that benefit both people and nature, now and for future generations.

MARINE AND FISHERIES
Through the Marine Environment and Fisheries Funding Scheme support was provided to industry and marine environment stakeholders in 44 projects. The Marine Protected Areas (MPA) Strategy for the NI Inshore Region 2025-30 was published on 25 February 2026. This sets out objectives and actions to further develop and manage the MPA network to address biodiversity loss and deliver nature-based solutions to the impacts of climate change. The Strategy aligns with international targets that the Environmental Improvement Plan (EIP) has committed to, namely, protection and recovery of designated features and key habitats and species by 2030. Actions within the Blue Carbon Action Plan will also contribute to these targets.
COASTAL EVIDENCE GATHERING
A NI-wide bathymetric Light Detection and Ranging (LiDAR) survey and a repeat Coastal Topographic LiDAR survey to enable high resolution monitoring of coastal change were delivered.
BATHING WATERS
Seven new bathing water sites were identified in May 2025 bringing the total number to 33. Bathing water compliance results were published in November 2025 showing 29 sites at Good or Excellent. DAERA continues to work towards water quality improvement at bathing waters through the Better Beaches Forum, EIP targets and River Basin Management Plans (RBMPs).
NUTRIENTS ACTION PROGRAMME (NAP)
There was continued engagement with stakeholders through the NAP Stakeholder Task and Finish Group. Next steps include commencing work to prepare for the upcoming consultation. The proposed timing of consultation launch is spring 2026.
INTER-AGENCY BLUE-GREEN ALGAE MONITORING PROTOCOL
The Inter-agency Protocol for Blue-Green Algae (BGA) was successfully applied in 2025 providing a framework for the response to BGA in Lough Neagh and other water bodies. A multiagency Tactical Co-ordination Group was stood up in summer 2025 in response to the potential impact of BGA, allowing coordination of operational response across DAERA and partner organisations.
WATER IMPROVEMENT
The Sustainable Utilisation of Livestock Slurry project, now one year into its four-year timeline, has enabled slurry separation on more than 70 farms and established six anaerobic digestion plants using slurry solids as feedstock. The ongoing research and development continues to generate valuable insights for departmental support of the sector.
In September 2025, funding of €4.5m was awarded to the recycling of phosphates and nitrogen from agricultural residue. This was part of two Shared Island Bioeconomy Initiative projects which received €9m in funding to address water quality, climate

challenges and promote sustainable economic growth through collaboration between agriculture and marine sectors.
The Third RBMP (2021–2027), published in June 2025, outlines key actions to safeguard and improve all types of water bodies, including rivers, lakes, coastal areas and groundwater.
AIR
The €6.5m cross border PEACE-Air project was officially launched at Atlantic Technological University (ATU), Donegal on 16 January 2026 with an aim to tackle major sources of air pollution across the island of Ireland and was attended by DAERA and DoF officials. Bringing together universities, local authorities, health organisations and environmental agencies, the project will focus on solid fuel burning, transport emissions and agricultural ammonia through scientific research, behavioural insights, community engagement and policy support.
RESOURCES AND WASTE
Two councils were awarded £3.0m to boost both the quality and capacity of household recycling as part of the Household Waste Recycling Collaborative Change Programme.
The Extended Producer Responsibility Scheme for packaging was launched across the UK in April 2025. In its first year, NI councils received around £51m from obligated producers to help cover the expenses associated with handling household packaging waste.
In July 2025 legislation was laid at the Assembly, amending the Environmental Protection (Single-use Vapes) Regulations (NI) 2024, providing additional enforcement powers, ensuring that illegal vapes are disposed of in accordance with environmental waste legislation.

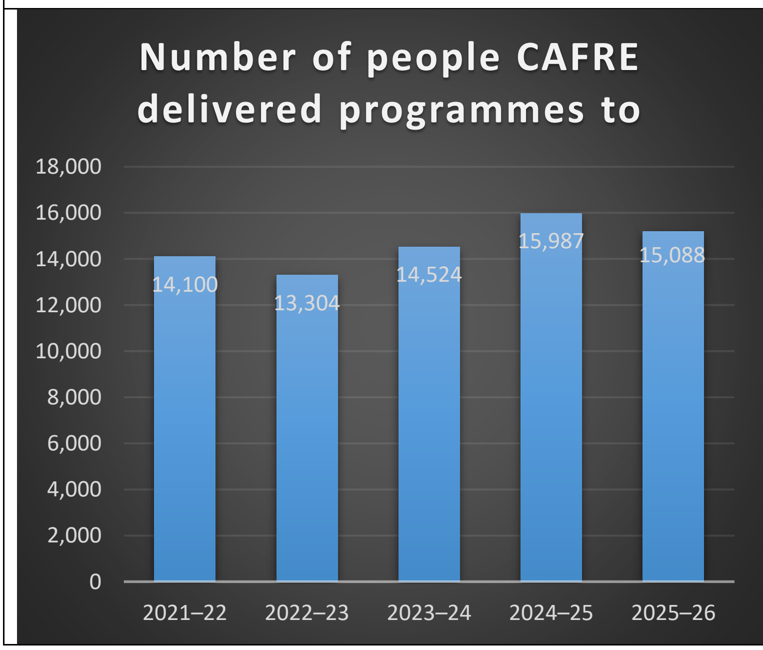
PRIORITY 3: STRENGTHENING ENVIRONMENTAL GOVERNANCE

REGULATORY AND ACCOUNTABILITY FRAMEWORKS
The Dilapidation Bill was introduced to the NI Assembly on 23 June 2025. The Bill is intended to provide councils with a modern regime to tackle dilapidated and dangerous buildings.
The independent panel concluded its Review of Environmental Governance in NI and published its Final Report on 21 October 2025, which recommended creating an independent Environment Protection Agency.
NI's first Environmental Improvement Plan (EIP) Annual Progress Report (APR) was laid at the Assembly on 26 January 2026 and published on 27 January 2026, fulfilling the statutory duty placed on DAERA by Schedule 2 to The Environment Act 2021.
The NI Environmental Principles Policy Statement (NI EPPS) was approved by the NI Executive on 6 November 2025. Publishing an EPPS fulfilled NI's statutory duty under the UK Environment Act 2021, which replaced previous EU guidelines.

PRIORITY 4: SUPPORTING SUSTAINABLE, RESILIENT AND PRODUCTIVE AGRI-FOOD AND FISHING SECTORS

FARM SUPPORT AND DEVELOPMENT
The Farm Business Improvement Scheme Capital continued to provide grants to farm businesses investing in construction and equipment to improve their competitiveness and sustainability. In 2025-26 £8.5m grant was paid to farm businesses.
Almost £19.8m has been paid to over 8,000 eligible businesses for the Beef Carbon Reduction Scheme.
Around £6.3m was paid to over 3,000 eligible Environmental Farming Scheme (EFS) claimants.
The Sustainable Agriculture Programme (SAP) continued to offer substantial support, with over £330m provided to boost environmental sustainability, productivity, resilience and supply chain effectiveness of which more than £248m was in Farm Sustainability Transition Payments to over 23,000 eligible applicants. Legislation for the Farm Sustainability Payment Scheme (FSP) and Farm Sustainability Standards was approved in November 2025, with the FSP set to replace the previous Transition Payment in 2026. Notable progress was made during this period, including the launch of several schemes aimed at fostering sustainable farming: the Suckler Cow Scheme, knowledge transfer initiatives under "Farming for Sustainability," horticulture pilot programmes to support sector growth and training, and additional innovation-focused projects.
FARMING WITH NATURE
The first strand of the Farming with Nature Package, the Farming with Nature Transition Scheme launched in June 2025. It offered financial incentives to farm businesses for a range of environmental actions and the items required to support implementation. Actions included planting new hedgerows and farmland trees, creating riparian buffer strips, establishing multi-species winter cover crops and retaining winter stubble. Of the 878 applications submitted, 786, valued at just over £4.9m were approved.
NUTRIENT EFFICIENCY
The Soil Nutrient Health Scheme has sampled and analysed soil from almost 115,000 fields belonging to around 4,500 farm businesses in Zone 4 (North-East). Since its launch in 2022, more than 22,000 farm businesses have received support through the scheme. Its aim is to help farms plan their nutrient applications effectively, benefiting both business productivity and environmental protection.

MARINE AND FISHERIES
More than £3m from the Marine Environment and Fisheries Fund supported projects that enhanced the sustainability, resilience and productivity of the fishing sector. Funding enabled investments onboard licensed fishing vessels, support for processing and aquaculture operations and help to modernise equipment and reduce operational costs.
DAERA worked jointly with the other UK fisheries policy authorities to develop and deliver the first statutory report of the Joint Fisheries Statement (JFS), assessing implementation of JFS policies and progress against the Fisheries Act 2020 objectives. This work demonstrates DAERA's role as a UK fisheries policy authority and supports a coordinated, evidence-based approach to sustainable fisheries management across the UK, while allowing for proportionate delivery in NI waters.
FOOD STRATEGY FRAMEWORK
In May 2025, the Executive approved and released a 2-year Food Action Plan, which was jointly created by different departments and public sector partners. Covering 2025-27, the plan includes 39 specific actions and commits to forming meaningful partnerships within government and with key stakeholders in order to bring about real improvements and encourage a positive future for our food system.
HORTICULTURE
DAERA provisionally approved operational programmes for two new NI Producer Organisations under the Fruit and Veg Aid Scheme. Around £1.6m match-funding will be available in each of the next three years to support actions to improve the competitiveness, resilience and environmental sustainability of local growers from the mushrooms, field vegetables, strawberries and apple industries.
EDUCATION AND TRAINING
Almost £1m allocated to support Post Graduate students to carry out cutting edge research on the strategic issues facing the Agri-Food Industry.



During 2025–26, CAFRE delivered a suite of knowledge transfer and innovation programmes to 15,088 people working across the agri-food industry.

As shown in the chart, delivery dipped slightly in 2022–23, then rose steadily to a peak in 2024–25, before easing back marginally in 2025–26 overall remaining above 2021–22 levels and indicating sustained programme reach over the period.

MINISTERIAL PRIORITY 5: SAFEGUARDING ANIMAL HEALTH AND WELFARE PLUS PLANT HEALTH

ANIMAL HEALTH AND WELFARE
The Animal Welfare Pathway 2025-27 which was published in May 2025, sets out 10 priority animal welfare reforms.
The phased roll-out of Bovine Viral Diarrhoea (BVD) herd restrictions continued during 2025-26. Controls were progressively tightened throughout the year, including the move to immediate restrictions following any positive or inconclusive result and the introduction of additional restrictions on breeding-age females.
BOVINE TUBERCULOSIS (bTB)
Good progress has been made to take forward actions within the TB Partnership Steering Group's Bovine TB in NI: Blueprint for Eradication which was endorsed by the Minister and published in April 2025.
Work includes expanding the use of the supplementary interferon gamma blood test; preparing a new public consultation on wildlife intervention options; improving TB testing standards; developing criteria for alternative control herds; procurement of vet-led on-farm biosecurity advice; and preparing to introduce pre/post movement testing of cattle. A cross-border regionalisation research pilot project alongside Department of Agriculture Food and the Marine (DAFM) has also been launched. Supported by Shared Island funding, the project involves a range of measures in the North West across the Blueprint's three pillars of cattle, wildlife and people. Sett survey work commenced in January 2026 and significant stakeholder engagement has taken place.
DISEASE CONTROL
The Department dealt with two major epizootic disease outbreaks: 1. Avian influenza: Poultry on infected premises were culled and the carcasses, eggs, contaminated feed etc were disposed of. Cleaning and disinfection of the premises has been overseen and tracing was completed for disease detection. Movement controls and biosecurity measures were imposed across NI and stakeholders were kept informed. 2. Bluetongue: During proactive surveillance in meat plants, a positive was found for Bluetongue in cattle. A Control zone was imposed with additional sampling carried out on farms within that zone and more positive cattle were found. Disease restrictions were imposed. Tracing was completed. Trade implications were managed accordingly and the industry kept informed of developments. Derogation successfully granted to facilitate trade (imports) of breeding & production livestock (cattle/sheep/goats) with other Member States with equivalent disease status.

A desktop simulation exercise was conducted to test and validate the functionality and effectiveness of DAERA's Aquatic Animal Disease Outbreak Contingency Plan. The exercise provided assurance regarding the Department's readiness to respond to a fish disease outbreak, while also creating an opportunity to further refine plans and procedures and enhance staff awareness in the area of aquatic disease control.

The structures in the plans were also recently activated to investigate and respond to fish movement breaches, further demonstrating their effectiveness in safeguarding NI's high fish health status.

PRIORITY 6: BUILDING STRONG, SUSTAINABLE AND DIVERSE RURAL COMMUNITIES

TACKLING RURAL POVERTY AND SOCIAL ISOLATION FRAMEWORK (TRPSI)
Through the TRPSI Framework, over £10m was committed to a range of initiatives designed to positively impact the lives of more than 165,000 people living in rural communities as set out below.
The Rural Business Development Grant Scheme supported the sustainability and growth of 1,321 rural businesses through grant awards totalling £6.2m.
The Rural Micro Capital Grant Scheme issued 1,048 grants awarding £1.7m to rural community and voluntary organisations to address locally identified need.
There was ongoing support for farmers and their families through funding of £0.4m to the Rural Support Charity.
£0.1m was awarded through the Social Farming Capital Grant Scheme to support 15 farmers in adapting their facilities and improving accessibility, aiming to enhance the experience for participants.
The Rural Support Networks continue to be supported, receiving close to £1m, through the Rural Community Development Support Service which assists them in building the capacity of 3,000 rural voluntary and community organisations.
TRPSI FRAMEWORK
The independent review of the TRPSI Framework was completed and a draft report on the review submitted for consideration.
RURAL NEEDS
The Department has undertaken its statutory duties under the Rural Needs Act (NI) 2016 by: • completing the review of bodies under the Rural Needs Act (NI) 2016 which led to a recommendation to add 54 more public authorities, increasing its scope; • developing workshops, training and awareness sessions to raise the profile of the Act among listed public authorities; • compiling an annual report on Rural Needs Impact Assessments and submitting it to the NI Assembly; and • taking forward a digitalisation project to streamline the submission and approval process for Rural Needs Impact Assessments.
RURAL POLICY
Throughout 2025, the Department collaborated with a diverse group of stakeholders to develop a new, draft, long-term rural policy. In March 2026, the Department initiated a public consultation to gather feedback on these collaboratively created draft rural policy proposals.
December 2025 saw the introduction of the Rural Data Hub — a user-friendly dashboard that consolidates essential data relating to rural communities. This platform enables

decision-makers and others to access precise, comprehensive information, thereby improving their understanding and support for rural areas across NI.
PEACEPLUS
€11m has been awarded to three projects under PEACEPLUS Investment Area 2.4 Smart Towns and Villages bringing the total awarded under Investment Area 2.4 to €24m.
Seven projects have successfully been awarded funding totalling €46.2m under PEACEPLUS Investment Area 4.2 Rural Regeneration and Social Isolation.
COMPLEMENTARY FUND
Whitespots Country Park received £0.2 million in funding from the Complementary Fund. £0.7m was also awarded to rural businesses through calls 1 to 4 of the Digital Transformation Flexible Fund (DTFF).
SHAPING SUSTAINABLE PLACES PROGRAMME
DAERA has been collaborating with the Department for Communities, the Department for Infrastructure and local authorities to advance the Shaping Sustainable Places Programme, which is intended as a future regeneration initiative. The public consultation has concluded and work is ongoing to develop the business case.

PRIORITY 7: INVESTING IN OUR SCIENCE AND RESEARCH DEVELOPMENT CAPACITY

COLLABORATION & SCIENCE AND INNOVATION
The Chief Scientific Adviser's Office (CSAO) has continued to deliver expert guidance on scientific matters and priorities, including response to emergencies. The CSAO has ensured that robust structures are established for effective oversight, prioritisation, planning and governance of all DAERA scientific activities. Additionally, it has actively promoted and elevated DAERA's scientific work externally, while also fostering and strengthening strategic partnerships and collaborations to maximise the quality and value of DAERA's scientific investments.
An Independent External Peer Review College was established in 2025, with almost 130 active members. This College is now a key mechanism to support high quality and value for money R&D activity.
RESEARCH AND DEVELOPMENT (R&D)
DAERA continues to support collaborative R&D opportunities, involving Research Performing Organisations in NI, that will benefit the local rural and agri-food sectors. In 2025-26 six projects, co-funded by DAERA and DAFM, were commissioned under the 2025 DAFM Competitive Research Call. In addition, 11 Letters of Support have issued to tripartite projects under the 2025 US-Ireland Competitive Call in Agriculture.
DAERA continues to support the Co-Centre Programme with co-funders Research Ireland (€40m) and UK Research and Innovation (£12m). Funding is divided across Climate and Sustainable and Resilient Food Systems thematic projects, focused on producing high quality and innovative research that will contribute to a sustainable future.
HIGH-LEVEL SCIENCE ADVISORY GROUP
The High-Level Science Advisory Group (HLSAG) was established in 2025. The group meets quarterly and its core mission is to strengthen the impact and utility of science evidence within policymaking through the provision of expert insight.
LOUGH NEAGH
The Lough Neagh Water Quality Dashboard launched in December 2025, providing near real time information from nine monitoring stations in and around Lough Neagh. Development continues to make further DAERA funded science publicly available.
EXERCISE PEGASUS
In autumn 2025, DAERA took part in Exercise PEGASUS, a Tier 1 pandemic planning exercise involving all UK government departments. The CSAO helped complete Phases One to Three by providing and confirming scientific guidance for decision-making, supported by creating the DAERA One Health Bio-surveillance Advisory Group for Emergencies.

PRIORITY 8: IMPLEMENTING THE WINDSOR FRAMEWORK

WINDSOR FRAMEWORK
The DAERA Windsor Framework Portfolio, including the Windsor Framework Implementation Programme and the NI Windsor Framework Sanitary and Phytosanitary (SPS) Programme, has been established to support delivery of DAERA's Windsor Framework responsibilities within the wider UK delivery framework, including those exercised under the direction and control of the Defra Secretary of State, in partnership with Defra. Through the Implementation Programme, DAERA continues to facilitate, monitor and report on the development and implementation of relevant legislation, supported by agreed legislative handling and resourcing plans. This supports an up-to-date statute book and strengthens operational delivery through compliance and enforcement, addressing previous gaps in Departmental compliance. DAERA is responsible for undertaking official controls on imports into Northern Ireland from non-EU countries and on movements from Great Britain, in line with the Official Controls Regulation (EU) 2017/625 and SPS Regulation (EU) 2023/1231, working in coordination with UK Government to support the effective operation of SPS controls and the protection of biosecurity and trade.
NI RETAIL MOVEMENT SCHEME (NIRMS) AND THE NI PLANT HEALTH LABEL (NIPHL) SCHEME
In 2025, DAERA processed over 165k SPS consignments, demonstrating that trade continues to move at scale through our points of entry. All three phases of the NIRMS labelling requirements have now been delivered, with Phase 3 introduced in July 2025 marking a significant milestone. Since Phase 3 implementation on 1 July 2025, the consignment rejection rate has been 0.54%, reflecting strong industry compliance. Plant Health check rates remain consistently high, with a four-week average to February 2026 of 92% of physical checks and 98% of documentary checks. Enforcement on lawn turf imports from 15 December 2025 has been implemented smoothly and Used Agricultural and Forestry Machinery requirements have been subject to full enforcement since 23 June 2025.
NI PET TRAVEL SCHEME (NIPTS)
The NIPTS went live on 4 June 2025, with full compliance and enforcement checks for pets entering NI from GB. Since launch, over 11k checks have been carried out, resulting in only six referrals to NI SPS facilities.

NEW SPS INSPECTION FACILITIES
During 2025, NI's permanent SPS inspection Facilities at Belfast, Larne, Warrenpoint and Foyle became fully operational. These facilities mark a major milestone in NI's trading and biosecurity capability, supporting the full and faithful implementation of the Windsor Framework.
ILLEGAL IMPORTS, AIRPORTS AND POST & PARCELS
In 2025, DAERA officers intercepted 24 non-compliant "white van" movements entering NI via GB. These consignments typically originate from outside the EU and should be subject to robust SPS checks before reaching NI. In total, 8.2 tonnes of high-risk products of animal and plant origin were seized and destroyed in line with our legal obligations. Portal Inspectors also made 7,679 seizures of products of animal origin and plant products at airports and a further 825 seizures at courier and parcel depots.

PfG HIGHLIGHTS

DAERA officials provided The Executive Office (TEO) with a consolidated year-end position on delivery against DAERA's PfG Delivery Plan commitments, to inform the preparation of the PfG Annual Report 2025–26. The input is summarised below:

Grow a Globally Competitive and Sustainable Economy

Our Commitment

There has been continued engagement on the Third NI Climate Change Adaptation Programme. Work is progressing across the agriculture, agri-food and marine sectors to strengthen sustainability, including delivery of the Sustainable Agriculture Programme (SAP) and the Marine Environment and Fisheries Fund.

Key Achievements This Year:

Progress Climate Related Activities

- We completed a 16-week public consultation on NI's fourth Carbon Budget covering the period 2038-2042. Regulations to set the fourth Carbon Budget will set NI on a gradual and measured pathway for reducing emissions.
- The Department delivered on the new statutory climate reporting regime under the Climate Change (Reporting Bodies) Regulations (NI) 2024 with 100% compliance with reporting on what public bodies are doing to mitigate climate change through reducing emissions and the actions they are taking to adapt to the impacts and build resilience.

<u>Sustainable Agriculture Programme</u>

- There has been continued roll out of the SAP, providing support in excess of £330m to improve environmental sustainability, enhance productivity, build stronger resilience and ensure an effective functioning supply chain.
- In November 2025, the legislation to deliver the Farm Sustainability Payment Scheme (FSP) and Farm Sustainability Standards in 2026 was approved. The FSP will replace the Farm Sustainability Transition Payment in 2026.
- Significant progress has been made in developing policies and launching schemes within the SAP to support the transition to a more sustainable farming sector. The following schemes launched during this reporting period:

- Suckler Cow Scheme;
- Farming for Sustainability - Knowledge transfer;
- Horticulture Pilot Scheme – Sustainable Sector Growth Groups Pilot & Growers Training and Support Pilot; and
- Farming for Sustainability – Innovation.

<u>Farming with Nature</u>

- The first strand of the Farming with Nature Package, the Farming with Nature Transition Scheme launched in June 2025. It offered financial incentives to farm businesses for a range of environmental actions and the items required to support implementation. Actions included planting new hedgerows and farmland trees, creating riparian buffer strips, establishing multi-species winter cover crops and retaining winter stubble. Of the 878 applications submitted, 786, valued at just over £4.9m were approved.

Support trade and agri-food supply chain sustainability
Implementation of an SPS regime to protect public health, animal health and welfare, plant health and to support trade and agri-food supply chain sustainability

- Implementation of official SPS controls have ensured high standards of animal, plant and public health are maintained.
- There have also been visits from USA and South Korea to support and expand market access for our agri-food produce.

Chief Scientific Adviser's Research Programmes

- DAERA is advancing a broad R&D portfolio spanning collaborative research, UK and international partnerships, Co-Centres, studentships and independent scientific advice, all aimed at strengthening evidence for agri-food, climate and environmental policy. Significant progress includes new funded projects, enhanced modelling capability and improved policy–science engagement across programmes.

Our commitment:

Lough Neagh is a vital natural resource, providing drinking water, supporting fishing and eel industries and contributing to tourism and recreation. The severe blue-green algae blooms are caused by a range of factors including long-term nutrient pollution from agriculture, wastewater, septic tanks and industry. We committed to taking targeted steps to reduce pollution through implementation of the Lough Neagh Action Plan and are exploring innovative solutions to treat blue-green algae blooms.

However, the issues at Lough Neagh are part of wider environmental and climate challenges. Tackling climate change and improving our natural environment are essential to prevent future crises and safeguard our wellbeing and economic opportunities. Work remains ongoing on delivery of the Environmental Improvement Plan and a way forward has been proposed following a review of our Environmental Governance. Engagement is also ongoing on the Third NI Climate Change Adaption Programme.

We are also committed to ensuring that we reach net zero in a fair and just way that is affordable for households and businesses and we are working to ensure our environmental efforts bring economic benefits to further our prosperity. Our agri-food and fishing sectors are also a major component of our economy and play an important role in helping to deliver our climate change obligations and in protecting our public health. We are working to continue implementation of an effective SPS regime that not only will protect human, animal and plant health, but will support trade through promotion of our agri-food supply chain sustainability.

Key Achievements This Year:

Lough Neagh Action Plan

- 20 of the 37 actions in the Lough Neagh Action plan have been delivered with the remainder currently being progressed.
- Six Lough Neagh stakeholder forums have been held providing a platform for collaborative action to improve water quality.

Small Business Research Initiative (SBRI) to explore potential solutions to treat/reduce blue-green algae blooms

- Up to £0.5m each totalling £2.0m was awarded to four suppliers in Phase 2 of the SBRI to refine and pilot solutions. This followed five suppliers selected to develop solutions in Phase 1.
- The Sustainable Utilisation of Livestock Slurry project has facilitated slurry separation on over 70 farms with 6 anaerobic digestion plants using slurry solids as a feedstock. This

research and development project is one year into the four-year project and is continuing to deliver learnings for the Department to support this sector.

Climate Action Plan

- We completed a public consultation June – October 2025 on NI's first ever Climate Action Plan. This sets out a whole-economy pathway for reducing emissions in line with statutory carbon budgets and targets.

NICCAP3

- We published NI's Third Climate Change Adaptation Programme with over 280 actions from NI departments, community and voluntary sector, councils, academia and the private sector to build resilience for NI to the increasing impacts of climate change.

Independent Just Transition Commission (JTC)

- Executive and AERA Committee agreement was obtained in January and March 2026, and the regulations to establish the JTC are now progressing to the next stage of the legislative process. Once the Regulations are approved by the Assembly a public appointments process to select Commission members will commence.

Improving our natural environment

- A Draft Nature Recovery Strategy was launched for public consultation in January 2026. Engagement events were held during the reporting period, with consultation responses to be considered in finalising the Strategy.
- First Annual Progress Report for the Environmental Improvement Plan was laid with the Assembly.

FUTURE PLAN

In March 2025 Minister Muir launched the DAERA 2025-27 Corporate Plan - a plan that will take us to the end of this Assembly's mandate and one which reflects the work needed to discharge all of the Department's obligations, both those that sit under Minister Muir's direction and control and those that rest with the Defra Secretary of State.

The corporate plan makes it clear that many of our goals are inextricably linked to delivering sustainability and the three missions in the Executive agreed PfG 'Doing What Matters Most'.

What we do as a department links both directly and indirectly to the priorities within the PfG with particular focus around the priorities of Protecting Lough Neagh and the environment and Growing a Globally Competitive and Sustainable Economy, priorities which are clearly linked to the PfG Planet mission. The Department's work will also support the other missions focused on 'People' and 'Prosperity'.

The Department's corporate plan is built around eight key priorities, underpinned by ten pledges. Progress across all of these areas will require us to work collaboratively across our own Department, with other departments, with external partners and stakeholders.

The priorities reflect how the Department aims to make a positive difference to people and their wellbeing and how we will work towards the shared goals of tackling climate change, protecting and improving our environment, supporting the agri-food and fishing sectors, safeguarding animal health and welfare and plant health, building our rural communities and investing in our science and research and development capacity.

The upcoming year will present significant challenges for DAERA, beginning without an agreed Executive Budget for the Department. This means that departmental expenditure incurred in the absence of a Budget is irregular. However, such expenditure may be regularised by the subsequent laying of a Budget. It is expected to remain a busy year and we will:

- work with all departments to bring forward NI's first Climate Action Plan and begin implementation of the agreed actions;
- establish the independent Just Transition Commission;
- bring forward a new Nature Recovery (Biodiversity) Strategy for Executive approval;
- deliver the published timeline for the SAP and continue to support farmers to improve productivity, adopt low-carbon, nature-friendly practices across all land types and improve animal health outcomes;
- bring forward legislation to ban the third-party sale of pups and kittens in NI for Executive agreement and Assembly approval;
- launch a new evidence-based rural policy, developed in partnership with rural stakeholders, to understand, champion and support rural communities; and
- continue to implement the new DAERA People Plan, which will support the implementation of the NICS People Strategy within DAERA.

Other DAERA Activities

Equality, Diversity and Inclusion

DAERA engages directly with equality issues at an early stage in policy development. By being proactive the possible impact of our policies on different groups will help determine if the policies could have an adverse impact, even if it is unintentional.

Equality of Opportunity and Good Relations

DAERA has its own 'Equality Scheme' which sets out how we fulfil the duties imposed by Section 75 of the NI Act and are reviewing our 'Disability Action Plan' (DAP). An annual Section 75 Progress Report was prepared during the year, outlining actions taken to meet statutory equality duties.
Further information on the Department's equality scheme is available at DAERA's Equality Scheme.

Human Rights and Statutory Equality

The Department is committed to being a diverse and inclusive organisation. DAERA continued to meet its statutory equality duties under Section 75 of the NI Act 1998. The Equality team works with and supports the Equality and Diversity Working Group, providing advice, coordination and assurance to help embed equality and human rights duties and diversity and inclusion priorities across the Department's work.

ANTI CORRUPTION AND BRIBERY

DAERA maintains a robust framework to prevent, detect and respond to fraud, corruption and bribery. This includes clear policies on the acceptance and provision of gifts and hospitality, procurement, conflicts of interest, anti-fraud and supported by a fraud response plan. The Department also operates a Raising a Concern process, which provides a safe and confidential mechanism for staff and others to report concerns.

This framework seeks to ensure strong internal controls and promotes a culture of integrity and accountability across the organisation.

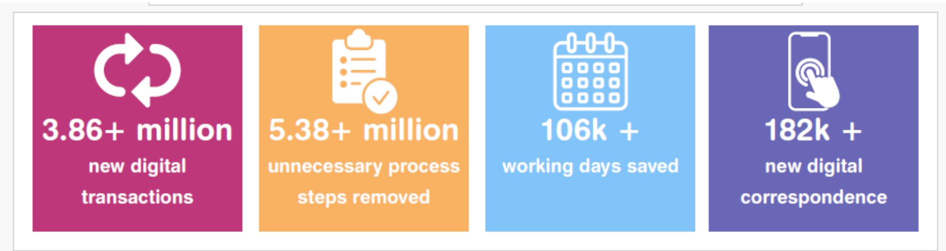
DAERA ESTATE

Work has continued across the estate in Year 4 of the Department's five-year Estate Sustainability Action Plan which aims to reduce the Department's carbon footprint, with seven of the 43 actions now complete, four actions are yet to commence due to resource issues and the remaining 32 actions in progress or moving to business as usual. Additionally in year a DAERA Fleet Decarbonisation Policy was published.

Targeted investment in energy efficiency and improved monitoring delivered a further year-on-year reduction in estate-related carbon emissions.

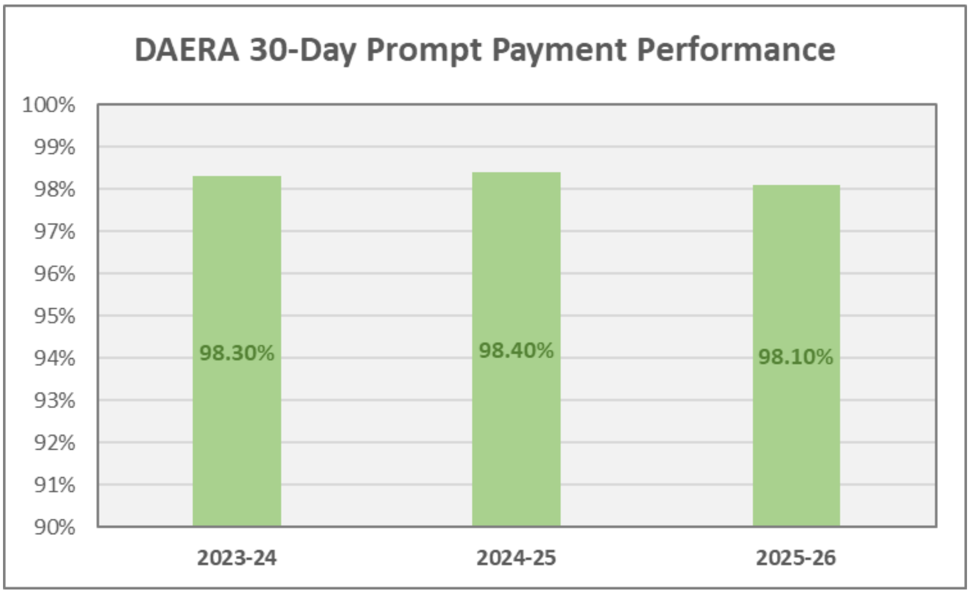
The departmental board also endorsed the Long-Term Estate Strategy Action Plan, setting out a structured programme of modernisation, rationalisation and sustainable investment to ensure the estate remains efficient, resilient and aligned with departmental priorities over the next decade.

DIGITAL SERVICES

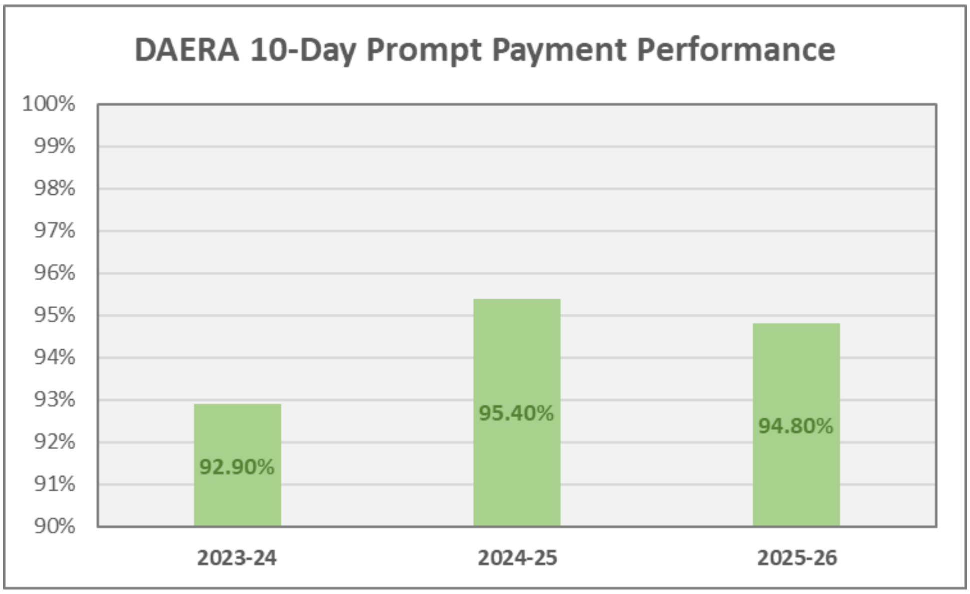


PAYMENT OF SUPPLIERS

We are committed to the prompt payment of bills for goods and services received. During 2025-26, 98.1% of our bills were paid within 30 days, exceeding the 97.0% target. The chart reflects our 30-day payment performance from 2023-24 to 2025-26.



During 2025-26, 94.8% of our bills were paid within 10 days, exceeding the 92% target, as shown in the following chart.



Sustainability Report

This sustainability report has been prepared in accordance with NI's Sustainability Reporting Guidance 2025-26, which is aligned with HMT sustainability reporting guidance and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. All information included in this sustainability report conforms to the normal public sector financial year of 1 April to 31 March.

The organisational boundary used in this sustainability report is the core department. The information disclosed in this report relates to the estate that the Department occupies. It also includes the environmental impact from a building that is rented by the department. In cases where a building is shared by two or more departments, the data is proportioned by the floor space utilised by the tenant. For example, if the Department rents 50% of the floor space of a building, the Department will report 50% of the emissions associated with that building.

Data Validation

The data contained in the tables below has been quality assured and verified by Estates Management Branch, IT Assist and Account NI.

In order to report the greenhouse gas emissions associated with activities, 'activity' data such as distance travelled, or tonnes of waste disposed has been converted into carbon emissions. The greenhouse gas conversion factors used in this report were published by the UK Government and can be found via the following link: Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK

Governance and Risk Statement

The Departmental Board provides oversight of climate-related issues through its regular review of the Corporate Risk Register, performance reports and updates from governance committees such as ARAC. Climate considerations—including resilience to extreme weather, compliance with statutory climate duties and alignment with the Climate Change Act (NI) 2022—are factored into strategic planning, risk management, budgeting decisions and oversight of major programmes.

Climate-related issues are also embedded within DAERA's strategic planning framework, including the Corporate Plan and annual Business Plan. Progress against these plans is reviewed by the Departmental Board and governance committees, ensuring that climate-related impacts, dependencies and statutory obligations inform strategic direction, resource prioritisation and delivery oversight.

Senior management integrates climate-related issues into departmental governance arrangements through established reporting channels. SROs ensure climate impacts, mitigations and dependencies are identified within programme governance, divisional risk registers and business continuity plans. Climate-related matters are escalated through the departmental governance structure where necessary.

These arrangements ensure climate issues are managed using the same governance and assurance processes applied to other significant departmental risks, consistent with the Orange Book principles.

Emissions

Emissions Scope 1 (fuel burned) and 2 (purchased electricity)
Please note that fuel consumed may include fuel that has been purchased and stored, i.e. the fuel has not been burned in the reporting period. This is due to the information being sourced from fuel invoices.

Figures are based on Departmental owned and leased buildings.

Table 1: Energy emissions, consumption and cost for fuel burned and purchased electricity in 2025/26

	Scope 1 (fuel burned)	Scope 2 (purchased electricity)
Emissions (kg CO_{2e})	1,693,369	1,045,442
Consumption (kWh Gross CV)	7,593,616	5,906,450
Net Cost (£millions)	£0.45	£1.36

Source of data: figures are based on meter readings and invoices.

Emissions Scope 1 (Department owned transport)

Table 2: Mileage and emissions by department owned vehicle type in 2025-26

Vehicle size/ type	Fuel type	Mileage 2025-26	Conversion Ratio	Kg CO2e 2025-26
Passenger Plug-in hybrid (PHEV)	Petrol / Electric	10,000	0.110	1,100
Small Vans - Class 1 (≤1.305 tonnes)	Diesel	568,921	0.264	150,195
Motor Vehicles (1.2–1.9t)	Diesel	64,877	0.321	20,826
Medium Vans - Class II (1.305-1.74 tonnes)	Diesel	845,893	0.321	271,532
4 x 4 (dual purpose) / Pick-ups *Medium Vans Class II*	Diesel	885,031	0.321	284,095
Large Vans - Class III (1.74 - 3.5 tonnes)	Diesel	322,083	0.446	143,649
Minibuses *Large Vans Class III*	Diesel	27,390	0.446	12,216
HGV Rigid (>3.5–7.5 tonnes)	Diesel	34,109	0.806	27,492
HGV Articulate	Diesel	30,461	1.377	41,945
TOTAL		**2,788,765**		**953,050**

Source of data, assumptions and key issues:

- Some mileage figures are sourced from Telematic; some use a sample size for each vehicle class calculating the average; and some are pro-rata based on available data, as supplied by individual business areas. Estimates have been used where specific data was not available at time of reporting.
- The data covers departmental vehicles, excluding Arm's Length Bodies (ALBs).
- Data has been collated by vehicle classification and conversion rates based on the UK Government GHG Conversion Factors (2025), rounded to 3 decimal points.
- The table does not include specialist vehicles/equipment such as tractors, utility and ground care vehicles, and farm/forestry plant.
- Marine fleet and fishery vessels are not captured in this return.

Emissions Scope 3 (Fuel burned due to business travel via staff owned transport)
This sustainability report does not include data on staff commuting to and from their normal place of work. Vehicle size and vehicle fuel type are also unknown for the data in Table 3.

Table 3: Mileage and emissions from vehicles not owned by department in 2025-26

Year	Mileage	Emissions (Kg CO2e)
2025-26	2,891,775	2,891,775 (miles) x 0.26915 (conversion factor) = 778,321 kg CO2e

Source of data: Account NI

Emissions Scope 3 – Business travel using public transport that is claimed back

There is no known record of mileage associated with public transport claims, only costs as shown in Table 4.

Table 4: Expenses claimed for public transport used for official business travel (excludes staff commuting to their regular place of work)

Year	Bus (Cost, £)	Rail (Cost, £)	Taxi (Cost, £)
2025-26	2,574	5,298	2,639

Source of data: Account NI

Emissions Scope 3 - Business travel that is booked via Travel Desk

Table 5: Air and rail travel booked by Travel Desk for DAERA

Mode of transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO2e)
Domestic flight		**Economy**	346,389	84,342
		Premium economy	0	0

Mode of transport	Category	Class	Year 2025-26	
			Distance (km)	Emissions (kg CO2e)
		Business	0	0
		First	0	0
International flight	Short haul	Economy	95,567	13,228
		Premium economy	0	0
		Business	0	0
		First	0	0
	Long haul	Economy	233,051	33,090
		Premium economy	0	0
		Business	0	0
		First	0	0
Rail travel		Standard	11,997	289
		First	0	0

Source of data: Selective Travel

Table 6: Hotel stay booked by Travel Desk or equivalent for DAERA (includes DAERA Core, NIEA and Forest Service)

Country	No. of nights stayed	Emissions (kg CO2e)
Belgium	61	476
Denmark	3	42
France	26	147
Germany	8	106
Gibraltar	2	21
Greece	7	301
Ireland	154	3,025
Japan	6	234
Kenya	7	115
Netherlands	12	178
Poland	3	100
Switzerland	3	20
United Kingdom	1,330	8,403
United States	34	338
Total	**1,656**	**13,506**

Source of data: Selective Travel

As the car size and fuel type of hired cars is unknown, the emissions are based on average car size and fuel type.

Table 7: Car hire booked by Travel Desk or equivalent for DAERA

Year	Mileage	Emissions (kg CO2e)
2025-26	*9,376*	*9,376 (miles) x 0.26860* (conversion factor) = *2,581* kg CO2e

Source of data: Selective Travel

This data is sourced from a system that processes travel claims for departmental staff. The system is administered by the Department of Finance.
The Department sourced the information in Tables 5, 6 and 7 from the contractor who books travel, hotel rooms and hired cars on behalf of departmental staff when requested. The contractor uses the same conversion tables as the Department used in this sustainability report.

Paper printed

Table 8: Paper printed by year

Year	Paper Printed (pages)
2023-24	5,982,778
2024-25	5,558,234
2025-26	6,032,248

Source of data: IT Assist

Responsible disposal of ICT waste

In the specification of the "Framework for disposal services for IT equipment, electronic and electrical equipment", suppliers must have BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) before being appointed to the framework.

The framework specification also requires the following from suppliers.

All equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including, but not limited to:

- the Waste Electrical and Electronic Equipment Directive;
- BS EN ISO 14001: 2015;
- the Environmental Protection Act 1990; and
- the Hazardous Waste Regulations.

Source of data: IT Assist

Sustainable procurement

The Scoring Social Value policy approved by the Executive, mandated that from June 2022, tenders must include a minimum of 10 percent of the total award criteria to social value. On 5 December 2024 DoF secured Executive approval for a revised PPN (Procurement Policy Note) 01/21 - Social Value in Procurement. This came into effect on 24 February 2025 and strengthened and broadened the theme 'Delivering Net Zero' to 'Delivering Climate Action'.

Single use plastics
DAERA, in partnership with DoF, has removed all unnecessary single-use plastic (SUP) from the Government estate and a ban on the use of unnecessary SUP across the Northern Ireland Civil Service (NICS) estate, is now in place.

Financial Performance 2025-26

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 Minister of Finance, will in turn agree a local Budget that will set DEL controls for Executive departments.

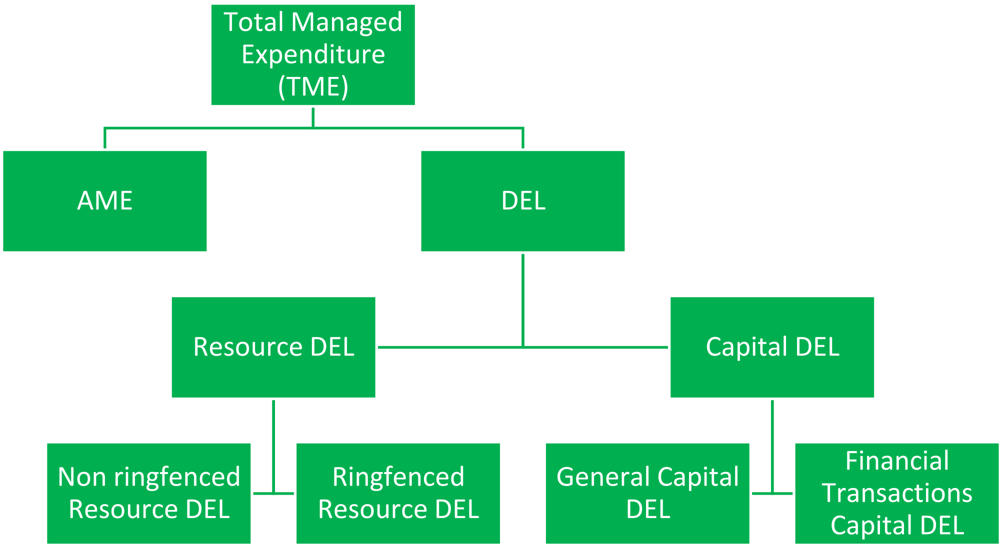
DEL budgets are classified into Resource and Capital.

- 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 2025-26.

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 RoFP can be found on the Northern Ireland Assembly website.

Budget Structure



Budgetary Performance

A summary of the Department's performance against Budgetary Control Totals is set out in the table below along with the main reasons for the variances. Full details and analysis is 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			
Non-ringfenced	657,109	656,616	493
Ringfenced	42,862	42,628	234
Total Resource DEL	**699,971**	**699,244**	**727**
Capital DEL			
General Capital	127,646	127,398	248
Total Capital DEL	**127,646**	**127,398**	**248**
AME Resource	126,786	1,215	125,571
Total Managed Expenditure	**954,403**	**827,857**	**126,546**

On Resource DEL there was a £0.7m (0.1%) underspend against a budget of £700.0m. On Capital DEL there was a £0.2m (0.2%) underspend against a budget of £127.6m. This equates to a Total DEL underspend of £1.0m (0.1%) of the Total DEL budget of £827.6m.

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.

Net Cash Requirement

The Department's net cash requirement outturn was £779.7m against an estimate of £830.6m.

Summary of expenditure 2024-25 to 2025-26

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.

	2025-26 £'000	2024-25 £'000
Resource DEL		
Core Department and NIEA	**648,451**	**622,939**
AFBI	44,792	39,865
Loughs Agency	2,861	2,312
NIFHA	2,896	2,471
LMC	244	173
Executive NDPBs Total	**50,793**	**44,821**
Total Resource DEL	**699,244**	**667,760**
Capital DEL		
Core Department and NIEA	**89,637**	**65,486**
AFBI	36,234	34,479
Loughs Agency	1,100	1,419
NIFHA	421	253
LMC	6	(331)
Executive NDPBs Total	**37,761**	**35,820**
Total Capital DEL	**127,398**	**101,306**
Total Resource AME	**1,215**	**1,516**
Total Capital AME	**-**	**-**
Total	**827,857**	**770,582**

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 2026 are contained in the Budget Act (Northern Ireland) 2026. The related Acts, Bills and DoF publications containing detailed supporting information are available from The Stationery Office Limited. The Accounts for the year ending 31 March 2026 report against the Spring Supplementary Estimates and will be laid in both the Assembly and Parliament. The table below summarises the Outturn and Estimate position:

	Outturn £'000	Estimate £'000	Outturn vs Estimate saving / (excess) £'000
Voted DEL	699,244	699,971	727
Non-Voted DEL	-	-	-
Resource DEL	**699,244**	**699,971**	**727**
Voted AME	1,215	126,786	125,571
Non-Voted AME	-	-	-
Resource AME	**1,215**	**126,786**	**125,571**
Total Resource	**700,459**	**826,757**	**126,298**
Voted DEL	127,398	127,646	248
Voted AME	-	-	-
Total Capital	**127,398**	**127,646**	**248**
Total Budget and Non-Budget	**827,857**	**954,403**	**126,546**

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 (FReM) 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:

	2025-26 £'000	2024-25 £'000	2023-24 £'000
Total Income	**(225,178)**	**(76,800)**	**(80,262)**
Staff Costs	**255,121**	227,261	214,200
EU Expenditure	**4,011**	2,282	12,570
National Grant Expenditure	**361,959**	353,328	357,084
Public Corporation Funding	**13,511**	16,408	12,725
Purchase of Goods and Services	**79,955**	74,566	68,965
Depreciation and Impairment Charges	**39,299**	38,730	34,382
Provision expenses	**1,671**	831	414
Other expenditure	**98,611**	82,064	71,567
Revaluation of Biological Assets	**(1,007)**	-	-
Total Operating Expenditure	**853,131**	**795,470**	**772,357**
Net Operating Expenditure	**627,953**	**718,670**	**692,095**
Taxation	**3**	(89)	(262)
Finance Income	**(34)**	(66)	(69)
Finance Expenditure	**514**	332	373
Net Expenditure	**628,436**	**718,847**	**692,137**
Audit notional costs	**198**	196	175
Other notional costs	**16,390**	15,956	17,894
Total notional costs	**16,588**	**16,152**	**18,069**
Net Expenditure including notionals	**645,024**	**734,999**	**710,206**

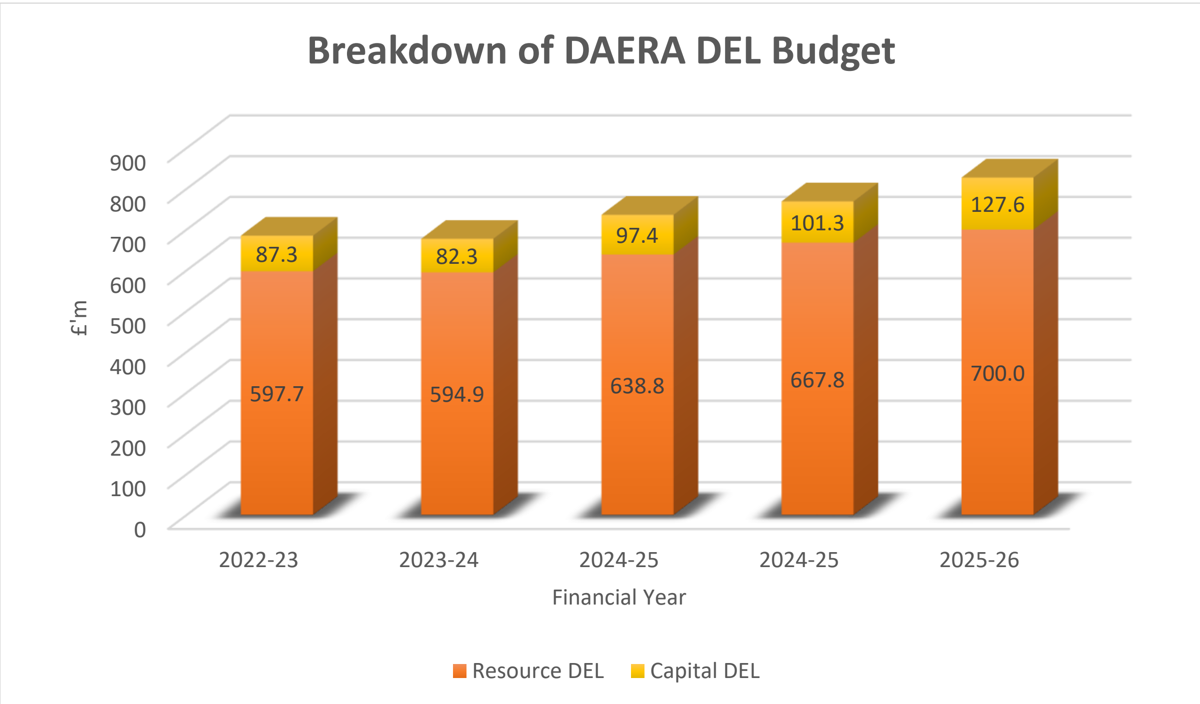
Further details of Income and Expenditure are contained in Notes 3, 4, 5 and 6 to the Accounts.

Long Term Expenditure Trends

The table below sets out Resource DEL and Capital DEL Outturn compared to Budget from 2020-21 to 2024-25.

	2021-22 £'m	2022-23 £'m	2023-24 £'m	2024-25 £'m	2025-26 £'m
Resource DEL Budget	598.5	596.2	639.6	668.3	700.0
Resource DEL Outturn	597.7	594.9	638.8	667.8	699.3
Underspend / (Overspend)	**0.6**	**1.3**	**1.3**	**0.5**	**0.7**
Capital DEL Budget	87.4	82.4	97.5	101.5	127.6
Capital DEL Outturn	87.3	82.3	97.4	101.3	127.4
Underspend / (Overspend)	**0.1**	**0.1**	**0.1**	**0.2**	**0.2**

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



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, marine, fisheries, natural environment and rural affairs as well as implementation of the Windsor Framework. It also includes an allowance for the consumption of our assets over time (depreciation: £42.9m in 2025-26).

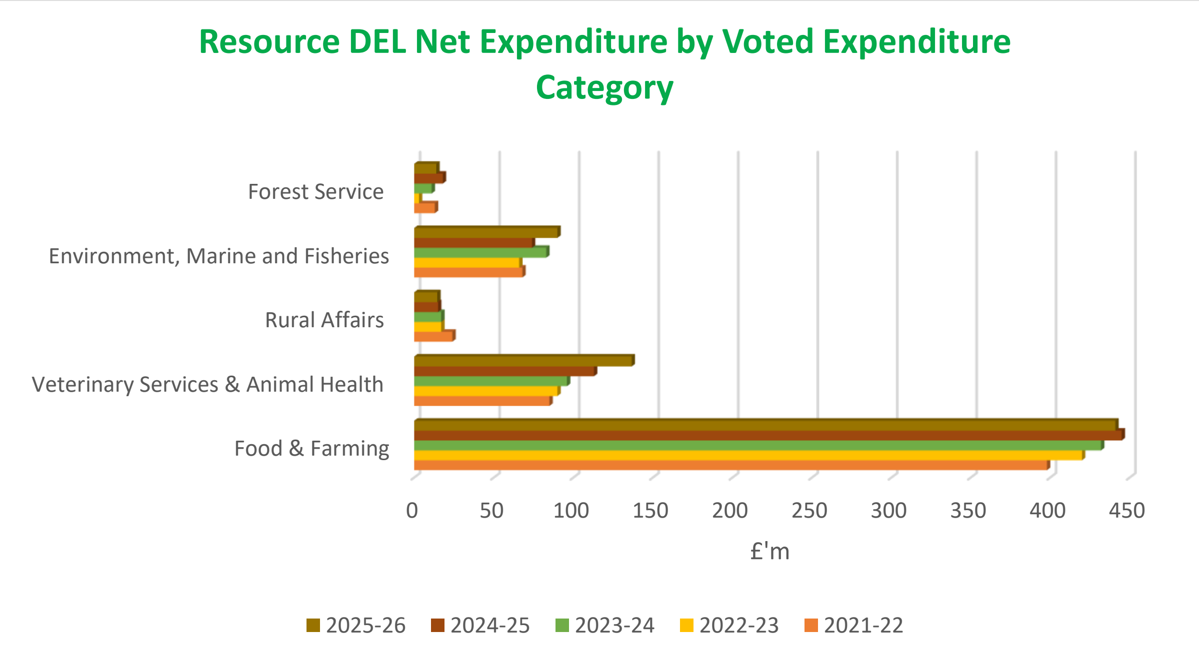
Following EU Exit in 2020-21, the funding for agriculture, argi-environment, fisheries and rural development, came directly from HM Treasury and this increased the Department's overall Resource DEL allocation by £332.5m. In 2025-26, this funding was baselined to the NI Block and, as part of Budget 2025-26, it was allocated to the Department as Executive Earmarked Funding for the same purpose.

The increase in Resource DEL budget between 2024-25 and 2025-26 was mainly due to increased levels of HM Treasury funding for the costs of administering the Windsor Framework.

In 2025-26, the Executive also allocated additional funding in respect of pay, the Bovine TB programme as well as new funding for the Environmental Improvement Plan including Lough Neagh.

Resource DEL by Voted Expenditure Category

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

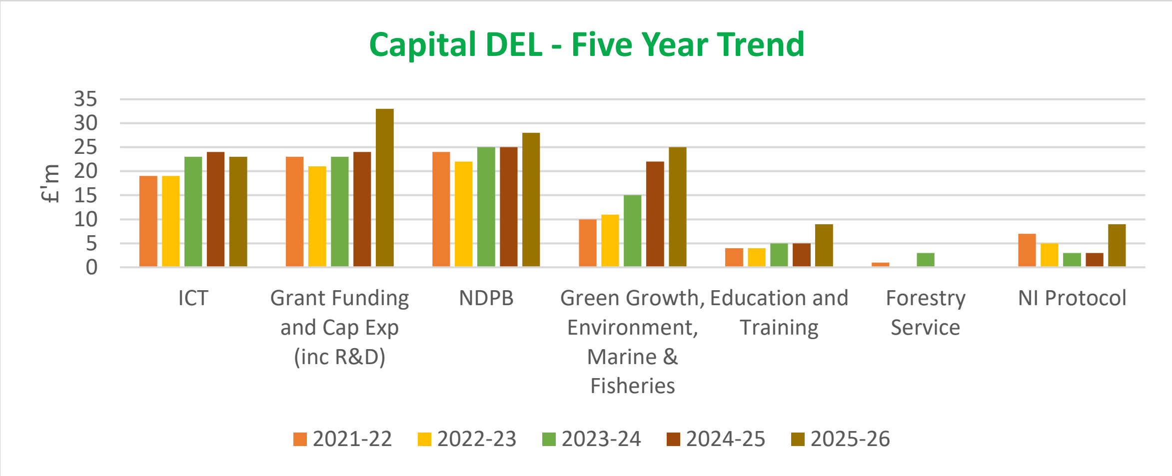


The largest area of spend remains Food and Farming which was largely driven by Direct Farm Payments which prior to 2020-21 was EU funded. This voted expenditure category includes the outturn for AFBI.

Veterinary Services and Animal Health also continued to see increases in spend relating to Bovine TB Compensation and the implementation of the Windsor Framework.

Capital Expenditure by Type

Capital spend covers investment in the assets needed to deliver DAERA's objectives. This includes expenditure on our estate and on our Information Communications Technology (ICT) systems as well as investment in our NDPBs and the payment of capital grants.
A breakdown of capital by expenditure type is shown below.



There has been continued significant investment in ICT in 2025-26 as part of the Department's Digital Transformation programme.

In 2025-26, there was funding for the Just Transition Fund for Agriculture which comprises a range of measures that will support farmers to reduce carbon emissions and improve biodiversity such as Bovine Genetics, Sustainable Use of Livestock Slurry and Farming with Nature.

DAERA provided capital support to help address the issues in Lough Neagh as well as continue to support farm businesses with significant capital expenditure in the Farm Business Improvement Scheme and Environmental Farming Scheme as well as support for rural communities and businesses.

Spend also continued in relation to the capital requirements of the Windsor Framework and this was fully funded directly by HM Treasury.

Budgetary Outlook

At this stage of 2026-27, a Budget has not yet been agreed by the Executive for this financial year. In the absence of an agreed Budget, each department has been issued with a Contingency Planning Envelope (CPE) by DoF. This CPE is not a replacement for an agreed Executive Budget, rather, it represents funding that could reasonably be expected to be reflected in a budget position brought to the Executive for consideration.

While the CPE does not represent a final Budget, it allows DAERA to plan for expenditure until such times as a Budget can be agreed. It is however recognised that the Department is facing significant pressures that will need to be managed in-year particularly in respect of the bTB Programme, inflation and pay. These will be proactively managed internally to ensure that the Department lives within any final Budget set. However, this may impact on the delivery of core activities.

Katrina Godfrey

Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
3 July 2026

Accountability Report
Corporate Governance and Directors’ Report

Departmental Accounting Boundary
Minister Andrew Muir, MLA was appointed as Minister of Agriculture, Environment and Rural Affairs on 3 February 2024.

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 2026 comprise a consolidation of the income and expenditure, assets and liabilities of those entities falling within the Departmental Group. Although Forest Service as a public sector corporation is treated as an Executive Agency, it is not included within the accounting boundary.

Departmental Board
As Principal Accounting Officer, the Permanent Secretary is supported in the discharge of their responsibilities by the Departmental Board. In addition to the Permanent Secretary, the board comprises senior officials from across the Department and three independent non-executive board members (NEBMs).

The Departmental Board operates in accordance with the *Corporate Governance in Central Government Departments: Code of Good Practice NI* (February 2025) and provides leadership for the Department’s business and supports the Permanent Secretary by offering advice, constructive challenge and assurance in the exercise of their responsibilities. The NEBMs bring independent judgement, experience and expertise, strengthening the quality of debate and decision-making.

Details of the Board membership and roles are as follows.

Name	Role
Mrs. K Godfrey	Chair (Permanent Secretary).
Mr. P Donnelly	Executive board member (Deputy Secretary, Strategic Planning and Corporate Services Group until 31 August 2025).
Mr. B Dooher	Executive board member (Chief Veterinary Officer, Veterinary Service and Animal Health Group).
Mr. R Downey	Executive board member (Finance Director).
Mrs. F McCandless	Executive board member (Deputy Secretary, Windsor Framework and Estate Transformation Group).

Name	Role
Mr. M McKendry	Executive board member (Deputy Secretary, Food, Farming and Rural Affairs Group).
Mr. M O'Donnell	Executive board member (Deputy Secretary, Strategic Planning and Corporate Services Group from 1 September 2025).
Mr. D Reid	Executive board member (Chief Executive, NI Environment Agency).
Mrs. T Teague	Executive board member (Deputy Secretary, Climate Change, Science and Innovation Group).
Mrs. J Thompson	Executive board member (Deputy Secretary, Environment, Marine and Fisheries Group).
Mr. B Cargo	Non-executive board member until 31 August 2025.
Dr. M Johnston	Non-executive board member from 1 April 2025.
Dr. S King	Non-executive board member from 1 March 2026.
Mr. S Lynch	Non-executive board member.

Interests of Board Members

The Department's Governance Team maintains a "Register of Interests" for all staff at Senior Civil Service level, including members of the Departmental Board. During 2025–26, no significant interests in conflict with members' management responsibilities were declared.

The DAERA Senior Civil Service and Departmental Board Register of Interests was published on the DAERA website on 26 February 2026. Full details are disclosed in Note 22 to the Accounts.

Board Committees

The Board has three committees, each normally chaired by one of the Board's non-executive members. These committees are:

- Audit and Risk Assurance Committee;
- Finance and Major Projects Committee; and
- Capacity and Capability Committee.

Further details on the role of these committees are set out in the Governance Statement.

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 (UKGDPR). The protection of personal and business information assets and the security of IT Systems, remain areas of critical importance for the Department and are the responsibility of all those who work for, or on behalf of, DAERA.

The Department has implemented an Information Security Management System (ISMS), underpinned by an Information Security Policy which describes the guiding principles that must be applied in this context. A complementary set of Information Security Standards sets out for business areas guidance on how these principles should be implemented. DAERA in-scope areas now have the 2022 version of the ISO 27001 certification which has recently been independently audited, the outcome being a recommendation supporting re-certification until April 2029, subject to satisfactory annual surveillance audits. Work continues to embed the culture of good control across the rest of DAERA. The Information Security Management System (ISMS) which has been established provides assurance towards the overall DAERA security posture of the Department and reflects 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.

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 also introduced an online incident reporting facility that promotes timely reporting and escalation of incidents for appropriate action.

Additionally, the Department 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 roles and responsibilities regarding the confidentiality, integrity and availability of the information they hold; the reporting structure in which they operate and the types of controls that need to be 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. IAOs report through the Senior Information Risk Owner (SIRO) to the Principal Accounting Officer.

There were two breaches of data security in 2025-26 for DAERA which needed to be reported to the Information Commissioner. The Department also provided advice and support to AFBI on a data breach which it needed to report to the ICO.

Complaints Handling

DAERA operates its own complaints procedures which are in line in with the current NI Public Services Ombudsman Office (NIPSO) guidance for handling complaints.

Business areas monitor complaints to identify any trends in the types of complaints being made, lessons learned and to support improvement in service delivery. Every quarter, the number and type of stage 1 and stage 2 complaints received across the Department is collated. An annual report on complaints is submitted to the Departmental Board, setting out a summary of the volume and categories of complaints received during the year.

The Department is engaged with NIPSO as it develops updated guidance for complaints handling procedures. The Department's procedures will be updated as a result of this work in 2026-27.

There were 81 new quality of service and business as usual complaints received by the Department in 2025-26. Of these 12 were recorded as progressing to stage 2 of the complaints process by the end of March 2026.

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 (NI) 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 the year ended 31 March 2026 resulted in a notional audit fee of £160k for the DAERA consolidated group. This is included in non-staff administration costs in the Consolidated Statement of Comprehensive Net Expenditure (CSoCNE).

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
3 July 2026

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts (NI) 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 2025 No.50, as amended by Statutory Rule 2025 No.189, (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 of the Department is required to comply with the requirements of the Government Financial Reporting Manual 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 as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the permanent head of the Department as Accounting Officer of DAERA.

The Accounting Officer of the Department has also appointed the chief executives of its sponsored agency, non-departmental and other relevant 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 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 NI published by the Department of Finance.

Disclosure to Auditor

As the Accounting Officer, I have taken all the 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. So 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 (30 October 2012) - Requirement to complete a governance statement. This statement sets out the governance, risk management and internal control arrangements that have operated in the Department from 1 April 2025 to 31 March 2026.

DAERA operates in compliance with the guidance set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) as published by DoF in February 2025.

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 Managing Public Money NI.

DAERA works in close partnership with its agencies and other arm's length bodies and, during the year, in line with best practice, the Accounting Officers have reviewed governance and accountability arrangements to remedy any shortcomings highlighted through reports from the NI Audit Office, the Public Accounts Committee, Internal Audit and the Audit and Risk Assurance Committee.

The Budget Act (NI) 2026, which received Royal Assent on 20 March 2026, together with the NI Spring Supplementary Estimates 2025-26 laid before the Assembly on 16 February 2026 and approved by the Assembly through a Supply Resolution on 23 February 2026, provides the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (NI) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year.

Board oversight of climate related issues

The Departmental Board provides oversight of any identified climate-related issues through its regular review of the Corporate Risk Register, performance reports and updates from governance committees such as ARAC. Climate considerations, including resilience to extreme weather, compliance with statutory climate duties and alignment with the Climate Change Act (NI) 2022, are factored into strategic planning, risk management, budgeting decisions and oversight of major programmes.

Climate-related issues are also considered within DAERA's strategic planning framework, including the corporate plan and annual business plans. Progress against these plans is reviewed by the Departmental Board and governance committees, ensuring that climate-related impacts, dependencies and statutory obligations inform strategic direction, resource prioritisation and delivery oversight.

Management role in assessing climate related issues

Senior management is responsible for considering and integrating climate-related issues into departmental governance arrangements through established reporting channels.

Senior Responsible Owners (SROs) ensure climate impacts, mitigations and dependencies are identified within programme governance, group and divisional risk registers and business continuity plans. Climate-related matters are escalated through the departmental governance structure where necessary.

These arrangements ensure climate issues are managed using the same governance and assurance processes applied to other significant departmental risks, consistent with the Orange Book principles.

Governance Framework

The Department's Governance Framework sets out how internal controls and risk management operate. It aims to manage, not to eliminate, risk and therefore provides reasonable and not absolute assurance of effectiveness. A system of internal control has been in place for the year ended 31 March 2026 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 as Agency Accounting Officers were accountable for their respective agency's performance during the year.

Additional assurance is obtained through:

- Governance Reporting: Heads of groups and agency chief executives produce assurance reports twice yearly (in year at six months and at end year). The process is co-ordinated by Corporate Governance Directorate and all reports are provided to me as Accounting Officer. Additionally, all significant issues are reported to ARAC on a twice yearly basis.
- ALB Assurance Statements: ALB Accounting Officers also provide statements to the Department's Corporate Governance Directorate and these are reported to ARAC on a twice-yearly basis.

During the course of the 2025-26 year the Department's Corporate Governance Framework was updated.

Departmental Board

The board meets every two months to discuss departmental business at a strategic level. During 2025-26 the board met six times.

Details of board membership, roles and attendance at meetings are set out below. Following a reorganisation of group functions and due to senior staffing changes and the resignation of one NEBM and the appointment of a new NEBM in year the membership of the board has changed during the 2025-26 year.

ATTENDANCE OF BOARD MEMBERS		MEETINGS ATTENDED (maximum possible attendance)
Mrs K Godfrey	Permanent Secretary	6 (6)
Mr B Cargo	Non-executive board member until 31 August 2025	2 (2)
Mr S Lynch	Non-executive board member	5 (6)
Dr M Johnston	Non-executive board member from 1 April 2025.	6 (6)
Dr S King	Non-executive board member from 1 March 2026	1 (1)
Mr M O'Donnell	Executive board member - head of Strategic Planning and Corporate Services Group from 1 September 2025	4 (4)
Mrs F McCandless	Executive board member – head of Windsor Framework and Estate Transformation Group	4 (6)
Mr M McKendry	Executive board member – head of Food, Farming and Rural Affairs Group	4 (5)
Mrs J Thompson	Executive board member – head of Environment, Marine and Fisheries Group	5 (6)
Mr D Reid	Executive board member - chief executive, NI Environment Agency	4 (6)
Mrs T Teague	Executive board member - head of Climate Change, Science and Innovation Group	6 (6)
Mr B Dooher	Executive board member - Chief Veterinary Officer and head of Veterinary Service and Animal Health Group	5 (6)
Mr P Donnelly	Executive board member - head of Strategic Planning and Corporate Services Group until 31 August 2025	2 (2)
Mr R Downey	Executive board member - Finance Director	6 (6)

Roles and Responsibilities of the Departmental Board

The board assists me as the Permanent Secretary to meet my 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 DAERA’s Corporate and Business Plans, including its contribution to delivering an agreed PfG;
- 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.

Review of Board Effectiveness

In line with DAO (DoF) 02/25 (26 February 2025) - *Corporate Governance in central government departments - Code of Good Practice* an annual review of board effectiveness was completed in 2025. This was an internal review and the findings from the review were reported to the Departmental Board in January 2026. Informed by the review, the Board Operating Framework was updated in year.

An action plan has been produced by the board to build on the strengths and address areas for improvement. The next board effectiveness review will be an external review and will take place in the second half of the 2026-27 year.

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

Quality of the Data used by the Departmental Board.

The board receives standing information for each meeting on the financial position and related matters. It also periodically receives information on HR matters. 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 Accounting Officer (DAO) or Dear Finance Director (FD) letters. All financial transaction records are provided from the Account NI shared service system.

Additionally, the board draws on HR, statistical, economic and scientific information along with the analysis from the Department's economists, scientists and ALBs to support and inform its work where appropriate. HR information seen by the Board and the Capacity and Capability Committee is compiled by the Strategic HR Business Partner. This is derived from sources managed and controlled by the Department of Finance (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.

Prior to submission to the board, papers are reviewed and cleared by senior officials. The secretariat, with support from the board chair, also confirms that the provided papers meet the standards required and address key strategic issues relevant to the Department.

The 2025 review of board effectiveness concluded that use of management information to drive organisational improvement could be improved and several proposals aimed at enhancing the quality of data utilised by the board have been incorporated into the follow-up action plan.

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 DAO (DoF) 02/25 (26 February 2025) *Corporate Governance in central government departments - Code of Good Practice* all DAERA committees are chaired by a member of the board. Generally, the chair of each board committee is a non-executive board member.

Audit and Risk Assurance Committee (ARAC)

ARAC, as a committee of the departmental board, supports me in discharging my responsibilities for ensuring there are effective arrangements in place for risk management, internal control and governance. It provides assurance 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 to meet my Principal Accounting Officer's assurance requirements.

ARAC ensures that high-level information on risk and control is brought to my and the board's attention in order to assist us in identifying our priorities for action and to provide strategic clarity. This is achieved by: reviewing assurances provided by the Department's business areas; considering the Department's approach to risk management and the strategic risks which have been identified; and by considering the work of both internal and external audit. The ARAC also monitors implementation of the Department's response to accepted recommendations in NIAO reports. During 2025-26 the Department received one

NIAO report in relation to Waste Crime in Northern Ireland. In addition, the Department shares responsibility for implementing recommendations arising from three cross-departmental NIAO reports published during 2025–26. These reports relate to Major IT Projects in Northern Ireland; Raising Concerns in the Northern Ireland Public Sector; and Partnership Working: Departments and Arm's Length Bodies.

The committee is advisory in nature; its overarching purpose is to advise me as the Principal Accounting Officer and Departmental Board on the adequacy and appropriateness of controls. The ARAC has no authority in its own right over the operations of the Department or those units that conduct audit and assurance work, including Internal Audit.

During the year ARAC held four routine meetings (15 April 2025, 1 July 2025, 14 November 2025 and 4 February 2026). Additional meetings were held to review the DAERA Annual Report and Accounts (14 May 2025 and 25 June 2025) to provide assurance to me prior to the signing of the Departmental Annual Report and Accounts.

ARAC meetings are attended by senior DAERA officials, representatives from Finance Division, the ARAC Secretariat and relevant business areas, as well as the internal and external auditors (the NIAO).

During the course of the year ARAC's terms of reference were updated, ARAC training was provided to members and a review of the effectiveness of ARAC was also undertaken in line with the ARAC Handbook. The Departmental ARAC chair also met with the chairs of the agency and ALB ARACs during the year.

ATTENDANCE OF ARAC MEMBERS		MEETINGS ATTENDED
Mr Bill Cargo	Chair until 31 August 2025 Non-executive board member	4 (4)
Mr Shane Lynch	Chair from 1 September 2025 Non-executive board member	6 (6)
Dr Mike Johnston	Non-executive board member	6 (6)
Mr Robbie Davis	Independent external member	6 (6)
Ms Michelle Scott	Independent external member	6 (6)

ARAC Annual Report

The ARAC chair has provided me with an annual report outlining the committee's work during the year and offering assurance on the effectiveness of the Department's governance arrangements, including progress in addressing areas for improvements.

Finance and Major Project Committee

The committee supports the Departmental Board in fulfilling its corporate governance responsibilities as set out in the Departmental Board Operating Framework. Its core role is to ensure robust financial management and to scrutinise the allocation of financial resources in line with strategic objectives. It provides focused oversight of financial management challenges and the delivery of major projects and programmes required to meet current and future departmental needs.

The committee met four times during the year and considered a range of strategic financial matters, including the development of proposals for internal monitoring rounds, oversight of resource allocation and assessment of value for money through enhanced financial and performance reporting.

Capacity and Capability Committee

The Capacity and Capability Committee, established in May 2024, met six times during the 2025-26 financial year.

The committee supports the Departmental Board in discharging its corporate governance responsibilities relating to the Talented People pillar of the Board's Operating Framework. Its focus is on ensuring the Department has the right people, with the right skills, in the right roles, to deliver strategic objectives, meet current and future business needs and deliver services effectively, within budget and in line with the Corporate Plan 2025-27 and Business Plan 2025-26. In line with Code of Practice for Corporate Governance in Central Government Departments (NI), the committee operates in a governance capacity and does not engage in executive management.

The committee has an annual work programme agreed with Departmental Board and is authorised to take decisions within that remit, reporting progress and outcomes to Departmental Board.

Its delegated remit includes scrutiny and oversight of the DAERA People Plan, supporting implementation of the NICS People Strategy 2025-30 and strengthening departmental capacity and capability to meet ministerial and strategic objectives. This includes ensuring alignment with agreed learning and development priorities; engaging with the Agency Management Boards of NIEA and Forest Service to obtain assurance on workforce capability actions; reviewing the effectiveness of the Departmental Workforce Strategy developed using the Civil Service workforce planning toolkit; and ensuring all people-related plans align with the NICS People Strategy and demonstrate a clear commitment to improving equality, diversity and inclusion.

Risk and Control Framework

The Department's corporate governance arrangements are underpinned by an established risk management framework embedded within DAERA's systems and procedures. This framework supports the identification, assessment, management and escalation of risks that may impact the delivery of the Department's objectives.

DAERA maintains a Corporate Risk Register (CRR) which records the Department's principal strategic risks. The detail of the Department's risk profile during 2025-26, including changes to the set of corporate risks during the year, is set out in the *Performance Report* under Summary of Issues and Key Risks and Department's Risk Profile (pages 11-13).

A key element of the Department's approach is its agreed risk appetite, which provides a consistent basis for assessing the level of risk that is operationally acceptable. The

Department’s current appetite is cautious, while recognising the need to adopt a more open stance where this supports delivery of strategic priorities and opportunities.

Risk management operates at all levels of the organisation. Business areas are responsible for identifying and managing risks within their areas of responsibility. Where a risk is assessed as likely to exceed agreed tolerance levels, escalation arrangements are in place to ensure timely consideration by senior management and, where appropriate, inclusion within the CRR.

The Departmental Board has overall responsibility for the effectiveness of risk management and internal control arrangements. During the year, the board assured itself over the management of risk through a range of mechanisms, including:

- regular scrutiny of the Corporate Risk Register;
- assurance and advice provided by the Audit and Risk Assurance Committee (ARAC);
- challenge and support from departmental risk practitioners;
- the work of the Internal Audit Branch; and
- risk registers maintained and monitored at Group and Divisional level.

Together, these arrangements provide me with reasonable assurance that risks are being identified, managed and monitored in a proportionate and effective manner, consistent with the Department’s governance framework and the principles set out in the Orange Book.

Assurances

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

The NDPB Accounting Officers through their sponsor teams provide quarterly assurance statements to ensure there are satisfactory governance arrangements in place. These are considered by the ARAC.

Raising a Concern

DAERA has established Raising a Concern arrangements, overseen by a Designated Officer, to ensure a consistent approach to managing and handling concerns raised under the Raising a Concern Policy. The Designated Officer also promotes awareness of the importance of raising concerns where these exist and ensuring that business areas respond to them appropriately when received. Fostering a culture in which staff and stakeholders feel confident that concerns will be appropriately addressed remained a priority during 2025-26.

The Department has carefully considered the NI Audit Office Report, Raising Concerns in the NI Public Sector (20 March 2026), and is proactively taking forward its findings. We are fully committed to implementing all relevant recommendations, embedding the learning across the Department, and strengthening our arrangements to ensure the highest standards of governance and accountability.

The Department keeps the effectiveness of its Raising a Concern arrangements under regular review and is satisfied that these arrangements operated effectively during the year.

Throughout the year, all concerns raised were recorded and reported, both to me on a monthly basis and to ARAC on a quarterly basis.

In total, 35 notifications were received by the Designated Officer team, of which 16 fell within the scope of the Raising a Concern policy. The remaining notifications related to issues which were dealt with as complaints, HR or operational matters that were addressed as standard line of business issues.

In addition, the Designated Officer attended the DoF led Designated Officer Forum meetings throughout the year which helps share good practice identified throughout the NICS on matters relating to raising concerns.

Cases considered under the Raising a Concern policy involving suspected fraud are referred to the DoF Fraud Investigation Service. In all other cases, a senior officer from the relevant business area reviews the facts of the case to determine if further investigation is required. Where appropriate, investigations are undertaken in collaboration with Internal Audit and NICS HR business partners. The Department also operates a Counter Fraud Forum.

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. Information security is overseen at Department Board level, with cyber security reflected in DAERA's Corporate Risk Register (CRR). Assurance is provided through the Department's Senior Information Risk Owner SIRO, supported by trained Information Asset Owners (IAOs) and the Department's Security Assurance Group, comprising the Departmental Security Officer, IT Security Officer, Data Protection and Information Management Branch and the Data Protection Officer. Additional assurance is received from DoF's Digital, Security and Finance Shared Services and through ongoing ISO27001 certification of DAERA's Information Security Management System (ISMS), including annual independent surveillance audits.

Internal Audit

For 2025-26, the Annual Internal Audit report provided an overall satisfactory opinion. The scope of the Internal Audit (IA) work includes the core Department, its agencies and its ALBs. The opinion of DAERA IAB was based on the results of 34 Final Reports and nine

Draft Reports. Of these reports, 30 had 'Satisfactory' opinions; nine issued with a 'Limited' opinion; and the remaining were special exercises / consulting reviews (no opinion provided). IA considered the 'limited' assurance reports issued over the past two years within VSAHG, including those relating to bovine TB (Case Management and Private Veterinary Practice Contract Management); Welfare and Enforcement Branch; Trade Certification; and VSAHG Workforce Management / FSA Charging & Overtime. While these reports identified significant control weaknesses, IA noted the proactive actions taken by the CVO and senior management to identify the issues raised and initiate improvements to the control framework.
Although IA recognised that further work is required to fully address the identified weaknesses, IA gave an assurance that it is satisfied that these do not outweigh the broader assurances obtained across the Department.

Digital, Security and Finance Shared Services (DSF)

Assurance has been obtained through the DoF Internal Audit Annual Report 2025–26 on DoF Shared Services. The Head of Internal Audit Services provided opinions on the key components of Digital, Security and Finance (DSF) Shared Services, including Financial Shared Services (formerly Account NI), which is responsible for the Department's transaction processing, and HR Connect, which manages the Department's human resource arrangements.

No limited or unacceptable audit opinions were issued during 2025–26. Instead, five satisfactory reports were provided in relation to Shared Services. This reflects sustained management efforts within DoF to strengthen governance, risk management and internal control arrangements across shared service provision, particularly as services continue to evolve and reform. The report also highlights continued progress in addressing a number of long-standing assurance issues, with several previous limited opinions being uplifted to satisfactory following the implementation of agreed actions.

One Priority 1 recommendation was identified, relating to the need to establish a formal process for the selection and prioritisation of DoF (including DSF) systems and services for GovAssure assessment. In addition, audits of Disaster Recovery (IT Assist Services), Active Directory, and GovAssure each received satisfactory audit opinions. Overall, DoF has concluded that its system of internal control in relation to Shared Services was effective and operated effectively throughout 2025–26.

Ministerial Directions

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

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

Minister Muir issued one Ministerial Direction during 2025-26. This was on 23 December 2025 and was in relation to a support scheme for laboratory costs associated with Bluetongue pre-movement testing of high-risk animals out of the Bluetongue virus (BTV) Temporary Control Zone (TCZ), at an approximate cost of £0.3m. The Ministerial Direction was approved by the Minister of Finance on 6 January 2026.

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 2025-26.

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

- review its Risk Register with a view to ensuring that, where necessary, further improvements to the process of risk management will be made;
- promote and develop counter fraud and Raising a Concern awareness across the Department;
- improve financial management generally and the quality of financial information being provided to the Departmental Board; and
- 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.

Other control issues reported

Judicial Reviews

The Department faced a number of Judicial Reviews (JRs) during 2025-26. A legal challenge that DAERA had failed to publish third cycle River Basin Management Plan concluded when the parties reached an agreed resolution.

DAERA was the subject of a judicial review against a decision to direct a variation of a Pollution Prevention and Control permit for additional run hours at one of NI's power stations. The judicial review was dropped by the litigant in February 2026.
In October 2025, a judicial review judgment determined the Department had breached procedural legitimate expectation by not referring a decision to cease funding of council delivered animal welfare services to the AERA Committee. While it was not unlawful for it to decide not to provide such funding, the Department has been guided by these findings and is required to provide advance notice to the AERA Committee on any funding decision regarding animal welfare services for the 2026-27 financial year and must notify councils once it has done so.

In March 2026, a judicial review against the Department in respect of an ongoing historic valuation appeal for bovines removed for the control of brucellosis in 2006-07 was settled out of court.

Office for Environmental Protection Reports

The Office for Environmental Protection has identified several areas where the Department and the NIEA have not fully met their environmental obligations. These include in the areas of bathing waters, Special Protected Areas, the Water Framework Directive, biodiversity, Marine Protected Areas and ammonia reporting.

The Department has accepted the OEP's findings, is reviewing the recommendations made by the OEP, taking action where required, and is providing regular progress updates to the Departmental Board and the Minister. Following a public consultation on NI's first Climate Action Plan (June–October 2025), the OEP welcomed progress but called for stronger, legally compliant targets for soil, biodiversity and air quality. The publication of the Environmental Principles Policy Statement in November 2025 emphasised the need to maintain momentum in strengthening environmental governance.

In November 2025, the OEP launched an investigation into DfI, DAERA and the Utility Regulator concerning the regulation of untreated sewage discharges into Belfast Lough. A review to establish new discharge consent standards is under way. In March 2026, the OEP welcomed DAERA's draft Nature Recovery Strategy and issued eight recommendations to strengthen its effectiveness. DAERA published the Environmental Improvement Plan Annual Progress Report in January 2026, which the OEP is reviewing ahead of its statutory assessment due in June 2026.

While the OEP found overall compliance with the Bathing Water Regulations in NI, it concluded that statutory duties had not been fully met and made several recommendations. The Department has responded and committed to a review, including public consultation, as set out in the Environment Improvement Plan.

During 2025-26, the Department continued to engage with the OEP regarding the third-cycle River Basin Management Plan (published June 2025) and the development of the fourth-cycle Plan, incorporating OEP recommendations on implementation of the Water Framework Directive Regulations.

Relevant OEP reports for 2025-26 include ‘A Review of Implementation of Laws for Terrestrial and Freshwater Protected Sites in NI’ (published April 2025), which concluded that existing legislation is not being effectively implemented. DAERA and NIEA accepted the findings and the 13 recommendations, setting out actions aligned with Environmental Improvement Plan commitments. In February 2026, the OEP issued a position statement confirming failures by DAERA to comply with the Conservation (Natural Habitats etc) Regulations (NI) 1995, in respect of wild bird protection, including site management, habitat sufficiency and implementation of the Second and Third UK Terrestrial SPA review recommendations.

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 along with 25 pieces of legislation repealed or replaced by AHL. AHL lays down rules for the prevention and control of diseases transmissible to animals or humans and AHL provisions have directly applied to NI since April 2021. DAERA, as the Competent Authority (CA) and central veterinary authority for AHL, is working to modify operational practices to implement AHL rules and introduce a suite of domestic legislation to give full effect of the rules by mid-2027. Failure to implement and enforce AHL would constitute both a breach in EU law and the EU Withdrawal Act (EUWA) and could significantly impact trade in live terrestrial and aquatic animals and products of animal origin, within the EU and with third countries. Furthermore, delays may affect disease control and present a potential risk to public and animal health.

Information Access Request Response Times

The total number of information requests received under the Freedom of Information Act 2000, Environmental Information Regulations 2004 and the Data Protection Act 2018 by DAERA in 2025 was 748, of these 479 related to NIEA, which represents a 91% increase in requests over the previous two years.

This has impacted on the response times achieved within the statutory limit which has reduced to 83% from the 90% target set over the reporting period. An automated information case management system will be deployed within the Department in order to better manage the volume of requests, improve efficiency and ensure the target is met in 2026/27.

The Department remains committed to improving performance in this area and is actively working to strengthen processes, build capacity, and enhance oversight to ensure a more consistent and timely response to information requests. There is a clear determination across the Department to drive sustained improvement and return to the expected standards.

NIEA Planning Performance

The NIEA's Key Performance Target for planning consultations has not been achieved for 2025-26. It is a matter of significant concern that the agency's performance has fallen short of the standards it is expected to deliver and its statutory obligations as a statutory consultee in the planning process. The agency received 4,935 consultations throughout 2025-26 and has responded to 87% of them but just 65% received a response within the statutory timeframes of 21 calendar days or otherwise agreed timescales, a dip of three percentage points in comparison to last year's performance.

A Planning Improvement Plan has been developed and implementation commenced during the last quarter of 2025-2026 and will continue into 2026-27. The agency's performance in this area will continue to be closely monitored by the department.

Meridi Street

In May 2025, the NIEA was notified that asbestos material remained on the Meridi Street site in Belfast where a bonfire was being constructed. While site conditions between May and July 2025 prevented safe removal of the material, the NIEA took all reasonable steps to minimise risk to public health.

Since then, the NIEA has focused on the private landowner's efforts to remediate the site. In addition, NIEA has chaired multi-agency meetings to co-ordinate information sharing and assist partner agencies in evaluating potential public health impacts throughout the remediation process. An independent consultant's report commissioned by the NIEA has indicated that the residual asbestos containing material fragments remaining on site pose minimal risk while the site remains secure and un-accessed.

AFBI Governance Issues

During the course of the year a number of governance issues relating to AFBI have arisen. These related to findings in relation to a HSE inspection report; allegations about farm practices at the AFBI Hillsborough site; and in relation to a data breach which was identified. In response, the Department engaged closely with AFBI and implemented enhanced oversight and governance arrangements to support the AFBI Board and management in addressing these issues. The Department continues to monitor progress and seek assurance that appropriate actions are being taken.

North South Implementation Body

The 2026 Business Plan for Loughs Agency was agreed at the North South Ministerial Council (NSMC) on 15 May 2026. 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 Northern Ireland 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 2025-26 (2024-25: £0) financial year without DoF approval.

Budget Position and Authority

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The Department is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

Mobuoy Illegal Waste Site

In reviewing the latest position on whether all three of the criteria in International Accounting Standard (IAS) 37 Provisions, Contingent Liabilities and Contingent Assets have been met in relation to a provision, the focus of the Department has been in the context of not having an agreed preferred option for Mobuoy.

The Department recognises that significant progress has been made on this issue during the year including the conclusion of the public consultation in October 2025 and the position on constructive obligation has evolved. The Minister recently set out the latest position on Mobuoy in response to an Assembly Question on 18 June 2026 when he advised that the next key stage is to finalise a robust cost estimate to inform next steps.

While a provision of £0.5m has been recognised for ongoing environmental monitoring activities in relation to duties under the Water (NI) Order 1999 and the Environment (NI) Order 2002, the Department's assessment is that there is no reliable cost estimate for the remediation at this stage and therefore the criteria in IAS 37 for including a further provision at 31 March 2026 have not been met. 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 2025-26

Remuneration Policy

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2025-26 Budget in the Assembly, on 19 May 2025, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 27 May 2025 in FD (DoF) 04/25.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The 2024 pay award, due from 1 August 2024, was paid in April 2025 for weekly paid staff and May 2025 for monthly paid staff. The 2025 pay award, due from 1 August 2025, was paid in August for weekly paid staff and September 2025 for monthly paid staff.

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 and other eligibility criteria.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made 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 Scheme[1].

Remuneration and pension entitlements [Audited information]

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

[1] Civil Service Commissioners for Northern Ireland (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)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Minister Muir MLA	38,000	38,000	-	-	11,000	12,000	49,000	50,000

**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)	
	2025-26	2024-25	2025-26	2024-25**	2025-26	2024-25
Mrs Katrina Godfrey Permanent Secretary	160-165	150-155	157,000	128,000	320-325	275-280
Mrs J Thompson^ Deputy Secretary from 3 September 2024 previously with DfI	120-125	65-70 (110-115 FYE)	17,000	33,000	140-145	95-100
Mr B Doherty Deputy Secretary retired on 2 March 2025	-	60-65 (65 – 70 FYE)	-	(16,000)	-	45-50
Mr N Fulton Deputy Secretary retired on 31 August 2024	-	50-55 (110-115 FYE)	-	84,000	-	135-140
Mr R Huey Deputy Secretary retired on 10 April 2024	-	5-10 (105-110 FYE)	-	161,000	-	170-175
Mrs F McCandless*** Deputy Secretary	70-75	70-75	29,000	(6,000)	100-105	65-70
Mrs T Teague Deputy Secretary	120-125	110-115	115,000	95,000	235-240	205-210
Mr D Reid Chief Executive NIEA	115-120	105-110	91,000	78,000	205-210	185-190
Mr P Donnelly Deputy Secretary until 15 September 2025	50-55 (115-120 FYE)	0-5 (105-110 FYE)	9,000	4,000	60-65	5-10
Mr R Downey Finance Director	95-100	85-90	82,000	72,000	175-180	160-165
Mr B Dooher Deputy Secretary	110-115	105-110	71,000	208,000	180-185	315-320
Mr M McKendry Deputy Secretary	110-115	55-60 (100-105 FYE)	144,000	90,000	255-260	145-150
Ms L Loughran^ Temporary Deputy Secretary from 8 January 2024 to 14 September 2024	-	50-55 (100-105 FYE)	-	87,000	-	135-140
Mr M O'Donnell	70-75	110-115	51,000	90,000	120-125	200-205

Officials	Salary (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	2025-26	2024-25	2025-26	2024-25**	2025-26	2024-25
Deputy Secretary from 1 September 2025 previously with DfC	(120-125 FYE)					
Dr B Stuart Non-Executive Board member until 31 August 2024	-	5-10	-	-	-	5-10
Mr W Cargo Non-Executive Board Member until 31 August 2025	5-10	15-20	-	-	5-10	15-20
Mr S Lynch Non-Executive Board Member	15-20	15-20	-	-	15-20	15-20
Mr M Johnston Non-Executive Board Member from 1 April 2025	15-20	-	-	-	15-20	-
Mr S King Non-Executive Board Member from 1 March 2026	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.*

***Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the Remedy Period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.*

***Mrs F McCandless moved to partial retirement working arrangements during 2022-23 year. Mrs F McCandless' 2024-25 pension figures have been restated as the previously disclosed figures did not take account of the member's exit from Classic Scheme.

^Ms L Loughran was a Temporary Deputy Secretary until 14 September 2024, when Ms J Thompson transferred to DAERA. Ms J Thompson started on 3 September 2024 as a Deputy Secretary, she was previously with DfI.

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.

DAERA was under the direction and control of Minister Muir and the Defra Secretary of State. Minister Muir's salary and allowances were paid by the Department and have been included in these accounts. These amounts do not include costs relating to his role as MLA which are disclosed in the Northern Ireland 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 2025-26 or 2024-25.

Fair pay disclosure [Audited Information]

Pay Ratios

The banded remuneration of the highest-paid director in DAERA in the financial year 2025-26 was £160k - £165k (2024-25, £150k - £155k). This was 4.2 times (2024-25, 4.2) the median remuneration of the workforce, which was £38,990 (2024-25, £36,024). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2025-26*	25th percentile	Median	75th percentile
Total remuneration (£)	32,403	38,990	49,515
Pay ratio	4.8	4.2	3.3

*Non-executive directors are excluded from all fair pay disclosure calculations.

2024-25	25th percentile	Median	75th percentile
Total remuneration (£)	29,984	36,024	44,826
Pay ratio	5.1	4.2	3.4

The 25th percentile, median and 75th percentile remuneration figures are based on annualised salaries for the last month of the financial year, adjusted for any non-consolidated payments made to staff during the year.

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 2025-26 and 2024-25, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2025-26 and 2024-25 no employees received remuneration in excess of the highest paid director in either year.

Remuneration in 2025-26 ranged from £24.5k to £162.5k (2024-25, £23k to £152.5k).

Percentage Change in Remuneration

The percentage change in respect of DAERA is shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

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:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances*	13.55%	5.47%
Highest paid director's salary and allowances*	6.56%	10.91%

*In 2024-25 a £1,500 non-consolidated gross payment was paid to staff.

Pension Benefits – Minister [Audited information required]

	Accrued pension at pension age as at 31/03/26 £'000	Real increase In pension at pension age £'000	CETV at 31/03/2026 £'000	CETV at 31/03/2025 £'000	Real increase in CETV £'000
Minister Muir MLA	0 - 5	0 - 2.5	21	11	6

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). This is a Career Average Revalued Earnings (CARE) scheme which was introduced for new and existing members by the Assembly Members (Pensions) Determination (Northern Ireland) 2016. In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (2011 Act) establishing a panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland 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 and rename the panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022. However, the Assembly Members (Independent Remuneration Board) Act (Northern Ireland) 2025, enacted in late 2025, replaced the former panel with an Independent Remuneration Board (the Board) responsible for determining Members' pay and pensions. The AMPS continues to operate under the 2016 Determination until a new Determination is issued by the Board.

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. In December 2018, the Court of Appeal ruled that the transitional protection offered to members of the Judiciary and Firefighters Schemes, when their schemes were reformed, was discriminatory on grounds of age. This is known as the McCloud Judgement. As a result of this decision, the government agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on MLAs who missed out on the transitional protection policy in the AMPS because of their age. The applicability of, and approach to, the McCloud judgement in relation to this scheme is a matter for the Independent Remuneration Board.

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 accrued on a "contribution factor" basis, taking account of service as a Minister, up to 5 May 2021, when all members of the scheme moved to CARE. The contribution factor was the relationship between salary as a Minister and salary as an MLA for each year of service as a Minister. These pension benefits 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. Up to 5 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.

Pension benefits for all other Ministers accrue on a career average (CARE) basis and are payable at the same time as MLAs' pension benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. The contribution paid 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 2023 triennial valuation of the AMPS by the Government Actuary's Department, the employer contribution rate remained unchanged and continues to be paid at 17.1%. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal retirement age for their section of the Scheme. Under the CARE element of the AMPS, Normal Retirement Age is linked to State Pension Age. Any Final Salary pension accrued before 6 May 2021 will continue to be payable at a Normal Retirement Age of 65.

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).

The real increase in the value of the CETV

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

Pension Benefits – Officials [Audited information]

Officials Table	Accrued pension at pension age as at 31-3-26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31-3-26 or date of leaving if earlier	CETV at 31-3-25 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	75-80 plus lump sum of 185-190	7.5-10 plus lump sum of 10 -12.5	1,791	1,576	149	-
Mrs J Thompson Deputy Secretary	50-55	0 -2.5	1,048	986	1	-
Mrs F McCandless* Deputy Secretary	20-25	0 -2.5	382	343	21	-
Mrs T Teague Deputy Secretary	55-60 plus lump sum of 145-150	5-7.5 plus lump sum of 7.5 -10	1,315	1,144	103	-
Mr D Reid Deputy Secretary	40-45 plus lump sum of 95-100	2.5-5 plus lump sum of 5-7.5	828	713	70	-
Mr P Donnelly Deputy Secretary until 15 September 2025	35-40 plus lump sum of 90-95	0-2.5 plus a lump sum of 0	780	765	2	-
Mr R Downey Finance Director	35-40 plus lump sum of 90-95	2.5-5 plus a lump sum of 5-7.5	799	685	67	-
Mr B Dooher Deputy Secretary	40-45	2.5-5	738	644	53	-
Mr M McKendry Deputy Secretary	55-60 plus lump sum of 140-145	5-7.5 plus a lump sum of 12.5-15	1,340	1,131	141	-
Mr M O'Donnell Deputy Secretary from 1 September 2025 previously with DfC	55-60 plus lump sum of 130-135	2.5-5 plus a lump sum of 2.5-5	1,217	1,127	43	

*Mrs F McCandless took partial retirement on 5 September 2022 claiming all their PCSPS benefits. Their CSOPS continue to increase each year. Mrs F McCandless' 2024-25 CETV figures have been restated as the previously disclosed figures did not take account of the member's exit from the Classic Scheme.

Northern Ireland Civil Service (NICS) Pension Schemes

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

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. 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 and 2015 Remedy
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 DoF 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 older (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. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs have been able to be issued by the original regulatory timeline of 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at DoF Annual Reports and Accounts.

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits for the 2025-26 pension disclosures for affected members continue to be based on the rolled back position.

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).

Annual Benefit Statements

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 Civil Service Pensions (NI).

Pension Increases

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 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

Employee Contributions Rates

Percentage rates for employee contributions were revised for all members from **1 July 2025** as a result of the Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions as shown below*:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2022 to 31 August 2025		Contributions rates – All Members from 1 April 2025 to 30 June 2025	*Contributions rates – All Members from 1 July 2025
From	To		
£0	£27,091.99	4.6%	4.65%
£27,092.00	£61,645.99	5.45%	5.65%
£61,646.00	£165,793.99	7.35%	7.55%
£165,794.00 and above		8.05%	8.25%

Salary bands were also updated from 1 September 2025 as follows:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards		Contributions rates – All Members
From	To	
£0	£28,716.99	4.65%
£28,717.00	£65,343.99	5.65%
£65,344.00	£175,740.99	7.55%
£175,741.00 and above		8.25%

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).

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 Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK. **As at the year-end** there have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

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 2026 or 31 March 2025.

2. Staff Report

DAERA staff figures and costs for 2025-26 reflect the new Departmental boundary which excludes the Forest Service. The increase in staff numbers has been due to the increased need for temporary staffing solutions including agency workers to cover vacant posts as the DAERA vacancy rate has continued to increase over this time period.

The number of staff serving as senior civil servants (or equivalent) based on full year equivalent as at 31 March 2026 is as follows:

Core Department and Agency		
Pay Band	**2025-26**	**2024-25**
£60,000 - £64,999	-	1
£65,000 - £70,000	1	-
£75,000 - £79,999	-	5
£80,000 - £84,999	-	11
£85,000 - £89,999	5	9
£90,000 - £94,999	9	-
£95,000 - £99,999	15	-
£100,000 - £104,999	-	4
£105,000 - £109,999	-	1
£110,000 - £114,999	2	2
£115,000 - £119,999	1	-
£120,000 - £124,999	4	-
£140,000 - £144,999	-	1
£160,000 - £164,999	1	-

2.1 Staff Costs comprise [Audited Information]:

Group			2025-26		2024-25
	Permanent staff* £'000	Others £'000	Minister £'000	Total £'000	Total £'000
Wages	158,069	21,440	38	179,547	160,378
Social Security Costs	21,483	6	6	21,495	16,665
Other pension costs	54,073	-	6	54,079	50,198
Total net costs**	**233,625**	**21,446**	**50**	**255,121**	**227,241**
IAS 19 Actuarial Valuation	-	-	-	-	-
Current Service Cost	-	-	-	-	141

Group				2025-26	2024-25
	Permanent staff* £'000	Others £'000	Minister £'000	Total £'000	Total £'000
Contributions per employer	-	-	-	-	(121)
Total Net Costs	**233,625**	**21,446**	**50**	**255,121**	**227,261**
Less recoveries in respect of outward secondments					(69)
	233,625	**21,446**	**50**	**255,121**	**227,192**

Of which	Charged to Administration	Charged to Programme	2025-26 Total
Core Department	27,828	142,043	169,871
Agency		40,589	40,589
Other designated bodies	1,741	42,920	44,660
Total	**29,569**	**225,552**	**255,121**

*The 2025-26 figures include the cost of the Department's Special Advisor who was paid in the pay band £65-70k (2024-25 £60-£65k).
**Excluded from the total is £4,287,440 (2024-25 £5,584,549) which has been charged to capital.

DAERA and AFBI

The Northern Ireland Civil Service 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 2025-26, employers' contributions of £45,045k were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay (2024-25 £49,579k).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £78k (2024-25 £124k) 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% (2024-25, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.
Employer contributions of £2k, 0.5% (2024-25 £4k, 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.

6 persons (2024-25: 15 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £53k (2024-25: £97k).

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.

					2025-26	2024-25
Departmental Strategic Objective	**Permanent staff**	**Others**	**Minister**	**Special advisor***	**Total Number**	**Total Number**
DAERA CORE	2,747	277	1	1	**3,026**	**2,788**
NIEA (Agency)	604	112	-	-	**716**	**672**
AFBI	662	68	-	-	**730**	**755**
LMC	17	7	-	-	**24**	**24**
NIFHA	22	-	-	-	**22**	**22**
Loughs Agency	21	-	-	-	**21**	**24**
Staff engaged on AFBI capital projects	7	6	-	-	**13**	**7**
Staff engaged on DAERA capital projects	57	-	-	-	**57**	**86**
Total	**4,137**	**470**	**1**	**1**	**4,609**	**4,378**
Of which:						
Core Department	2,804	277	1	1	**3,083**	**2,874**

					2025-26	2024-25
Departmental Strategic Objective	**Permanent staff**	**Others**	**Minister**	**Special advisor***	**Total Number**	**Total Number**
Agency	604	112			**716**	**672**
Other designated bodies	729	81			**810**	**832**

2.2A Special Advisors

In line with the current Declaration of Interests Policy for special advisors, all special advisors have declared any relevant interests or confirmed they do not consider they have any relevant interests. The Permanent Secretary has considered these returns and the following relevant interests are set out in public via this link: Register of Special Advisors' Interests - November 2025".

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

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

					2025-26
		Department			Group
Exit package cost band	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Total number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
<£10k	4/(1)	4/(1)	-/(-)	-/(1)	4/(1)
£10k - £25k	1/(-)	1/(-)	-/(1)	1/(1)	2/(2)
£25k - £50k	2/(-)	2/(-)	-/(-)	-/(-)	2/(-)
£50k - £100k	3/(3)	3/(3)	-/(-)	1/(3)	4/(3)
Total number of exit packages	10/(4)	10/(4)	-/(1)	2/(5)	12/(6)
Total Resource Cost/£'000		**£324K/(£221k)**			**£398k/(£242k)**

There were no redundancies in 2025-26 and one compulsory redundancy in LMC in 2024-25.

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 2025-26 and 2024-25. £398k exit costs were paid out in 2025-26, the year of departure (2024-25 £242k) 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 2026 by the Core Department and the NIEA was as follows:

Core Department and NIEA	Male*	Female*	Total
Board Members	5	4	9
Senior Managers	17	12	29
Other Employees	1,904	1,871	3,775
Total	**1,926**	**1,887**	**3,813**

*This excludes three male Non Executive Board Members

Departmental employees are eligible for pension benefits that are disclosed in Note 1.20 and Note 3 to the Accounts and the Remuneration Report.

There were Equal Pay Claim payments made to three members of DAERA staff in the 2025-26 financial year totalling £665.

Sickness Absence Disclosures

The Department had an overall sickness absence rate of 12.2 days lost per employee in 2024-25. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2024/25" report at Sickness Absence in the Northern Ireland Civil Service 2024/25. The 2025/26 sickness absence data is not currently available and will be published later this year.

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 is shown below. The Department continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover.

Employee Engagement

The NICS People Survey was conducted by NISRA in Spring 2025 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 from 29 April to 23 May 2025. For DAERA there were 3,744 (2023: 3,564) staff invited to complete the survey, of which 1,716 (2023: 1,817) participated, a response rate of 45.8% (2023: 48.3%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions and it ranges from 0% to 100%. DAERA responses indicated an Employee Engagement Index of 59% (2023: 57%), compared to the NICS average of 56% (2023: 54%). The full survey can be accessed at *https://www.finance-ni.gov.uk/publications/nics-people-survey-results*. The next NICS People Survey is due to take place in 2027.

The Departmental Staff Turnover percentage (the total number of people that have left the Department including those who have moved within the NICS) for 2025-26 is 7.6% (2024-25 7.8%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) for 2025-26 is 5.5% (2024-25 6.5%). This has been calculated by NICSHR 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	7.6%	5.5%

Staff Redeployment

The table below provides a breakdown at 31 March 2026 of the number of persons that were seconded in 2025-26 to Defra to assist it in delivering the work required to construct SPS inspection facilities at Northern Ireland Points of Entry (POE).

	2025-26			2024-25		
Grade	Total	Long Term Loan	Short Term Loan	Total	Long Term Loan	Short Term Loan
Assistant Secretary	1	1	-	1	1	-
Grade 6	-	-	-	1	1	-
Grade 7	2	2	-	2	2	-
Deputy Principal	2	-	2	6	6	-
Staff Officer	4	1	3	6	6	-
Executive Officer I	2	1	1	4	4	-
Executive Officer II	-	-	-	2	2	-
	11	**5**	**6**	**22**	**22**	**-**

The 11 staff (2024-25 - 22 staff) seconded to Defra, represented a cost to the Department of £1,188k (2024-25 - £1,740k) in programme costs. The number of seconded staff members has now reduced to 11 at the end of March 2026, due to the programme nearing its completion. All four permanent facilities were transferred to DAERA during 2025-26, with the remaining 11 staff members now involved in completion of Phase 2 at Larne SPS Facility, together with programme governance and closure with all staff due to return to DAERA by 31 March 2027.

Off Payroll Engagements

DAERA had no temporary off-payroll worker engagements between 1 April 2025 and 31 March 2026, earning £245 per day or greater.

Off Payroll Engagements of Board Members and/or Senior Officials

DAERA had no off-payroll worker engagements of Board Members and/or senior officials with significant responsibility between 1 April 2025 and 31 March 2026.

Consultancy Costs

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

		2025-26		2024-25
	Core Dept & Agency	Group	Core Dept & Agency	Group
	£'000	£'000	£'000	£'000
Consultancy	120	120	124	124
Temporary staff costs	18,041	21,349	12,959	16,119
Total	**18,161**	**21,469**	**13,083**	**16,243**

DEPARTMENTAL POLICIES

Employment, training and advancement of disabled persons

The NICS is a lead partner of Employers for Disability NI (EFDNI) and is an accredited Disability Positive employer.

The NICS delivers an annual programme of communications and training on disability awareness and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment policy and processes for in-work support, and for its recruitment selection and onboarding processes to deliver improvements was progressed in 2025 and will conclude in 2026-27. Colleagues with lived experience and external independent advocates have been stakeholders in the reasonable adjustment policy review.

The NICS is committed to the employment of disabled people and offers work experience through its Work Experience Scheme for Disabled People. It has also participated in the previous two phases of the DfC JobStart Scheme which aims to improve the employability and long-term employment prospects of those who face additional barriers to employment. The NICS will participate in phase three of the scheme during 2026-27 offering paid work placements to eligible benefit claimants aged 16-65 to address barriers to economic participation.

In order 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 recruitment 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 NICSHR[1]. Training is delivered using a variety of learning delivery channels (including classroom delivery, on-line, and virtual classrooms), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS People Strategy 2025-30.

NICSHR L&D contributes to the delivery of the Strategy's three priorities:

- Skills and Capacity – Building capability and future-ready skills;
- Experience and Environment – Creating inclusive, high-quality working environments; and
- Leadership and Inclusion – Developing leaders who collaborate and innovate.

A portfolio of learning products is developed in consultation with customers and subject experts internally and externally, accessible by staff through the LInKS learning management system icon on all NICS desktops. The themes covered in our portfolio of training are:

- Policy and Government;
- Leadership and Management;
- Collaborative & Collective Working;
- Innovation, Improvement and Transformation;
- Health and Wellbeing; and
- Digital Skills Development.

In addition to centrally provided NICSHR learning, DAERA continued to support department-specific development in 2025–26, including profession-led continuous professional development, accredited learning opportunities and role-specific operational training. The Department also launched its DAERA People Plan 2025-27 in December 2025. The plan is closely aligned with the NICS People Strategy 2025-2030, and addresses such topics as training, leadership development and enhancing the capability of our people.

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 for staff after they leave 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 advisers. Advice regarding specific business appointments has been published on the DAERA website [Department of Agriculture and Rural Affairs](#).

	Total
Number of exits from the Civil Service *	182

*Information includes DAERA and NIEA.

There were no BARS applications submitted to the Department over the year and there were no reported breaches of the rules in the preceding year for all grades.

Employee Consultation and Trade Union Relationships

The DoF is responsible for the NICS Trade Union Arrangements Policy. People & Organisational Development within DoF consults and/or negotiates with the NICS recognised trade unions on matters such as pay, promotion and annual leave which are relevant across the NICS. Local issues relevant only to a particular office or area of work is handled by local managers and branch trade union representatives, through agreed Local Whitley procedures/constitutions. Each department will have their own Departmental Whitley structure, to consider matters unique to individual departments and their agencies across business areas. There may also be Whitley arrangements in place dealing with issues specific to business areas.

Equality, Diversity and Inclusion

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all. As part of this commitment, leadership and inclusion is a key pillar within the new five-year NICS People Strategy 2025-30 which launched in April 2025. The strategy was developed with a range of stakeholders including NICS staff networks and through its delivery the NICS aims to foster a culture of leadership, inclusivity and diversity that will help drive better outcomes for its workforce and the public it serves.

The NICS Diversity Champions Network comprises 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 works in partnership with the NICS corporate HR function, People and Organisational Development and the seven NICS staff networks (LGBTQ+, Women, Disability, Race & Ethnicity, Cancer Support, Carers and Students), to develop and deliver actions to help promote and embed equality, diversity and inclusion across the Service.

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](#). A strategic HR policy renewal programme is underway as part of the new People Strategy to modernise NICS people policies, ensuring they are user-centric and have a positive impact on employee experience. 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 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 Review. The latest review was submitted to the Equality Commission for Northern Ireland in 2025 and will be published in 2026.

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

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

Health and Safety

During 2025-26, DAERA continued to demonstrate a structured and proactive approach to health and safety management. A departmental Health and Safety Programme of Work was completed for the period, and an Annual Health and Safety Report, incorporating departmental assurance returns, was presented to the Departmental Board. Regular health and safety update reports were also provided to the NIEA Board to support ongoing oversight.

Operational assurance activity remained strong, with 83 Health and Safety reports issued across DAERA Groups and NIEA. In total, 21 Health and Safety policy arrangements are in place, supported by active staff consultation through Whitley Sub Committee B, policy review processes, and local Health and Safety Committees.

Proactive monitoring arrangements during the year included the completion of four Health and Safety inspections and five Health and Safety audits, providing further assurance on compliance and the effectiveness of local Health and Safety arrangements.

Contingent liabilities notified to the Northern Ireland Assembly

During the year, the Department proposed an indemnity to the Loughs Agency CEO Pension Committee, which will be notified to the Northern Ireland Assembly by a Departmental Minute. The indemnity creates a potential liability in respect of legal costs and any damages arising from relevant actions. As the likelihood of outflow is assessed as remote, no provision or contingent liability is recognised in the financial statements under IAS 37.

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 (FReM) 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 capital purposes) 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 62, 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 [Consolidated budgeting guidance: 2025-26]

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 2025-26

								2025-26		2024-25
Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving / (excess)		Prior Year Outturn
		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	**699,244**	-	699,244	**699,971**	-	699,971	**727**	727	667,760
Capital	SOAS 1.2	**127,398**	-	127,398	**127,646**	-	127,646	**248**	248	101,306
Total		**826,642**	-	826,642	**827,617**	-	827,617	**975**	975	769,066
Annual Managed Expenditure										
Resource	SOAS 1.1	**1,215**	-	1,215	**126,786**	-	126,786	**125,571**	125,571	1,516
Capital	SOAS 1.2	**-**	-	-	**-**	-	-	**-**	-	-
Total		**1,215**	-	1,215	**126,786**	-	126,786	**125,571**	125,571	1,516
Total Budget										
Resource	SOAS 1.1	**700,459**	-	700,459	**826,757**	-	826,757	**126,298**	126,298	669,276
Capital	SOAS 1.2	**127,398**	-	127,398	**127,646**	-	127,646	**248**	248	101,306
Total Budget Expenditure		**827,857**	-	827,857	**954,403**	-	954,403	**126,546**	126,546	770,582
Non-Budget										
Resource	SOAS 1.1	**-**	-	-	**-**	-	-	**-**	-	-
Capital	SOAS 1.2	**-**	-	-	**-**	-	-	**-**	-	-
Total Non-Budget Expenditure		**-**	-	-	**-**	-	-	**-**	-	-
Total Budget and Non-Budget		**827,857**	-	827,857	**954,403**	-	954,403	**126,546**	126,546	770,582

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

Net Cash Requirement 2025-26

2025-26					2024-25
		Outturn	Estimate	Net total outturn compared with estimate: saving/(excess)	Prior Year Outturn
	Note	**£'000**	**£'000**	**£'000**	**£'000**
Net Cash Requirement	SOAS 3	**779,749**	**830,643**	50,894	**714,918**

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

Administration Costs 2025-26

2025-26					2024-25
		Outturn	Estimate	Net total outturn compared with estimate: saving/(excess)	Prior Year Outturn
	Note	**£'000**	**£'000**	**£'000**	**£'000**
Administration Costs	SOAS 1.1	**51,096**	**56,311**	5,215	**69,905**

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 – 2025-26

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	Prior Year Outturn Total 2024/25
	Administration			Programme			Total	Total	Virements*	Total inc. virements	Estimate (inc virements), saving/(excess)	
	Gross	Income	Net	Gross	Income	Net						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limits (DEL)												
Voted Expenditure	**53,536**	**(2,440)**	**51,096**	**721,854**	**(73,706)**	**648,148**	**699,244**	**699,971**	**-**	**699,971**	**727**	**668,825**
1: Food and Farming	21,715	(1,611)	20,104	441,079	(13,027)	428,052	448,156	446,707	1,625	448,332	176	445,379
Of which:												
Food and Farming – Departmental Expenditure	21,283	(1,611)	19,672	396,475	(13,027)	383,448	403,120	401,495	1,625	403,120	-	405,341
Livestock and Meat Commission (ALB - Net)	432	-	432	(188)	-	(188)	244	604	(184)	420	176	173
The Agri-Food and Biosciences Institute (ALB - Net)	-	-	-	44,792	-	44,792	44,792	44,608	184	44,792	-	39,865
2: Veterinary Service and Animal Health	8,308	(104)	8,204	157,171	(28,628)	128,543	136,747	142,008	(5,082)	136,926	179	113,283
3: Rural Affairs	2,956	(244)	2,712	13,481	(1,694)	11,787	14,499	14,479	20	14,499	-	14,744
Of which:												
Rural Affairs - Departmental Expenditure	2,956	(244)	2,712	11,413	(40)	11,373	14,085	13,972	113	14,085	-	14,423
PEACEPLUS	-	-	-	2,068	(1,654)	414	414	507	(93)	414	-	321
4: Foyle, Carlingford and Irish Lights Commission (ALB - Net)	-	-	-	2,861	-	2,861	2,861	2,809	52	2,861	-	2,312
5: Environment, Marine and Fisheries	9,479	(342)	9,137	30,608	(7,150)	23,458	32,595	33,719	(1,047)	32,672	77	74,296

Type of spend (Resource)	Resource outturn							Estimate			Outturn	Prior Year Outturn Total 2024/25
	Administration			Programme			Total	Total	Virements*	Total inc. virements	Estimate (inc virements), saving/(excess)	
	Gross	Income	Net	Gross	Income	Net						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Of which:												
Environment, Marine and Fisheries - Departmental Expenditure	9,046	(342)	8,704	26,536	(5,863)	20,673	29,377	30,598	(1,144)	29,454	77	71,825
Northern Ireland Fishery Harbour Authority (ALB - Net)	433	-	433	2,463	-	2,463	2,896	2,859	37	2,896	-	2,471
PEACEPLUS	-	-	-	1,609	(1,287)	322	322	262	60	322	-	-
6: Forestry	2,076	(26)	2,050	11,831	(2)	11,829	13,879	7,931	5,948	13,879	-	18,811
7: Northern Ireland Environment Agency	7,270	(91)	7,179	58,463	(22,708)	35,755	42,934	44,483	(1,516)	42,967	33	-
Of which:												
NIEA - Departmental Expenditure	7,270	(91)	7,179	57,125	(21,637)	35,488	42,667	44,249	(1,549)	42,700	33	-
PEACEPLUS	-	-	-	1,338	(1,071)	267	267	234	33	267	-	-
8: Climate Change, Science & Innovation	1,732	(22)	1,710	6,360	(497)	5,863	7,573	7,835	-	7,835	262	-
Total Voted DEL	**53,536**	**(2,440)**	**51,096**	**721,854**	**(73,706)**	**648,148**	**699,244**	**699,971**	**-**	**699,971**	**727**	**668,825**
Non-voted Expenditure												
Consolidated Fund Extra Receipts	-	-	-	-	-	-	-	-	-	-	-	(1,065)
Total non-voted DEL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,065)**
Total spending in DEL	**53,536**	**(2,440)**	**51,096**	**721,854**	**(73,706)**	**648,148**	**699,244**	**699,971**	**-**	**699,971**	**727**	**667,760**
Spending in Annually Managed Expenditure (AME)												
Voted Expenditure												

Type of spend (Resource)	Resource outturn							Estimate			Outturn	Prior Year Outturn Total 2024/25
	Administration			Programme			Total	Total	Virements*	Total inc. virements	Estimate (inc virements), saving/(excess)	
	Gross	Income	Net	Gross	Income	Net						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
9: Provisions - Departmental	-	-	-	770	-	770	770	118,247	-	118,247	117,477	385
10: Revaluations - Departmental	-	-	-	(175)	-	(175)	(175)	5,050	-	5,050	5,225	(233)
11: Depreciation - Departmental	-	-	-	43	-	43	43	1,116	-	1,116	1,073	214
12: Arm's Length Bodies (Net)	-	-	-	577	-	577	577	2,373	-	2,373	1,796	1,150
Total voted AME	-	-	-	1,215	-	1,215	1,215	126,786	-	126,786	125,571	1,516
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	1,215	-	1,215	1,215	126,786	-	126,786	125,571	1,516
Total Non Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total resource	53,536	(2,440)	51,096	723,069	(73,706)	649,363	700,459	826,757	-	826,757	126,298	669,276

***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 is provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

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

The main 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.

SOAS Note 1.2 – Analysis of capital outturn by Estimate line

Type of spend (Capital)	Outturn			Estimate			Outturn v Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, – 2024-25
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure	**270,278**	**(142,880)**	**127,398**	**127,646**	**-**	**127,646**	**248**	**101,306**
1: Food and Farming	71,942	(377)	71,565	70,955	642	71,597	32	61,930
Of which:								
Food and Farming – Departmental Expenditure	35,702	(377)	35,325	36,292	(967)	35,325	-	27,781
Livestock and Meat Commission (ALB - Net)	6	-	6	40	(2)	38	32	(331)
The Agri-Food and Biosciences Institute (ALB - Net)	36,234	-	36,234	34,623	1,611	36,234	-	34,479
2: Veterinary Service and Animal Health	156,017	(142,055)	13,962	13,527	435	13,962	-	7,463
3: Rural Affairs	7,900	(314)	7,586	8,093	(387)	7,706	120	7,082
Of which:								
Rural Affairs - Departmental Expenditure	7,900	(314)	7,586	8,093	(387)	7,706	120	7,082
PEACEPLUS	-	-	-	-	-	-	-	-
4: Foyle, Carlingford and Irish Lights Commission (ALB - Net)	1,100	-	1,100	1,100	-	1,100	-	1,419
5: Environment, Marine and Fisheries	9,967	(134)	9,833	10,816	(954)	9,862	29	21,790
Of which:								
Environment, Marine and Fisheries - Departmental Expenditure	9,546	(134)	9,412	10,366	(954)	9,412	-	21,473
Northern Ireland Fishery Harbour Authority (ALB - Net)	421	-	421	450	-	450	29	253
PEACEPLUS	-	-	-	-	-	-	-	64
6: Forestry	3,633	-	3,633	2,419	1,214	3,633	-	1,622
7: Northern Ireland Environment Agency	9,031	-	9,031	9,745	(647)	9,098	67	-

Type of spend (Capital)	Outturn			Estimate			Outturn v Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, – 2024-25
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Of which:								
NIEA - Departmental Expenditure	9,031	-	9,031	9,745	(647)	9,098	67	-
PEACEPLUS	-	-	-	-	-	-	-	-
8: Climate Change, Science & Innovation	10,688	-	10,688	10,991	(303)	10,688	-	-
Total Voted DEL	**270,278**	**(142,880)**	**127,398**	**127,646**	**-**	**127,646**	**248**	**101,306**
Total non-voted DEL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total spending in DEL	**270,278**	**(142,880)**	**127,398**	**127,646**	**-**	**127,646**	**248**	**101,306**
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
Total voted AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total non-voted AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total spending in AME	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital	**270,278**	**(142,880)**	**127,398**	**127,646**	**-**	**127,646**	**248**	**101,306**

* 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 is 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

Item		Note	Outturn total 2025-26 £'000	Prior Year Outturn Total 2024-25 £'000
Total Resource Outturn		**SOAS 1.1**	**700,459**	**669,276**
Add:	Capital Grants		38,758	25,593
	R&D expenditure		46,832	23,491
	ALB Expenditure not included in SOAS 1.1		360	-
	Other ALB Capital adjustments		-	487
Total			**85,950**	**49,571**
Less:	Capital receipts		(142,753)	-
	R&D income		(14,420)	-
	ALB income not included in SOAS 1.1		(800)	-
Total			**(157,973)**	**-**
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure		**SOCNE**	**628,436**	**718,847**

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.

Capital grants / Research and Development (R&D) are budgeted for as Capital DEL but accounted for as spend on the face of the SOCNE, and therefore function as a reconciling item between Resource outturn and Net Expenditure.

ALB expenditure and income included in the SOCNE but excluded from SOAS 1.1 arise from differences in accounting treatment and funding ratios for budgetary purposes.

In line with RoFP guidance, fixed assets are consolidated by jurisdiction, resulting in 100% of Foyle Carlingford and the Irish Lights Commission's assets and related transactions (such as depreciation) being included in the DAERA Group financial statements. As DAERA funds only 50% of these assets, the unfunded portion creates reconciling items between resource outturn and net expenditure.

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**	**700,459**	**826,757**	**126,298**
Total Capital outturn	**SOAS 1.2**	**127,398**	**127,646**	**248**
Adjustments for ALBs:				
Remove voted resource		(51,370)	(53,253)	(1,883)
Remove voted capital		(37,761)	(36,213)	1,548
Add cash grant in aid		80,344	82,611	2,267
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(32,319)	(38,658)	(6,340)
New provisions and adjustments to previous provisions		(1,393)	(118,247)	(116,854)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in inventories		(36)	-	36
Increase/(decrease) in receivables		5,625	-	(5,625)
(Increase)/decrease in payables		(11,854)	40,000	51,854
Use of provisions		656	-	(656)
Total		**779,749**	**830,643**	**50,894**
Removal of non-voted budget items				
Total		**-**	**-**	**-**
Net cash requirement		**779,749**	**830,643**	**50,894**

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 2025 when forecasting the cash requirements of the Department to 31 March 2026. The variance of £50.9m mainly related to the year-end regarding movements in working capital balances, as a result of Trade Payables being higher 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

SOAS Note 4.1 – Amounts of Income to the Consolidated Fund

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Note	Outturn 2025 - 26		Prior Year 2024 -25	
		Income (Accruals)	Receipts (Cash basis)	Income (Accruals)	Receipts (Cash basis)
		£'000	£'000	£'000	£'000
Income in budgets surrendered to the Consolidated Fund (resource)	SOAS 3	-	-	1,065	1,065
Income in the budgets surrendered to the Consolidated Fund (in the SoCNE)		-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)		-	-	-	-
Excess Cash surrenderable to the Consolidated Fund*		-	-	-	-
Total amount payable to the Consolidated Fund		**-**	**-**	**1,065**	**1,065**

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	2025-26 Income £'000	2025-26 Full Cost £'000	2025-26 Surplus / (Deficit) £'000	Financial Objective
Carrier Bag Levy	**13,614**	**12,892**	**722**	Full cost recovery - achieved with marginal over recovery.
NIEA - Resource Efficiency Pollution	**12,629**	**13,727**	**(1,098)**	Full cost recovery - achieved with marginal under recovery.
Food Standards Agency	**9,019**	**9,962**	**(943)**	Full cost recovery - achieved with marginal under recovery.
Total	**35,262**	**36,581**	**(1,319)**	

Income Source	2024-25 Income £'000	2024-25 Full Cost £'000	2024-25 Surplus / (Deficit) £'000	Financial Objective
Carrier Bag Levy	13,786	12,906	880	Full cost recovery - achieved with marginal over recovery.
NIEA - Resource Efficiency Pollution	10,737	9,925	812	Full cost recovery - achieved with marginal over recovery.
Food Standards Agency	8,889	9,473	(584)	Full cost recovery - achieved with marginal under recovery.
Total	33,412	32,304	1,108	

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 2025-26 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

	Core Department & Agency	2025-26 Departmental Group	Core Department & Agency	2024-25 Departmental Group
Total number of losses/cases	**59**	**59**	32	32
Total value of losses £'000	**220**	**220**	194	194

These cases include abandoned claims, other losses, and unvouched or incompletely vouched expenditure. The above table does not include losses in relation to the 2025-26 payments for Farm Sustainability Transitional Payment, Greening and Young Farmers. Based on an error rate of 0.47% the expected losses on these payments for 2025-26 is £1,264k (2024-25 - £3,183k). This is an estimated loss extrapolated from sampling and in some cases, recovery will be sought by the Department.

Special Payments

	Core Department & Agency	2025-26 Departmental Group	Core Department & Agency	2024-25 Departmental Group
Total number of special payments	**22**	**22**	6	6
Total value of special payments £'000	**991**	**991**	130	130

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
3 July 2026

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 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Department comprises the core Department and its agencies. 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 2025. The financial statements comprise: the Department's and the Departmental Group's

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; 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, and 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 matters described in the Basis for 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 2026 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 2026 and shows that those totals have not been exceeded; and
- the income and expenditure 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

The Department has disclosed a contingent liability relating to the Mobuoy illegal waste site at Note 21 to the financial statements. I disagree with this accounting treatment, as it is my opinion that the conditions set out in International Accounting Standard (IAS) 37 Provisions, Contingent Liabilities and Contingent Assets, have been met for the remediation costs to be recognised as a provision in the financial statements.

An external consultancy firm was commissioned by the Northern Ireland Environment Agency (an agency of the Department) to provide expert technical advice on remediation options and associated costs. The cost of remediation work incorporates two broad elements, the technical construction cost and 'other costs' included within a business case. The external consultancy firm recently estimated the technical construction cost at £111 million, and I consider this to be a reliable estimate of the technical construction cost of the remediation.

However, the Department has declined to recognise a provision in respect of this obligation. Total provisions of £2.7 million have been recorded at Note 17 in the Department's financial statements, of which £0.5 million relates to annual monitoring and maintenance costs of the Mobuoy site. The Department also declined to include a provision for the costs of remediating the site in its prior year financial statements.

The result is that the provisions figure in the Statement of Financial Position is materially understated for both the 2025-26 year and the comparative 2024-25 year. The Department has instead incorrectly disclosed the matter as a contingent liability in both years. I have, therefore, qualified my audit opinion on the basis of a material misstatement.

Furthermore, I have been unable to obtain sufficient appropriate audit evidence in respect of an update to the 'other costs' element of the remediation costs, previously estimated at £25 million. This has imposed a limitation on the scope of my audit work in relation to this element of the provision. My opinion is therefore further qualified in this regard as I have concluded that the possible effect on the financial statements could be material.

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 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 certificate.

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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

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 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 subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Except for the lack of sufficient appropriate audit evidence, which has led to the limitation on the scope of my work relating to the updated 'other costs' element of the remediation of the Mobuoy site, on which I qualified my opinion, I have nothing to report in respect of the following matter which I report to you if in my opinion:

- I have not received all of the information and explanations I require for my audit.

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:

- maintaining proper accounting records;

- 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 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 enquiries of management and those charged with governance on the Department of Agriculture, Environment and Rural Affairs and of 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 the Department of Agriculture, Environment and Rural Affairs and of 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 and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- 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 income and expenditure 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.

My detailed observations are included in the report attached to the financial statements.

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

03 July 2026

Financial Statements

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Consolidated Statement of Comprehensive Net Expenditure for the Year ended 31 March 2026

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		2025-26		2024-25
		Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Revenue from contracts with customers	6	(73,506)	(78,631)	(63,414)	(68,115)
Other Operating Income	6	(144,916)	(146,547)	(2,938)	(8,685)
Total Operating Income		**(218,422)**	**(225,178)**	**(66,352)**	**(76,800)**
Staff costs	3	210,460	255,121	185,609	227,261
EU expenditure	5	4,011	4,011	1,649	2,282
National grant expenditure and disallowance	5	445,471	361,959	429,503	353,328
Funding to Public Corporation	5	13,511	13,511	16,408	16,408
Purchase of goods and services	4,5	62,900	79,955	60,399	74,566
Depreciation and impairment charges	4,5	32,319	39,299	32,210	38,730
Provision expense	5	1,576	1,671	833	831
Other operating expenditure	4,5	84,573	98,611	69,520	83,065
Revaluation of Biological Assets	7.2	-	(1,007)	-	(1,001)
Total Operating Expenditure		**854,821**	**853,131**	**796,131**	**795,470**
Net Operating Expenditure		**636,399**	**627,953**	**729,779**	**718,670**
Taxation	5	-	3	-	(89)
Finance income	5	-	(34)	-	(66)
Finance Expense	5	114	514	2	332
Net Expenditure for the year		**636,513**	**628,436**	**729,781**	**718,847**
Notional Audit Costs	4	181	198	180	196
Other Notional Costs	4,5	15,040	16,390	15,003	15,956
Total Notional Costs		**15,221**	**16,588**	**15,183**	**16,152**
Net Expenditure for the year including notionals		**651,734**	**645,024**	**744,964**	**734,999**

	Note	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 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	(33,586)	(34,850)	(4,543)	(5,421)
Net (gain)/loss on revaluation of Intangible Assets	8	-	(116)	(4,293)	(4,330)
Actuarial (gain)/loss on retirement benefit obligations		-	207	-	510
Comprehensive Net Expenditure for the year		**618,148**	**610,265**	**736,128**	**725,758**

All income and expenditure are derived from continuing operations.

The notes on pages 145 to 187 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Consolidated Statement of Financial Position as at 31 March 2026

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	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Non-current assets					
Property, plant & equipment	7.1	426,940	507,571	253,157	324,455
Biological assets	7.2	1,612	3,119	1,616	2,989
Heritage assets	7.3	2,197	2,197	2,197	2,197
Intangible assets	8	149,316	153,052	139,275	142,156
Trade and other receivables	15	-	83	-	-
Deferred income tax assets	19	-	-	-	429
Financial Assets		31	31	26	26
Total non-current assets		**580,096**	**666,053**	**396,271**	**472,252**
Current assets					
Inventories	13	852	1,488	888	1,476
Trade and other receivables	15	32,752	37,924	25,517	31,986
Cash and cash equivalents	14.1	712	1,894	617	609
Short Term Bank Deposits	14.2	-	1,500	-	1,645
Total current assets		**34,316**	**42,806**	**27,022**	**35,716**
Total assets		**614,412**	**708,859**	**423,293**	**507,968**
Current liabilities					
Trade and other payables	16	(122,032)	(128,447)	(113,973)	(120,097)
Cash and cash equivalents	14.1	(5,455)	(5,516)	(3,751)	(3,751)
Provisions	17	(1,806)	(2,648)	(1,069)	(1,849)
Total current liabilities		**(129,293)**	**(136,611)**	**(118,793)**	**(125,697)**
Total assets less current liabilities		**485,119**	**572,248**	**304,500**	**382,271**
Non current liabilities					
Deferred income	16	-	(545)	-	(972)
Other Payables	16	(4,702)	(4,754)	(906)	(1,004)
Deferred income tax liabilities	19	-	(7,080)	-	(6,987)
Pension liability	20	-	(7,798)	-	(7,623)
Provisions	17	-	(20)	-	(16)
Deferred Capital Grant	16	-	(3,262)	-	-
Total non-current liabilities		**(4,702)**	**(23,459)**	**(906)**	**(16,602)**
Total assets less Total liabilities		**480,417**	**548,789**	**303,594**	**365,669**

	Note	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Taxpayer's equity & other reserves:					
General fund	CSoCITE	326,447	378,864	175,906	221,716
Revaluation reserve	CSoCITE	153,970	169,925	127,688	143,953
Total equity		**480,417**	**548,789**	**303,594**	**365,669**

Katrina Godfrey

Katrina Godfrey
Accounting Officer
Department of Agriculture, Environment and Rural Affairs
3 July 2026

The notes on pages 145 to 187 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS
Consolidated Statement of Cash Flows for the year ended 31 March 2026

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 Department's future public service delivery.

	Note		2025-26		2024-25
		Core Dept & Agency £'000	Departmental Group £'000	Core Dept & Agency £'000	Departmental Group £'000
Cash flows from operating activities					
Net operating cost	CSoCNE	(651,734)	(645,024)	(744,964)	(734,999)
Adjustments for non-cash transactions	4,5	(96,821)	(88,114)	48,483	55,119
(Increase)/Decrease in trade and other receivables	15	(7,267)	(6,293)	(313)	1,959
Less movements in receivables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure	15	1,609	1,609	(2,966)	(2,966)
(Increase)/Decrease in Inventories	13	36	(12)	56	121
Increase/(Decrease) in trade and other payables	16	8,075	7,967	19,730	17,819
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		3,391	1,810	2,543	3,322
Use of Provisions	17	(656)	(681)	(495)	(555)
Net cash outflow from operating activities		**(743,367)**	**(728,738)**	**(677,926)**	**(660,180)**
Cash flows from investing activities					
Purchase of property, plant and equipment	7	(6,960)	(20,209)	(7,529)	(27,407)
Purchase of intangible assets	8	(29,003)	(30,176)	(27,914)	(28,348)
Increase of biological assets	7.2	4	(22)	(175)	(185)
Proceeds of disposal of property, plant and equipment		58	220	177	698
Proceeds from disposal of biological assets		-	860	-	732
Net cash outflow from investing activities		**(35,901)**	**(49,327)**	**(35,441)**	**(54,510)**

	Note	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Cash flows from financing activities					
Capital Funding		-	-	-	(17)
Capital Payments in respect of Lease Liability		(481)	(555)	(486)	(519)
From the Consolidated Fund (Supply) – current year	CSoCITE	775,006	775,006	711,784	711,784
From the Consolidated Fund (Supply) – prior year	CSoCITE	3,134	3,134	6,100	6,100
Net financing		**777,659**	**777,585**	**717,398**	**717,348**
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to Consolidated Fund	14	**(1,609)**	**(480)**	**4,031**	**2,658**
Payments of amounts due to the Consolidated Fund		-	**-**	(1,065)	(1,065)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		**(1,609)**	**(480)**	**2,966**	**1,593**
Cash and cash equivalents at beginning of the year	14	**(3,134)**	**(3,142)**	**(6,100)**	**(4,735)**
Cash and cash equivalents at the end of the year	14	**(4,743)**	**(3,622)**	**(3,134)**	**(3,142)**

The notes on pages 145 to 187 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 2026

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 2024		**218,186**	**142,356**	**360,542**
Net Assembly Funding - drawn down		711,784	-	711,784
CFERs payable to the Consolidated Fund		(1,065)	-	(1,065)
Net Assembly Funding – supply receivable		3,134	-	3,134
Comprehensive Net Expenditure for the year		(734,999)	9,486	(725,513)
Actuarial gain/(loss) on pension scheme – Loughs		(510)	-	(510)
Non-cash charges – auditor's remuneration		196	-	196
Non-cash charges – accommodation and other charges		15,956	-	15,956
Transfers to reserves		8,068	(8,068)	-
Net gain/loss on revaluation		-	264	264
Other Reserve Movements		966	(85)	881
Balance at 31 March 2025		**221,716**	**143,953**	**365,669**
Net Assembly Funding - drawn down		775,006	-	775,006
Net Assembly Funding – supply receivable		4,743	-	4,743
Comprehensive Net Expenditure for the year	CSoCNE	(645,024)	34,960	(610,064)
Actuarial gain/(loss) on pension scheme – Loughs		7	-	7
Non-cash charges – auditor's remuneration	4	198	-	198
Non-cash charges – accommodation and other charges	4,5	16,390	-	16,390
Transfers to reserves		7,817	(7,817)	-
Other Reserve Movements		(1,989)	(1,171)	(3,160)
Balance at 31 March 2026		**378,864**	**169,925**	**548,789**

CORE DEPARTMENT & AGENCY

	Notes	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2024		**184,656**	**126,037**	**310,693**
Net Assembly Funding - drawn down		711,784	-	711,784
Net Assembly Funding – supply receivable		3,134	-	3,134
Comprehensive Net Expenditure for the year		(744,964)	8,835	(736,129)
CFERs payable to the consolidated fund		(1,065)	-	(1,065)
Non-cash charges – auditor's remuneration		180	-	180
Non-cash charges – accommodation and other charges		15,003	-	15,003
Transfers to reserves		7,180	(7,180)	-
IFRS 16 Leases		-	-	-
Other Reserve Movements		(2)	(4)	(6)
Balance at 31 March 2025		**175,906**	**127,688**	**303,594**
Net Assembly Funding – supply receivable		4,743	-	4,743
Net Assembly funding – drawn down		775,006	-	775,006
Comprehensive Net Expenditure for the year	CSoCNE	(651,734)	33,587	(618,147)
CFERs payable to the consolidated fund				-
Non-cash charges – auditor's remuneration	4	181	-	181
Non-cash charges – accommodation and other charges	4,5	15,040	-	15,040
Transfers to reserves		7,305	(7,305)	-
IFRS 16 Leases		-	-	-
Balance at 31 March 2026		**326,447**	**153,970**	**480,417**

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 Taxpayers' Equity in 2022-23. Carrying amounts are disclosed in Note 7.1 to the accounts.

The notes on pages 145 to 187 form part of these accounts

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

RESOURCE ACCOUNTS AT 31 MARCH 2026

Notes to the Group Resource Accounts

1.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 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 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 a Statement of Outturn against Assembly Supply (SOAS) and supporting notes. The SOAS shows how outturn compares with the Estimate approved by the Assembly, in terms of both the net resource requirement and the net cash requirement, and forms part of 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 executive agency and other bodies listed in note 24 which fall within the departmental boundary as defined in the FReM and together 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. Where bodies do not prepare their accounts in accordance with the FReM, consolidation adjustments are made where required and where differences would have a significant effect on the consolidated accounts.

The Loughs Agency prepares financial statements to 31 December each year. As permitted by IFRS 10, financial information for this reporting period has been used in preparing the consolidated financial statements. The difference in reporting dates arises from the statutory reporting framework applicable to the Agency. No material adjusting events were identified between 1 January 2026 and 31 March 2026.

From April 2020, the Forest Service, an executive agency of DAERA, was reclassified by the Office for National Statistics (ONS) as a Non-Financial Public Corporation for accounting and budgeting purposes. As a result, the Forest Service does not fall within the departmental boundary and is not consolidated in the Departmental Group accounts.

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 valued by Land and Property Services and are updated annually to reflect both subsequent expenditure and the movement in appropriate published indices. DAERA aims to have land and buildings valued by LPS every five years.

The most recent professional valuations were undertaken by Land and Property Services (LPS) at 1 April 2025 for Core Department land and buildings and at 1 April 2021 for NIEA buildings. These valuations form the basis of valuation for the current year, with assets revalued annually through indexation where appropriate.

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.

Non-property assets are revalued annually by reference to appropriate indices published by ONS. Where indices are unavailable or subject to uncertainty, management judgement is applied in accordance with FReM and IAS 8.

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 above for purchased assets.

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.

Software licences are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, in accordance with IAS 38 and the FReM.

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 an active market or reliable value in use, or the fair value attributed at the time of acquisition and subsequently adjusted where appropriate.

Sporting and fishing rights are assessed as having indefinite useful lives and are therefore not amortised. The carrying value of sporting and fishing rights is reviewed annually for impairment in accordance with IAS 36 to ensure that it does not exceed its recoverable amount. Where indicators of impairment exist, recoverable amounts are reassessed using the most appropriate available information.

1.6 Biological Assets

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

Biological assets are measured in accordance with IAS 41 Agricultural Activity at fair value less costs to sell at the reporting date, where fair value can be measured reliably. Livestock is valued at fair value less costs to sell, using market values where these can be measured reliably. 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.

Where fair value cannot be measured reliably on initial recognition, biological assets are measured at cost. Fish stocks are measured at cost on initial recognition and subsequently at the lower of cost and net realisable value, in accordance with IAS 41 and the FReM. 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 Non-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.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, in accordance with IFRS 5. Assets held for sale are presented separately in the Consolidated Statement of Financial Position as current assets.

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

1.10 Research and Development Expenditure
Research and development expenditure is accounted for in accordance with IAS 38 Intangible Assets, as adapted by the Government Financial Reporting Manual (FReM). Research expenditure is recognised as an expense in the Consolidated Statement of Comprehensive Net Expenditure in the period in which it is incurred.

1.11 Income
Revenue from contracts with customers is recognised in accordance with IFRS 15 Revenue from Contracts with Customers, as adapted by the FReM. Such revenue comprises fees and charges receivable for services provided to external customers.

Other Operating Income comprises income that does not fall within the scope of IFRS 15 and includes grants, contributions and other income receivable in the course of the Department's normal activities.

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 may receive a public corporation 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 percent whilst Forest Service is loss-making. If Forest Service generates a surplus before revaluation gains on biological assets in future periods, a return will be applied in accordance with the rate agreed with DoF and consistent with prevailing HM Treasury guidance at that time.

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 accounts for leases in accordance with IFRS 16 Leases, as adapted by the FReM. IFRS 16 requires the recognition of right-of-use assets and corresponding lease liabilities for leases with lease terms greater than 12 months, except where the underlying asset is of low value. For short-term (with a lease term of less than 12 months) and low-value leases, lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

On commencement of a lease, the Group recognises a right-of-use asset, representing its right to use the underlying leased asset, and a lease liability, representing its obligation to make lease payments.

Peppercorn Leases

As mandated by the FReM, the definition of a lease includes arrangements with nil or nominal consideration. Peppercorn leases are lease arrangements where the lease payments are significantly below market value.

On initial recognition, right-of-use assets arising from peppercorn leases are measured at fair value. Where the value of the right-of-use asset exceeds the discounted lease liability, the difference is recognised as income in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, as interpreted by the FReM.

Measurement of Right-of-Use Assets

On initial recognition, the right-of-use asset is measured at cost, comprising the initial measurement of the lease liability, adjusted for any lease payments made at or before commencement, any lease incentives received and any initial direct costs incurred.

Measurement of Lease Liabilities

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the date of lease commencement.

The incremental borrowing rate is the interest rate implicit in the lease, where this can be readily determined, or otherwise the rate notified by HM Treasury and DoF for the relevant period, in accordance with FReM guidance.

Subsequent measurement

Where the lease is subsequently measured the liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by rediscounting the revised cash flows; the impact is reflected in the lease liability, and a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is charged to the Statement of Comprehensive Net Expenditure.

Lease expenditure

Expenditure includes interest and straight-line depreciation. Lease payments are debited against the liability. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Lease liabilities are presented separately as current and non-current liabilities within the notes to the Consolidated Statement of Financial Position.

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, to the extent that a present obligation exists and it is practicable to measure the expenditure reliably. Income receivable in respect of grant-funded activity is recognised on an accruals basis in line with the associated expenditure, where the conditions for recognition are satisfied.

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. Where a range of possible outcomes exists, provisions are measured using the most likely outcome or expected value, taking account of risks and uncertainties, in accordance with IAS 37.

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 relevant expenditure category 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. The expenditure of the Departmental agency and NDPBs primarily relates to service delivery and is therefore designated as programme expenditure.

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. No pension liability is recognised in respect of these arrangements, as the obligation to pay future benefits rests with the PCSPS (NI) and ultimately the Exchequer. 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)](https://www.civilservicepensionscheme.org.uk)

North South Pension Scheme

Employees of the Loughs Agency are members of the North-South Pension Scheme (NSPS), which is a defined benefit pension scheme funded on a pay-as-you-go basis from monies provided by the UK and Irish Exchequers, through co-sponsorship by DAERA and the Department for Environment, Climate and Communications in the Republic of Ireland.

The North-South Pension Scheme (NSPS) consists of a number of sections with different benefit structures. Further information about pension schemes can be found in the accounts of Loughs Agency.

The liability at the reporting date has been included in the Financial Statements and is disclosed in Note 20, which sets out the actuarial valuation calculations performed by an independent actuary.

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 Net Expenditure.

The CSoFP recognises the cumulative liability for pensions earned by employees as at the reporting date, 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.

Contingent liabilities required to be disclosed under IAS 37 are disclosed without recognition in the CSoFP and are not discounted. Where amounts differ from those reported to the Assembly for accountability purposes, the Assembly-reported amounts are separately identified.

Contingent liabilities reported solely for Assembly reporting purposes, but not required to be disclosed under 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 initially at fair value and subsequently measured at amortised cost, net of an allowance for expected credit losses. 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 and subsequently measured at amortised cost.

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.

These transactions are disclosed in accordance with IAS 24 Related Party Disclosures, as interpreted by the FReM, where they are material and not eliminated on consolidation.

In terms of related party interests of the Group's officials, for transparency and governance purposes, top managerial officials and members of the Departmental Board are required to 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 other bodies 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.

The interests of members of the Departmental Board are recorded in the Departmental Board Register of Interests, which is published on the DAERA website.

[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

The preparation of the financial statements requires the Department to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from those estimates.

The Department has identified the following areas as key sources of estimation uncertainty that could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- provisions and contingent liabilities arising from legal, regulatory and environmental matters (Notes 17 and 21);
- valuations of land, buildings and specialised operational assets (Note 7);
- useful economic lives applied to property, plant and equipment (Note 7); and
- valuation of biological assets (Note 7).

The assumptions used in these estimates are based on information available at the reporting date. It is reasonably possible that outcomes within the next financial year that differ from these assumptions could require material adjustments to the carrying amounts of the affected assets and liabilities.

In certain cases, particularly those relating to legal, regulatory or environmental matters, it is not practicable to quantify fully the potential financial effect of future outcomes. However, based on information currently available, management considers it is possible that future events may result in material adjustments to amounts recognised or disclosed in the financial statements.

Details of the carrying amounts of the affected assets and liabilities, together with the assumptions applied, are provided in the relevant notes to the financial statements.

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 and have not been early adopted for these accounts. Based on this review, management does not expect the adoption of these standards to have a material impact on the Group’s financial statements at the time they become effective.

IFRS 18

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the public sector is still being assessed and a decision has not yet been taken on an implementation date for public sector bodies through the FReM.

IFRS 19

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the public sector is still being assessed and a decision has not yet been taken on an implementation date through the FReM.

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.

			2025-26			2024-25
	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Veterinary Services and Animal Health	143,105	(171,864)	**(28,759)**	106,297	(23,126)	**83,171**
Food, Farming and Rural Affairs	407,860	(12,279)	**395,581**	414,696	(13,636)	**401,060**
Environment, Marine and Fisheries	60,485	(8,869)	**51,616**	57,510	(13,274)	**44,236**
Northern Ireland Environment Agency	65,468	(22,700)	**42,768**	55,423	(18,794)	**36,629**
Climate Change and Science Innovation	19,801	(430)	**19,371**	14,216	-	**14,216**
Strategic Planning and Corporate Services	144,152	(8,539)	**135,613**	147,329	(7,971)	**139,358**
Estate Transformation and Windsor Framework Implementation *	12,260	(497)	**11,763**	-	-	**-**
Total	**853,131**	**(225,178)**	**627,953**	**795,471**	**(76,801)**	**718,670**

*Comparative figures for Estate Transformation & Windsor Framework Implementation are included within Strategic Planning and Corporate Services.

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 Executive Earmarked funding for agriculture, agri -environment, fisheries and rural development.

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

The principal activities of this Group include 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. They also include enforcement of marketing/classification standards, primary production hygiene and animal feeding stuffs legislation and support for the equine industry.

Food, Farming and Rural Affairs

The main activities of this Group include expenditure on CAFRE, provision of advice, support and guidance to farmers and the rural community by specialist advisors and frontline office staff. They also include 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. In addition, they include delivery of food strategy and policy support to the agri-food industry, collection, collation and dissemination of agricultural and related statistics and implementation of and payments in relation to Sustainable Agricultural Policy.

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 has 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.

Northern Ireland Environment Agency

The NIEA is an Executive Agency within DAERA, operating within the context of the Department's overall vision, strategic objectives and policies. The Agency's primary purpose is to protect and enhance 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 NI'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. It also works closely with all other Government departments facilitating their input to NI's Climate Action Plan.

Strategic Planning and Corporate Services

The principal 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. The Group also

Estate Transformation and Windor Framework Implementation

The Group is responsible for the strategic management and transformation of the DAERA estate portfolio. This includes the maintenance and operation of departmental properties, delivery of energy efficiency and decarbonisation measures, management of accommodation leases, and the disposal of surplus assets. The Group also manages DAERA's historic estate, comprising several hundred listed buildings and monuments, ensuring their preservation and appropriate stewardship. The delivery of occupational health and safety advice, assurance, and oversight across the Department, also forms part of the Group's responsibilities, supporting the safe and compliant delivery of these activities in line with legislative and departmental standards. In addition, the Group oversees the implementation of the Windsor Framework at departmental level through a formal Programme of work. This includes resource planning, facilitating, monitoring, and reporting on the development and implementation of relevant legislation to achieve Windsor Framework compliance. The Group also provides central departmental coordination and contact for all Windsor Framework and EU related issues including liaison with our Defra Ministers. DAERA's EU Policy Branch based in Brussels sits within the Group and ensures that DAERA's voice is heard in EU policy making.

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

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Wages and Salaries	147,586	179,547	130,465	160,378
Social security costs	17,746	21,495	13,675	16,666
Other pension costs	45,128	54,079	41,469	50,217
Total net costs	**210,460**	**255,121**	**185,609**	**227,261**
Of which:				
Charged to Administration	27,828	29,569	45,380	47,033
Charged to Programme	182,632	225,552	140,229	180,228
	210,460	**255,121**	**185,609**	**227,261**

4. Other Administration Costs

4 (a) Administration Costs

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Purchase of Goods & Services				
Office services	2,080	2,380	2,071	2,901
Contracted out services	3,410	3,942	3,602	3,602
Professional costs	1,666	1,873	822	1,002
Consultancy costs	58	58	235	235
Other expenses	(111)	7,806	56	56
Total Purchases of Goods & Services	**7,103**	**16,059**	**6,786**	**7,796**
Depreciation & impairment charges				
Non Cash Costs:				
Depreciation – property, plant and equipment	(1,093)	(394)	772	1,435
Amortisation of intangible assets	15,309	15,368	15,309	15,309
Total	**14,216**	**14,974**	**16,081**	**16,744**
Other operating expenditure				
Rentals under operating leases	34	76	(57)	(57)
Staff related costs	3,351	3,678	3,040	3,044
Accommodation costs	472	625	335	335
Sub Total Other Operating Expenditure	**3,857**	**4,379**	**3,318**	**3,322**
(Gain)/loss on disposal of assets	-	86	-	21
Sub Total (Gain)/loss on disposal of assets	-	**86**	**-**	**21**
Notional Charges				
Notional Auditor's remuneration	181	189	180	187
UK EPR Scheme to NI Councils	52,187	52,187	-	-

UK EPR Scheme Income to DAERA	(51,555)	(51,555)	-	-
Notional accommodation	4,533	4,533	3,833	3,833
Other notional costs	9,875	9,875	11,170	11,170
Total Notional Charges	**15,221**	**15,229**	**15,183**	**15,190**
Finance expense	-	-	**2**	**2**
Total Administration Costs	**40,397**	**50,727**	**41,370**	**43,075**

4 (b) Notional Audit Costs

	2025-26 £'000	2024-25 £'000
Core Department	160	160
Agency	21	20
Total Core Department and Agency	**181**	**180**
LMC	8	7
NIFHA	9	9
Departmental Group Notional Audit Costs	**198**	**196**

4 (c) Total Operating Expenditure Reconciliation

	Administration Expenditure £'000	Programme Expenditure £'000	2025-26 Total £'000
Core Department & Agency			
Staff costs	27,828	182,632	210,460
EU expenditure	-	4,011	4,011
National grant expenditure	-	445,471	445,471
Forest Service Public Corp Funding	-	13,511	13,511
Purchase of goods & services	7,103	55,797	62,900
Depreciation & impairment	14,216	18,103	32,319
Provision expenses	-	1,576	1,576
Other operating expenditure	3,857	80,716	84,573
Total	**53,004**	**801,817**	**854,821**

	Administration Expenditure £'000	Programme Expenditure £'000	2024-25 Total £'000
Core Department & Agency			
Staff costs	45,380	140,229	185,609
EU expenditure	-	1,649	1,649
National grant expenditure	-	429,503	429,503
Forest Service Public Corp Funding	-	16,408	16,408
Purchase of goods & services	6,786	53,613	60,399
Depreciation & impairment	16,081	16,129	32,210
Provision expenses	-	833	833
Other operating expenditure	3,318	66,202	69,520
Total	**71,565**	**724,566**	**796,131**

	Administration Expenditure £'000	Programme Expenditure £'000	2025-26 Total £'000
Departmental Group			
Staff costs	29,569	225,552	255,121
EU expenditure	-	4,011	4,011
National grant expenditure	-	361,959	361,959
Forest Service Public Corp Funding	-	13,511	13,511
Purchase of goods & services	16,059	63,896	79,955
Depreciation & impairment	14,974	24,325	39,299
Provision expenses	-	1,671	1,671
Other operating expenditure	4,466	94,145	98,611
Biological Asset revaluation	-	(1,007)	(1,007)
Total	**65,068**	**788,063**	**853,131**

	Administration Expenditure £'000	Programme Expenditure £'000	2024-25 Total £'000
Departmental Group			
Staff costs	47,033	180,228	227,261
EU expenditure	-	2,282	2,282
National grant expenditure	-	353,328	353,328
Forest Service Public Corp Funding	-	16,408	16,408
Purchase of goods & services	7,796	66,770	74,566
Depreciation & impairment	16,744	21,986	38,730
Provision expenses	-	831	831
Other operating expenditure	3,343	79,722	83,065
Biological Asset revaluation	-	(1,001)	(1,001)
Total	**74,916**	**720,554**	**795,470**

5. Programme Costs
5 (a) Programme Costs

	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Grant Expenditure				
EU Grants & Subsidies:				
Capital grants & subsidies	-	-	365	323
Current grants & subsidies – other	4,011	4,011	1,284	1,959
	4,011	**4,011**	**1,649**	**2,282**
National Grants & Subsidies:				
Grant in aid	80,344	-	74,106	-
Capital grants & subsidies	39,519	39,519	26,085	26,085
Current grants & subsidies inc Areas Aids & Basic Payment Scheme	325,608	322,440	329,312	327,243
	445,471	**361,959**	**429,503**	**353,328**
Total Grant Expenditure	**449,482**	**365,970**	**431,152**	**355,610**
Funding to Public Corporation				
Resource subsidy to Forest Service	11,101	11,101	16,041	16,041
Capital subsidy to Forest Service	2,410	2,410	367	367
Total Funding to Public Corporation	**13,511**	**13,511**	**16,408**	**16,408**
Purchase of Goods & Services				
Office services	2,053	3,661	1,981	3,554
Contracted out services	15,493	10,559	17,364	13,472
Private veterinary practitioners' fees & expenses	12,944	12,944	12,636	12,636
Laboratory expenditure	94	1,336	-	5,347
Ship operating costs	-	3,266	-	3,507
Professional & legal costs	7,409	9,213	7,544	7,698
Royalty costs	-	-	-	14
Consultancy costs	1,266	1,266	828	828
Consumables & materials	1,916	6,026	1,812	4,374
Other goods and services	14,622	15,624	11,448	15,340
Total Purchase of Goods & Services	**55,797**	**63,895**	**53,613**	**66,770**
Depreciation & Impairment Charges				
Non Cash Costs:				
Depreciation – property, plant & equipment	14,270	20,547	13,307	18,791
Amortisation of intangible assets	3,041	3,041	3,041	3,439
Impairment/revaluation of assets	791	737	(219)	(244)

	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Total Depreciation & Impairment Charges	**18,102**	**24,325**	**16,129**	**21,986**
Bad Debts	182	187	99	100
Provision expense	1,394	1,484	734	731
Provisions Total	**1,576**	**1,671**	**833**	**831**
Other Operating Expenditure				
Rentals under operating lease	186	191	281	290
Staff related costs	2,690	3,558	3,294	4,381
Accommodation costs	12,207	18,914	10,292	18,569
Exchange rate losses/(gains) – realised	341	349	347	347
Diseased animals compensation	55,713	55,847	44,696	44,696
Non-capital plant and equipment purchases	6,236	7,104	4,700	4,700
Irrecoverable VAT	-	3,109	-	2,833
Vessel decommissioning	-	-	-	96
Vehicle, ship and plant costs	2,770	4,464	2,407	3,729
Sub total	**80,143**	**93,536**	**66,017**	**79,641**
Non-cash items				
Loss/(gain) on disposal of assets	543	507	77	33
Notional Auditor's remuneration	-	9	-	9
Notional charges	-	1,350	-	953
Provision for doubtful debt	32	102	108	48
Non Cash Total	**575**	**1,968**	**185**	**1,043**
Total Other Operating Expenditure	**80,718**	**95,504**	**66,202**	**80,684**
Biological Assets revaluation	-	-	-	(1,001)
Taxation charges	-	3	-	(89)
Finance Income	-	(34)	-	(66)
Finance Expenses	114	514	-	330
Total Programme Expenditure	**619,300**	**565,359**	**584,337**	**541,463**

5 (b) Non Cash Costs

Core Department & Agency	Administration Expenditure £'000	Programme Expenditure £'000	2025-26 Total £'000
Depreciation & impairment	14,216	18,102	32,318
Provision expenses	-	1,576	1,576
Other operating expenditure	14,589	575	15,164
Total	**28,805**	**20,253**	**49,058**

Core Department & Agency	Administration Expenditure £'000	Programme Expenditure £'000	2024-25 Total £'000
Depreciation & impairment	16,081	16,129	32,210
Provision expenses	-	833	833
Other operating expenditure	15,183	185	15,368
Total	**31,264**	**17,147**	**48,411**

Departmental Group	Administration Expenditure £'000	Programme Expenditure £'000	2025-26 Total £'000
Depreciation & impairment	14,974	24,325	39,299
Provision expenses	-	1,671	1,671
Other operating expenditure	14,683	1,968	16,651
Total	**29,657**	**27,964**	**57,621**

Departmental Group	Administration Expenditure £'000	Programme Expenditure £'000	2024-25 Total £'000
Depreciation & impairment	16,744	21,986	38,730
Provision expenses	-	831	831
Other operating expenditure	15,211	1,043	16,254
Total	**31,955**	**23,860**	**55,815**

6. Income

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Revenue from contracts with customers				
Inspection & testing	9,988	16,456	9,732	15,339
Rent & recreation income	9,094	1,266	8,072	1,127
Environmental regulatory charges	12,629	12,629	10,737	10,737
Diseased animal salvage	18,842	18,842	13,453	13,454
Carrier bag levy	13,614	13,614	13,786	13,786
Education	2,388	2,567	2,438	2,438
Farm and supplies sales	1,472	2,349	1,329	2,355
Seconded staff	-	474	69	462
Fees, Levies, Charges	-	-	-	3,565
Royalties	-	92	-	18
Other	5,479	10,342	3,798	4,834
Total	**73,506**	**78,631**	**63,414**	**68,115**
Other Operating Income				
Income from donated assets	142,055	142,055	-	-
Other EU programme income	2,861	3,330	1,873	1,873
CFERs received – repayable to the Consolidated Fund	-	-	1,065	1,065
Other grants	-	1,061	-	3,258
Revenue grants from Departments	-	101	-	-
Capital grant released	-	-	-	(276)
Net deferred funding for pensions	-	-	-	343
EU Grants	-	-	-	2,422
	144,916	**146,547**	**2,938**	**8,685**
Total Income	**218,422**	**225,178**	**66,352**	**76,800**

7.1 (a) Property, Plant and Equipment 2025-26: Consolidated

2025-26	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or valuation						
At 1 April 2025	**324,946**	**84,514**	**21,838**	**6,038**	**31,999**	**469,335**
Opening balance adjustment	**-**	**1**	**1**	**(1)**	**(1)**	**-**
Additions	5,806	5,483	1,317	1,124	13,137	26,867
Donations	142,055	-	-	-	-	142,055
Disposals	(629)	(3,382)	(953)	(249)	-	(5,213)
Reclassifications	626	102	(141)	687	(1,223)	51
Transfers	-	(131)	(32)	-	-	(163)
Impairments	-	(39)	-	-	-	(39)
Revaluations to CSoCNE	(647)	60	1	-	-	(586)
Revaluations through revaluation reserve	(3,847)	2,178	875	36	-	(758)
At 31 March 2026	**468,310**	**88,786**	**22,906**	**7,635**	**43,912**	**631,549**
Depreciation						
At 1 April 2025	**66,209**	**56,981**	**16,843**	**4,847**	**-**	**144,880**
Opening balance adjustment	**7**	**1**	**-**	**(1)**	**-**	**7**
Charged in year	13,217	5,240	1,187	624	-	20,268
Disposals	(157)	(3,344)	(935)	(247)	-	(4,683)
Reclassification	(57)	162	-	-	-	105
Transfers	-	(131)	(32)	-	-	(163)
Impairment	-	(37)	25	-	-	(12)
Revaluations to CSoCNE	(820)	3	1	-	-	(816)
Revaluations through revaluation reserve	(37,661)	1,438	590	25	-	(35,608)
At 31 March 2026	**40,738**	**60,313**	**17,679**	**5,248**	**-**	**123,978**
Carrying Amount at 31 March 2025	**258,737**	**27,533**	**4,995**	**1,191**	**31,999**	**324,455**
Carrying Amount at 31 March 2026	**427,572**	**28,473**	**5,227**	**2,387**	**43,912**	**507,571**
Asset Financing						
Owned	421,599	28,224	5,227	2,387	43,912	501,349
Leased	5,973	249	-	-	-	6,222
Carrying Amount at 31 March 2026	**427,572**	**28,473**	**5,227**	**2,387**	**43,912**	**507,571**
Carrying Amount at 31 March 2026						
Of the Total:						
Core Department	368,852	9,678	3,077	469	16,246	398,322
Agency	23,716	3,114	755	1	1,032	28,618
Other designated bodies	35,004	15,681	1,395	1,917	26,634	80,631
Carrying Amount at 31 March 2026	**427,572**	**28,473**	**5,227**	**2,387**	**43,912**	**507,571**

The £142.1m donated assets, included in Land and Buildings, were donated from Defra to DAERA during 2025-26.

7.1 (b) Property, Plant and Equipment 2024-25 Consolidated

2024-25	Land & Buildings £'000	Plant & Machinery £'000	Transport & Equipment £'000	Information Technology £'000	Assets under Construction £'000	Total £'000
Cost or valuation						
At 1 April 2024	**310,978**	**79,554**	**21,491**	**6,482**	**22,536**	**441,041**
Opening balance adjustment	-	397	34	(10)	(158)	263
Restated at 1 April 2024	**310,978**	**79,951**	**21,525**	**6,472**	**22,378**	**441,304**
Additions	4,483	3,713	814	322	15,116	24,448
Disposals	(542)	(1,467)	(1,287)	(1,013)	(7)	(4,316)
Reclassifications	3,903	1,067	316	202	(5,488)	-
Transfers	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Revaluations to CSoCNE	284	27	2	-	-	313
Revaluations through revaluation reserve	5,840	1,223	468	55	-	7,586
At 31 March 2025	**324,946**	**84,514**	**21,838**	**6,038**	**31,999**	**469,335**
Depreciation						
At 1 April 2024	**52,080**	**52,454**	**16,236**	**5,030**	**-**	**125,800**
Opening balance adjustment	7	314	-	-	-	321
Restated at 1 April 2024	**52,087**	**52,768**	**16,236**	**5,030**	**-**	**126,121**
Charged in year	12,824	5,123	1,252	1,027	-	20,226
Disposals	(31)	(1,453)	(1,232)	(985)	-	(3,701)
Reclassification	(1)	(218)	219	-	-	-
Transfers	-	-	-	-	-	-
Impairment	-	10	-	5	-	15
Revaluations to CSoCNE	50	2	2	-	-	54
Revaluations through revaluation reserve	1,280	749	366	(230)	-	2,165
At 31 March 2025	**66,209**	**56,981**	**16,843**	**4,847**	**-**	**144,880**
Carrying Amount at 31 March 2024	**258,898**	**27,100**	**5,255**	**1,452**	**22,536**	**315,241**
Carrying Amount at 31 March 2025	**258,737**	**27,533**	**4,995**	**1,191**	**31,999**	**324,455**
Asset Financing						
Owned	257,108	27,026	4,613	1,191	31,999	321,937
Leased	1,629	507	382	-	-	2,518
Carrying Amount at 31 March 2025	**258,737**	**27,533**	**4,995**	**1,191**	**31,999**	**324,455**
Carrying Amount at 31 March 2025						
Of the Total:						
Core Department	197,772	9,039	2,721	527	13,652	223,711
Agency	24,880	3,204	607	-	755	29,446
Other designated bodies	36,085	15,290	1,667	664	17,592	71,298
Carrying Amount at 31 March 2025	**258,737**	**27,533**	**4,995**	**1,191**	**31,999**	**324,455**

**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	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Value at 1 April	1,616	2,989	1,441	2,542
Revaluation adjustment				
Increase/(Decrease) in stocks	(4)	(4)	175	175
Additions	-	26	-	10
Disposals	-	(899)	-	(739)
Price/Growth increment	-	1,007	-	1,001
Value at 31 March	**1,612**	**3,119**	**1,616**	**2,989**

7.3 Heritage Assets

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Value at 1 April 2025	2,197	2,197	2,197	2,197
Revaluations to CSoCNE	-	-	-	-
Revaluations through Revaluation Reserve	-	-	-	-
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

2025-26	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2025	1,562	252,429	7,547	10,238	271,776
Opening balance adjustment	-	-	4	2	6
Restated 1 April 2025	1,562	252,429	7,551	10,240	271,782
Additions	-	24,721	500	4,955	30,176
Disposals	-	(1,769)	(241)	-	(2,010)
Reclassification	-	4,344	1,936	(6,334)	(54)
Revaluations to CSoCNE	-	-	-	-	-
Revaluations through Revaluation Reserve	-	-	186	-	186
Total Cost	**1,562**	**279,725**	**9,932**	**8,861**	**300,080**
Amortisation					
At 1 April 2025	91	124,248	5,281	-	129,620
Charged in year	32	17,646	615	-	18,293
Disposal Depreciation	-	(1,551)	(238)	-	(1,789)
Reclassification Depreciation	-	-	(105)	-	(105)
Revaluation to CSoCNE	-	-	-	-	-
Impairment Depreciation	-	27	912	-	939
Revaluations through Revaluation Reserve	-	-	70	-	70
At 31 March 2026	**123**	**140,370**	**6,535**	**-**	**147,028**
Carrying Amount at 31 March 2025	**1,471**	**128,181**	**2,266**	**10,238**	**142,156**
Carrying Amount at 31 March 2026	**1,439**	**139,355**	**3,397**	**8,861**	**153,052**
Asset financing:					
Owned	1,275	139,355	3,397	8,861	152,888
Leased	164	-	-	-	164
Carrying Amount at 31 March 2026	**1,439**	**139,355**	**3,397**	**8,861**	**153,052**
Of the Total:					
Core Department	1,439	139,363	512	7,999	149,313
Agency	-	1	2	-	3
Other designated bodies	-	(9)	2,883	862	3,736
Carrying Amount at 31 March 2026	**1,439**	**139,355**	**3,397**	**8,861**	**153,052**

8.1 (b) Intangible Assets Consolidated

2024-25	Forest Land Rights £'000	Software £'000	Software Licences £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2024	1,492	216,015	5,826	13,730	237,063
Additions	27	23,267	174	4,880	28,348
Disposals	-	(1,925)	(235)	-	(2,160)
Reclassification	-	6,786	1,586	(8,372)	-
Revaluations to CSoCNE	-	4	14	-	18
Revaluations through Revaluation Reserve	43	8,282	182	-	8,507
Total Cost	**1,562**	**252,429**	**7,547**	**10,238**	**271,776**
Amortisation					
At 1 April 2024	58	103,939	4,710	-	108,707
Charged in year	33	18,068	640	7	18,748
Disposal Depreciation	-	(1,818)	(211)	-	(2,029)
Reclassification Depreciation	-	7	-	(7)	-
Revaluation to CSoCNE	-	4	13	-	17
Revaluations through Revaluation Reserve	-	4,048	129	-	4,177
At 31 March 2025	**91**	**124,248**	**5,281**	**-**	**129,620**
Carrying Amount at 31 March 2024	**1,434**	**112,076**	**1,116**	**13,730**	**128,356**
Carrying Amount at 31 March 2025	**1,471**	**128,181**	**2,266**	**10,238**	**142,156**
Asset financing:					
Owned	1,276	128,181	2,266	10,238	141,961
Leased	195	-	-	-	195
Carrying Amount at 31 March 2025	**1,471**	**128,181**	**2,266**	**10,238**	**142,156**
Of the Total:					
Core Department	1,471	128,189	490	9,122	139,272
Agency	-	1	2	-	3
Other designated bodies	-	(9)	1,774	1,116	2,881
Carrying Amount at 31 March 2025	**1,471**	**128,181**	**2,266**	**10,238**	**142,156**

9.1 Impairments

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Charged to the consolidated statement of comprehensive net expenditure	(927)	(927)	15	-
Charged to revaluation reserve	10	(103)	8	(256)
	(917)	**(1,030)**	**23**	**(256)**

These amounts relate to impairment losses arising from a clear consumption of economic benefit or service potential, rather than from movements in market indices used to revalue non-current assets.

9.2 Indexation

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Charged to the consolidated statement of comprehensive net expenditure	(175)	(175)	-	(25)
	(175)	**(175)**	**-**	**(25)**

10 Capital and other commitments

10.1 Capital commitments

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements				
Intangible	78,547	78,547	107,880	107,880
Plant, Property & Equipment	1,572	1,722	1,563	1,721
	80,119	**80,269**	**109,443**	**109,601**

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

2025-26	**Land £'000**	**Buildings £'000**	**Plant & Machinery £'000**	**LTAO £'000**	**Total £'000**
Right-of-Use Assets:					
At 1 April 2025	439	507	382	137	**1,465**
Additions – new leases	-	4,132	75	-	**4,207**
Disposals	-	(7)	-	-	**(7)**
Remeasurements – existing leases	35	(19)	-	-	**16**
Depreciation charged in year	(78)	(211)	(208)	(31)	**(528)**
At 31 March 2026	**396**	**4,402**	**249**	**106**	**5,153**
Peppercorn Leases:					
At 1 April 2025	1,190	-	-	58	**1,248**
Depreciation charged in year	(15)	-	-	(1)	**(16)**
At 31 March 2026	**1,175**	-	-	**57**	**1,232**
Balance 31 March 2026	**1,571**	**4,402**	**249**	**163**	**6,385**
Balance 31 March 2025	**1,629**	**507**	**382**	**195**	**2,713**

Additions to right-of-use assets during 2025-26 totalled £4,207k (2024-25 - £216k).

2024-25	**Land £'000**	**Buildings £'000**	**Plant & Machinery £'000**	**LTAO £'000**	**Total £'000**
Right-of-Use Assets:					
At 1 April 2024	463	851	605	142	2,061
Additions – new leases	106	101	-	9	216
Remeasurements – existing leases	(48)	(305)	-	18	(335)
Depreciation charged in year	(82)	(140)	(223)	(32)	(477)
At 31 March 2025	**439**	**507**	**382**	**137**	**1,465**
Peppercorn Leases:					
At 1 April 2024	1,205	-	-	59	1,264
Depreciation charged in year	(15)	-	-	(1)	(16)
At 31 March 2025	**1,190**	**-**	**-**	**58**	**1,248**
Balance 31 March 2025	**1,629**	**507**	**382**	**195**	**2,713**
Balance 31 March 2024	**1,668**	**851**	**605**	**201**	**3,325**

Additions to right-of-use assets during 2024-25 totalled £216k (2023-24 - £806k).

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.

	2025-26 Core Dept & Agency £'000	2025-26 Departmental Group £'000	2024-25 Core Dept & Agency £'000	2024-25 Departmental Group £'000
Land				
Not later than one year	369	369	133	133
Later than one year and not later than five years	1,263	1,263	183	183
Later than five years	6,350	6,350	692	692
	7,982	**7,982**	**1,008**	**1,008**
Less interest element	(3,626)	(3,626)	(624)	(624)
Present Value of Obligations	**4,356**	**4,356**	**384**	**384**
Buildings				
Not later than one year	89	131	92	164
Later than one year and not later than five years	245	287	213	289
Later than five years	187	187	227	235
	521	**605**	**532**	**688**
Less interest element	(78)	(78)	(74)	(79)
Present Value of Obligations	**443**	**527**	**458**	**609**
Other				
Not later than one year	215	223	262	270
Later than one year and not later than five years	137	149	267	289
Later than five years	6	6	9	9
	358	**378**	**538**	**568**
Less interest element	(15)	(15)	(22)	(22)
Present Value of Obligations	**343**	**363**	**516**	**546**
	5,142	**5,246**	**1,358**	**1,539**

Consolidated 2025-26

Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure.

Amounts recognised in the Statement of Comprehensive Net Expenditure

	Core Department & Agency £'000	2025-26 Departmental Group £'000	Core Department & Agency £'000	2024-25 Departmental Group £'000
Low value and short term leases	220	267	224	232

Quantitative disclosures around cash outflows for leases

Amounts recognised in the Statement of Cash Flows

	Core Department & Agency £'000	2025-26 Departmental Group £'000	Core Department & Agency £'000	2024-25 Departmental Group £'000
Total cash outflow for lease	466	486	486	519

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

The Department had no PFI commitments as of 31 March 2026 or 31 March 2025.

10.4 Other Financial Commitments

The Department and its agency have entered into non-cancellable arrangements (excluding leases, PFI and service concession arrangements) to provide financial assistance to farmers and other recipients who meet specified eligibility criteria.

A commitment is recognised for the estimated value of approved or eligible claims relating to these schemes that remain unpaid, unclaimed, or not yet due to be claimed at 31 March 2026.

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

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Total Grant Commitments				
Not later than one year	33,126	33,151	23,837	23,859
Later than one year and not later than five years	71,282	71,344	37,062	37,143
Later than five years	-	-	-	-
	104,408	**104,495**	**60,899**	**61,002**

Grant commitments at 31 March 2026 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 EU Structural Funds. 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

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Consumable materials and supplies	**852**	**1,488**	888	1,476

14.1 Cash and cash equivalents

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
At 1 April	(3,134)	(3,142)	(6,100)	(3,156)
Net change in cash and cash equivalent balances	(1,609)	(480)	2,966	14
At 31 March	**(4,743)**	**(3,622)**	**(3,134)**	**(3,142)**
The following balances at 31 March were held at:				
Government Banking Service	(4,788)	(4,788)	(3,179)	(3,179)
Commercial banks and cash in hand	45	1,166	45	37
At 31 March	**(4,743)**	**(3,622)**	**(3,134)**	**(3,142)**
The balance comprise				
Cash & bank	712	1,894	617	609
Bank overdraft	(5,455)	(5,516)	(3,751)	(3,751)
	(4,743)	**(3,622)**	**(3,134)**	**(3,142)**

14.2 Short term bank deposits

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Short term bank deposits	-	1,500	-	1,645

14.3 Reconciliation of liabilities arising from financing activities

There were no liabilities arising from financing activities at 31 March 2026 or 31 March 2025.

15. Trade Receivables, financial and other assets

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Amounts falling due within one year				
VAT	4,489	4,559	3,800	4,172
Trade receivables	5,731	8,044	5,194	9,142
Other receivables	652	450	818	2,675
Prepayments & accrued income	16,974	19,480	11,962	11,897
Amounts due from Rural Payments Agency in relation to Common Agriculture Policy (CAP)	162	647	609	609
Amounts due from the EU	-	-	-	357
	28,008	**33,180**	**22,383**	**28,852**
Amounts due from Consolidated Fund in respect of supply	4,744	4,744	3,134	3,134
Total at 31 March due within one year	**32,752**	**37,924**	**25,517**	**31,986**
Amounts falling due after one year				
Prepayments & accrued income	-	83	-	-
Total at 31 March due after one year	**-**	**83**	**-**	**-**

16. Trade Payables, financial and other liabilities

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Amounts falling due within one year				
Other taxation and social security	-	714	-	73
Trade payables	3,872	4,627	2,417	2,652
Other payables	595	(112)	2,047	3,042
Accruals and deferred income	51,962	57,769	53,819	58,562
Current part of lease liabilities	436	486	452	530
Other grant creditors	65,167	64,963	55,238	55,238
Total at 31 March due within one year	**122,032**	**128,447**	**113,973**	**120,097**
Amounts falling due after one year				
Lease Liabilities	4,702	4,754	906	1,004
Deferred income	-	545	-	972
Deferred Capital Grant	-	3,262	-	-
Total at 31 March due after one year	**4,702**	**8,561**	**906**	**1,976**

17. Provisions for liabilities and charges

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Balance at 1 April	1,069	1,865	829	1,688
Provided in the year	1,632	1,740	945	1,004
Provisions not required written back	(238)	(256)	(210)	(272)
Provisions utilised in year	(656)	(681)	(495)	(555)
Balance at 31 March	**1,807**	**2,668**	**1,069**	**1,865**

Analysis of expected timing of discounted flows

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Not later than one year	1,807	2,608	1,069	1,849
Later than one year and not later than five years	-	20	-	16
Later than five years	-	-	-	-
Balance at 31 March	**1,807**	**2,668**	**1,069**	**1,865**

	Litigation Claims £'000	Other Provisions £'000	2025-26 Departmental Group Total £'000
Not later than one year	1,841	807	2,648
Later than one year and not later than five years	-	20	20
Later than five years	-	-	-
Balance at 31 March 2026	**1,841**	**827**	**2,668**

	Litigation Claims £'000	Other Provisions £'000	2024-25 Departmental Group Total £'000
Not later than one year	82	1,767	1,849
Later than one year and not later than five years	-	16	16
Later than five years	-	-	-
Balance at 31 March 2025	**82**	**1,783**	**1,865**

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.

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
Deferred income tax assets to be recovered after more than 12 months	-	-	-	-
Deferred income tax assets to be recovered within 12 months	-	-	-	429
	-		-	**429**
Deferred income tax liabilities to be recovered after more than 12 months	-	(7,080)	-	(6,558)
Deferred income tax liabilities to be recovered within 12 months	-	-	-	(429)
	-	**(7,080)**	-	**(6,987)**
Deferred income tax liabilities - net	**-**	**(7,080)**	**-**	**(6,558)**

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

	Core Dept & Agency £'000	2025-26 Departmental Group £'000	Core Dept & Agency £'000	2024-25 Departmental Group £'000
At 1 April	-	(6,558)	-	(6,752)
Opening balance adjustment	-	(522)	-	86
Credited to the net expenditure account	-	-	-	108
Charged directly to the statement of other comprehensive income	-	-	-	-
At 31 March	**-**	**(7,080)**	**-**	**(6,558)**

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 2024	**(7,074)**	**429**	**(107)**	**(6,752)**
Opening balance adjustment	87	-	(1)	86
(Credited)/charged to net expenditure account	108	-	-	108
(Credited)/charged directly to the statement of other comprehensive income	-	-	-	-
At 31 March 2025	**(6,879)**	**429**	**(108)**	**(6,558)**
(Credited)/charged to net expenditure account	(724)	94	108	(522)
(Credited)/charged directly to the statement of other comprehensive income	-	-	-	-
At 31 March 2026	**(7,603)**	**523**	**-**	**(7,080)**

20. Pension Liabilities

	2025-26 Core Dept & Agency £'000	2024-26 Agri-Food & Biosciences Institute £'000	2025-26 Livestock & Meat Commission for Northern Ireland £'000	2025-26 NIFHA £'000	2025-26 Loughs Agency £'000	2025-26 Departmental Group £'000
Amounts falling due after one year	-	-	-	-	7,798	**7,798**
Pension liabilities	-	-	-	-	7,798	**7,798**

	2024-25 Core Dept & Agency £'000	2024-25 Agri-Food & Biosciences Institute £'000	2024-25 Livestock & Meat Commission for Northern Ireland £'000	2024-25 NIFHA £'000	2024-25 Loughs Agency £'000	2024-25 Departmental Group £'000
Amounts falling due after one year	-	-	-	-	7,623	**7,623**
Pension liabilities	-	-	-	-	7,623	**7,623**

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 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 is involved in a number of legal matters, including judicial reviews, personal injury claims, employee litigation, contractual disputes and compensation claims. Where the recognition criteria of IAS 37 have been met, provisions have been recognised in Note 17.

This represents public liability, employer liability, contract and compensation claims and dilapidations as advised by the business areas within the Department. Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by the Department and relate to accidents or injury caused due to faults in the fabric of a departmental building and other damages including fair employment and industrial tribunal cases.

Contract claims are associated with claims made by contractors for unforeseen delays in the completion of projects or cost over-runs, which are outside of their control. The provisions details are based on evaluations made by qualified professional and technical personnel employed by DAERA.

The cases disclosed below have not sufficiently progressed at the reporting date to enable a reliable estimate of any potential financial obligation to be made, or the likelihood of a future outflow of resources cannot yet be determined with sufficient certainty. These matters remain subject to ongoing legal processes and, in some cases, the outcome and potential financial impact are dependent on future court decisions, settlement negotiations or confirmation of legal costs. Accordingly, no provision has been recognised at 31 March 2026 in respect of these specific cases.

In personal injury cases involving claims for future financial loss, the courts apply a discount rate to lump-sum awards to reflect the expected return from investment. The rate is currently +0.5%, as set by the Government Actuary with effect from 27 September 2024 under the Damages Act 1996, as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022. The ultimate value of any future settlement remains subject to judicial determination and the circumstances of individual cases.

Public Sector Pensions - Injury to Feelings Claims
The Department of Finance (DoF) is a named Respondent in a class action affecting employers across the public sector and is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an 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 NIEA and sponsors AFBI, AWB, LMC, NIFHA and FCILC. These bodies are regarded as related parties with which the Department has had various transactions during the year.

During the year DAERA received NI Ports buildings from the Department for Environment, Food and Rural Affairs (DEFRA) upon completion of a construction programme supporting the delivery of Sanitary and Phytosanitary controls under the Windsor Framework. Assets with a value of £142 million were transferred to DAERA for nil consideration and recognised within Property, Plant and Equipment. There were no outstanding balances, commitments, guarantees, provisions for doubtful debts or bad debt expenses arising from this transaction at 31 March 2026.

The members of staff required to declare related-party interests include the Departmental Board, senior officials at Grade 5 and equivalents, Special Advisers and the Minister.

A number of senior officers were members of professional or representative bodies that interact with DAERA in the normal course of business. These included the Royal College of Veterinary Surgeons, North of Ireland Veterinary Association, Royal Ulster Agricultural Society, and the National Trust. Where applicable, standard professional membership fees were paid by the Department as part of normal employment arrangements.

Several officers, or their spouses or close family members, declared interests in agricultural land or farming businesses, some of which received payments or grants from DAERA. In all cases, the officers concerned had no involvement in the administration, assessment or approval of these payments, and normal grant processes and controls applied.

A small number of officers declared that close family members were employed elsewhere within DAERA or by organisations that undertake work for the Department. In all such cases, the officers had no role in procurement, contract management or funding decisions.

Trade union membership, including NIPSA, and membership of large national charities such as the National Trust were reviewed during the year and were not treated as related-party transactions where no direct transaction or decision-making relationship with DAERA existed, consistent with IAS 24 and the FReM.

All interests declared during the year were assessed and were not considered material, either individually or in aggregate.

During 2025–26, there were no applications made via the Department of Finance to DAERA under the NICS Business Appointment Rules.

23. Third-party Assets

The Department held third-party assets at 31 March 2026 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 2026 are set out in the table below.

Consolidated

NI Central Investment Fund for Charities Description	No. of Shares	2025-26 £	2024-25 £
DAERA Moore Memorial Fund	96	1,642	1,465
DAERA Thomson Memorial Account	990	16,932	15,105
DAERA Thompson Bequest Account	10,973	187,668	167,425
Vaughan’s Charity	181,395	3,102,344	2,767,707
Vaughan’s Charity – Fermanagh Pig Project	1,099	18,796	16,768
Total	**194,553**	**3,327,382**	**2,968,470**

Educational Trust Fund Accounts

2025-26

Account	WD Thomson £	Thompson Bequest £	Moore Memorial £
Opening Balance	18,288	297	1,643
Receipts	1,207	5,377	113
Payments	-	-	-
Closing Balance	**19,495**	**5,674**	**1,756**

2024-25

Account	WD Thomson £	Thompson Bequest £	Moore Memorial £
Opening Balance	17,011	452	1,572
Receipts	1,277	4,945	121
Payments	-	(5,100)	(50)
Closing Balance	**18,288**	**297**	**1,643**

Third-party account balances	Bank Accounts		Consolidated Fund	
	2025-26	2024-25	2025-26	2024-25
	£	£	£	£
DAERA Horse Racing Business Investment Account	**5,434**	13,320	-	
Enniskillen Student Resource Account	**3,324**	9,269	-	-
Enniskillen Student Vaughan Charity – current account	**5,000**	5,000	-	-
Enniskillen Student Vaughan Charity – deposit account	**62,785**	27,091	-	-
Greenmount College Sports Fund	**12,688**	9,981	-	-
Greenmount Travel – Current	**-**	1,490	-	-
Greenmount Travel – Business Reserve	**-**	274	-	-
Greenmount Bursaries	**22,560**	26,862	-	-
Greenmount Erasmus Euro account	**407**	391	-	-
Greenmount Erasmus Sterling account	**48,405**	52,285	-	-
Loughry Student Affiliation Account	**19,752**	15,296	-	-
DAERA Moore Memorial Fund	**336**	223	1,420	1,420
DAERA Thomson Memorial Account	**5,776**	4,569	13,720	13,720
DAERA Thompson Bequest Account	**5,589**	212	85	85
Totals	**192,056**	**166,263**	**15,225**	**15,225**

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 Forest Service ARA 2024-25 and Northern Ireland Environment Agency are published separately.

The entities within the Group boundary during 2025-26 were as follows:

Department
Department of Agriculture, Environment and Rural Affairs DAERA ARA 2024-25

Executive Agency
Northern Ireland Environment Agency NIEA ARA 2023-24

Executive NDPBs
Agri-Food & Biosciences Institute AFBI ARA 2024-25
Livestock and Meat Commission LMC ARA 2024-25
Northern Ireland Fisheries Harbour Authority NIFHA ARA 2023-24

North South Body
The Loughs Agency Loughs Agency 2023 Annual Report and Accounts

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 3 July 2026.

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
BGA	Blue-Green Algae
bTB	Bovine Tuberculosis
BTV	Bluetongue virus
BVD	Bovine Viral Diarrhoea
C&AG	Comptroller and Auditor General
CAFRE	College of Agriculture, Food and Rural Enterprise
CCM	Cost Cap Mechanism
CETV	Cash Equivalent Transfer Value
CO2e	Carbon Dioxide equivalent
CPE	Contingency Planning Envelope
CPI	Consumer Prices Index
CRR	Departmental Corporate Risk Register
CSAO	Chief Scientific Adviser's Office
CSoCNE	Consolidated Statement of Comprehensive Net Expenditure
CSP	Civil Service Pensions
DA	Devolved Administrations
DAERA	Department of Agriculture, Environment and Rural Affairs
DAFM	Department of Agriculture, Food and the Marine (Ireland)
DAO	Dear Accounting Officer
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
DSF	Digital, Security and Finance Shared Services
DTFF	Digital Transformation Flexible Fund
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EEI	Employee Engagement Index
EFS	Environmental Farming Scheme
EIP	European Innovation Partnership
EMFG	Environment, Marine and Fisheries Group
EU	European Union

FCILC	Foyle, Carlingford and Irish Lights Commission
FD	Finance Director
FFG	Food and Farming Group
FReM	Government Financial Reporting Manual
FTE	Full Time Equivalent
FSP	Farm Sustainability Payment
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
HLSAG	High-Level Science Advisory Group
HM	His Majesty's
HOCS	Head of the Civil Service
HPAI	Highly Pathogenic Avian Influenza
HR	Human Resources
IAB	Internal Audit Branch
IAO	Information Asset Owners
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IRM	Identification Registration and Movement
IRRV	Institute of Revenue Rating and Valuation
ISMS	Information Security Management System
ISVA	Incorporated Society of Valuers and Auctioneers
IT	Information Technology
JFS	Joint Fisheries Statement
KPI	Key Performance Indicator
LAP	Landscape Action Plan
LMC	Livestock and Meat Commission
LPS	Land & Property Services
m^3	Metres cubed
MLA	Member of the Legislative Assembly
MPMNI	Managing Public Money NI
MtCO2e	Million tonnes of Carbon Dioxide equivalent
NAP	Nutrients Action Programme
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

NICCAP	Northern Ireland Climate Change Adaptation Programme
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
RBMP	River Basin Management Plan
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
SAP	Sustainable Agriculture Programme
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
TCZ	Temporary Control Zone
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

Report by the Comptroller and Auditor General to the Northern Ireland Assembly

Department of Agriculture, Environment and Rural Affairs 2025-26

Introduction

1. This report highlights significant matters arising from my audit of the Department of Agriculture, Environment and Rural Affairs (DAERA) and its Departmental Group financial statements for the year ended 31 March 2026.

2. The matters relate to the accounting treatment and disclosure of the estimated costs to remediate the illegal waste site at Mobuoy, County Londonderry.

Disclosures regarding illegal dump site at Mobuoy, Co. Londonderry

3. I have qualified my true and fair audit opinion on the DAERA 2025-26 financial statements for two reasons:
   a) a provision for the remediation costs associated with the Mobuoy illegal waste site has not been recognised. This relates to the omission of provision costs of £111 million in 2025–26 and £107 million in the comparative 2024–25 figures; and
   b) a limitation on the scope of my audit has been imposed because I have been unable to obtain sufficient appropriate audit evidence in relation to the updated estimate of the ‘other costs’ element of the remediation cost in 2025-26.

Background

4. The NI Environment Agency (NIEA), an agency within DAERA, has responsibility for environmental regulation and enforcement. In 2012, NIEA identified evidence of extensive illegal waste disposal and significant environmental damage at the Mobuoy site.

5. I previously reported that NIEA had commissioned an external consultancy firm in 2023 to provide expert technical advice on remediation options and that it had at that time recommended a preferred option at a cost of £107 million.

6. The total estimated cost of remediation incorporates two broad elements. The first is the technical construction cost, which was estimated by the technical expert in 2023 at £82 million. The second was the associated ‘other costs’ that are included within a business case, which were estimated at £25 million. This gave an overall estimated cost of remediation of £107 million. In my 2024-25 audit certificate, I highlighted that the Department should have included a provision of £107 million in its financial statements in relation to this matter, and since it declined to do so, I qualified my audit opinion as I concluded that this was a material misstatement.

Updated position

7. During 2025-26, NIEA carried out a consultation to obtain the views of the public on this preferred option as the way forward in remediating the Mobuoy site.

8. In June 2026, the technical expert updated the cost of the technical construction aspect of the remediation from £82 million to £111 million. On that basis, £111 million is now deemed to be the most reliable estimate of the cost for the technical construction aspect of remediation. However, the Department has again declined to recognise a provision in respect of this obligation. Instead, total provisions of £2.7 million have been recorded in the Department's Statement of Financial Position, of which £0.5 million relates to annual monitoring and maintenance costs of the Mobuoy site.

9. The result is that the provisions figure in the Statement of Financial Position is materially understated for both the 2025-26 year and the comparative 2024-25 year. The Department has incorrectly disclosed the matter as a contingent liability in both years.

10. The Department highlights that the Minister has not yet decided on an agreed remediation approach and therefore there is no reliable estimate of the cost. For this reason, it has declined to recognise a provision for the remediation cost in its financial statements.

11. However, given that the Department consulted publicly on the preferred remediation option proposed by the technical expert and has recently commissioned the expert to update the costings for this approach, the updated cost can be taken as a reliable estimate of the technical construction element of the remediation.

12. On the basis of the above, I am satisfied that the requirements of International Accounting Standard (IAS) 37 on Provisions, Contingent Liabilities and Contingent Assets have been met in that a constructive obligation existed at the year end, it is probable that an outflow of economic benefits will be required to settle that obligation and there is a reliable estimate of that cost.

13. Therefore, in my opinion, a provision for the technical construction cost element should be recognised in the financial statements. The continued disclosure of a contingent liability results in a material misstatement.

Limitation of Scope

14. Furthermore, I have been unable to obtain sufficient appropriate audit evidence in respect of the updated 'other costs' element. This was previously estimated in 2023 at £25 million. DAERA has not updated this element of the provision and due to the passage of time, the 2023 estimate may no longer be considered a reliable estimate.

In particular, lifecycle costs, optimism bias and discounting to present value have not yet been determined for the updated ‘other costs’ estimate. This has imposed a limitation on the scope of my audit work for this element of the provision and therefore, my opinion is also qualified in this regard.

Potential Excess vote

15. I have not been able to obtain sufficient reliable audit evidence to support an updated estimate for the ‘other costs’ element of the remediation work. The cost estimated for this element in 2023 was £25 million. It is likely given the increase in costs in recent years that the updated estimate will exceed that figure. However, if it were to remain unchanged, this would imply a total estimated remediation cost of at least £136 million.

16. To account for the costs of a provision, the Department requires Annually Managed Expenditure (AME) budget cover to be voted and approved by the Northern Ireland Assembly. The Department’s underspend against its AME budget for 2025-26 was £125.5 million. If the Department recognised the provision based on the latest available estimates, being the 2026 technical construction costs (£111 million) and the 2023 ‘other costs’ element (£25 million), it would have exceeded the voted control total for AME by £10.5 million. On that basis an excess vote would have arisen and the expenditure would have been deemed irregular. However, I have not qualified my regularity opinion on this basis, as there was a limitation of scope in relation to the ‘other cost’ element of the provision.

In conclusion

17. I reiterate my previous recommendation that the Department progress and refine the business case for remediation. The Department should now complete the ‘other costs’ element of the provision estimate without delay, including lifecycle costs, optimism bias and discounting to present value, and ensure that the total liability is fully reflected in its financial statements going forward.

18. I will continue to keep this matter under review as part of my audit of the 2026–27 financial statements.

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03 July 2026