Northern Ireland Environment Agency
www.daera-ni.gov.uk

Northern Ireland Environment Agency Annual Report and Accounts 2025-26

An Agency within the Department of
Agriculture, Environment and Rural Affairs
www.daera-ni.gov.uk

Gníomhaireacht de chuid na Roinne
Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe

An Agency wi'in the Depairtment o
Fairmin, Environment an' Kintra Matthers

Northern Ireland Environment Agency

ANNUAL REPORT AND ACCOUNTS 2025-26

For the year ended 31 March 2026

Laid before the Northern Ireland Assembly under section 11(3) (c) of the Government Resources and Accounts Act (Northern Ireland) 2001 by the Department of Agriculture, Environment and Rural Affairs on 3 July 2026

This publication is available at www.daera-ni.gov.uk.

Any enquiries regarding this document should be sent to us at Department of Agriculture, Environment and Rural Affairs, Information Management Branch, Clare House, 303 Airport Road West, Belfast, BT3 9ED

CONTENTS

Chief Executive's Perspective on Performance

As NIEA Chief Executive (Interim), I am pleased to present the Northern Ireland Environment Agency's (NIEA) Annual Report and Accounts for 2025-26.

The Agency's achievements over the past 12 months reflect the dedication and hard work of our entire team who have driven progress on many complex and high-stakes environmental issues, whilst fulfilling our statutory duties.

We have achieved notable progress in areas that support the Minister's priorities and have consistently worked to protect and enhance Northern Ireland's environment.

NIEA remained committed to its core business operations the achievement of key targets which underpin the Agency's primary purpose as Northern Ireland's principal environmental regulator and advisor, protecting and enhancing the natural environment whilst regulating activities that may pose risks to it.

The 2025-26 Annual Report and Accounts show that five out of six NIEA Key Performance Targets (KPTs) were achieved or partially achieved during the reporting year, whilst one KPT on 'Planning' was not achieved.

The KPTs are outlined in more detail in the 'Performance Report' section of the Annual Report and Accounts.

Some of the highlights during the year included:

- The protection of public health and the environment remained a driving principle of our work with ongoing effective and efficient regulation and enforcement of drinking water supplies;
- Our operational response to the blue-green algae crisis and our contribution to the Lough Neagh Action Plan;
- The ongoing development and publication of Conservation Management Plans;
- £9.97m funding was provided under the Environment Fund, which included support for habitats and species, improved water quality, engagement with nature and access to the countryside;
- We continued to support sustainable access to our natural environment which included the ongoing management and care of our seven country parks and 65 nature reserves, which welcomed almost three million visitors during 2025-26; and
- The ongoing monitoring of the Mobuoy waste site and the development of a draft Remediation Strategy.

The persistent occurrence of blue-green algae blooms in the reporting period demonstrated the significant impacts that human activities can have on our natural environment, whilst the impacts of climate change can further intensify these effects on our ecosystems, underscoring the need for effective action and measures to improve the quality of our water bodies and support the restoration of our natural environment and biodiversity.

In navigating the challenges of 2025-26, and delivering environmental regulation throughout the past year, I am grateful for the continued support of those working in this complex environmental space, including environmental organisations, volunteers, businesses, law enforcement and community organisations.

Our focus for 2026-27 will be to build on those vital stakeholder partnerships inside and outside of government, to ensure that by providing more efficient, effective and targeted services, we continue to seek better outcomes in the challenges facing our environment.

During 2025-26, the Operational Review Programme continued to review and refine NIEA's structures to strengthen delivery of Ministerial priorities and our regulatory functions and better equip staff to meet future environmental needs.

We will also focus on improving environmental advice to planning authorities and strengthening communication and engagement with all stakeholders. To support this NIEA developed a Planning Improvement Plan in 2025-2026, with delivery set for 2026 as a priority. Key initiatives include refreshed standing advice, redesigned consultation processes, better customer service, improved performance monitoring and increased staff capacity.

Whilst I have only recently assumed the role of Chief Executive, I recognise that the performance reflected in this report is the result of my predecessor, David Reid's leadership and the sustained efforts of colleagues across the Agency. I extend my sincere thanks to all involved and look forward to building on this progress.

Richard Crowe
Chief Executive
3 July 2026

Dr Richard Crowe was appointed as Accounting Officer and Interim Chief Executive of NIEA on 1 April 2026.

Non-Executive Board Member Report

The 2025-26 reporting year has been another challenging period for the Northern Ireland Environment Agency (NIEA). As a complex and diverse operational organisation, the Agency continues to meet competing demands in this evolving environment, as it fulfils its regulatory, enforcement and operational duties to ensure compliance with current environmental legislation and standards.

As Non-Executive Members of the Agency Board, we have provided strategic input and supported NIEA's activities through contributing at Board meetings, as well as undertaking regular scrutiny reviews of progress and risks at each Audit Risk and Assurance Committee (ARAC) meeting, and the NIEA Resources and People Committee (RPC) meetings. We would like to extend our gratitude to all Agency staff for their dedicated efforts and assistance throughout the past year.

NIEA Board

The Management Board met six times during 2025-26. In addition to considering papers on operational issues, the NIEA Board Agenda included standing briefing papers on a wide range of strategic issues including finance, corporate governance, human resources, corporate and annual business planning, and health and safety.

Board Effectiveness

A Board Effectiveness Review was conducted during the 2025-26 reporting year, and an Action Plan is being actively considered by the Board to determine ways to drive improvements and efficiencies in the process.

NIEA Audit and Risk Assurance Committee (ARAC)

The NIEA Audit Risk and Assurance Committee met on four occasions during 2025-26 and continued to support the Accounting Officer and Management Board with their risk, control and governance responsibilities.

At each meeting the Committee reviewed progress on audit recommendations, considered fraud and whistleblowing cases, the NIEA Risk Register and other governance related issues such as Post Project Evaluations (PPEs), and any Direct Award Contracts awarded.

The Committee received a presentation from DAERA Digital Services on Cyber Security arrangements within the Department and welcomed and endorsed the procedures in place.

The Committee note the NIAO audit opinion on the 2025-26 accounts and will continue to monitor the underlying factors going forward. The Committee continued to reflect upon the recommendations in relation to risk management within the Agency.

NIEA Resources and People Committee (RPC)

The NIEA Resources and People Committee was established with effect from June 2025 and met on five occasions during 2025-26.

The Committee has responsibility for advising on financial management within NIEA, ensuring sound financial management is in place and scrutinising the allocation of financial and human resources to achieve strategic objectives.

During the 2025-26 reporting year, the Committee brought a particular focus to the challenges around financial management, and workforce planning, to deliver against current and future needs. The Committee has also highlighted the importance of maintaining a continuous and sustained focus on the health and wellbeing of the NIEA team.

The Committee will continue to work in partnership with the Executive Team to ensure that practical and effective measures are implemented across the Agency to support the wellbeing of all staff.

Mr Stephen Welch
Chairperson of NIEA ARAC
Non-Executive Board Member
3 July 2026

Ms Veronica Morris
Chairperson of NIEA RPC
Non-Executive Board Member
3 July 2026

1. PERFORMANCE REPORT

1.1 Performance Overview

In this section we explain who we are and what we do, the story of 2025-26, some of our key highlights and a summary of our performance.

Who we are and what we do

The Northern Ireland Environment Agency (NIEA) is an Executive Agency within the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland. NIEA operates within the context of the Department's overall vision, strategic objectives and policies.

The Board is led by a Chief Executive with the support of three operational Directors: Natural Environment Division, Waste and Industrial Pollution Regulation and Enforcement Division, and Water Regulation and Enforcement Division.

The Board operates at ae strategic level, supported by the Audit and Risk Committee in addition to a Resources and People Committee to support decision making and management of operations. The committees operate under separate non-executive chairs. One non-executive was appointed to the Board on 1 February 2023 for a three-year period, which was extended for a further three-year period, and the other non-executive was appointed 1 April 2025 for an initial 3-year period.

Our responsibilities are to protect and enhance Northern Ireland's environment, and in doing so, deliver health and well-being benefits and support economic growth.

The NIEA operated under a two-division structure, comprising Regulation and Enforcement and Natural Environment Divisions, until June 2025. At that point, the Regulation and Enforcement Division was split into two separate divisions: Waste and Industrial Pollution Regulation and Enforcement Division, and Water Regulation and Enforcement Division.

Each of the Divisions' areas of responsibility are outlined in the following explanatory tables.

Water Regulation and Enforcement Division The Water Regulation and Enforcement Division seeks to safeguard the quality of the environment through effective regulation of activities that have the potential to impact on air, water and land.		
The **Water Catchment Unit** coordinates catchment planning, pollution response and enforcement, agricultural regulation, and drinking water regulation.	The **Water Regulation Unit** manages licensing, consents, private sewage, and special regulatory projects to ensure compliance with water-related laws, taking enforcement action as required.	The **Water Science & Evidence Unit** provides scientific analysis, monitoring, and data management to support evidence-based water regulation and environmental assessment.

<table>
<tr><th colspan="3">Waste and Industrial Pollution Regulation and Enforcement Division

Waste and Industrial Pollution Regulation and Enforcement Division plays a central role in protecting the environment, public health and the economy through regulation, monitoring and enforcement of waste, industrial pollution and environmental crime.</th></tr>
<tr><td>The Environmental Crime Unit (ECU) addresses serious, organised and persistent waste crime through prosecutions and effective partnership working. Resources are directed towards the individuals and companies that pose the greatest risk and harm to the environment and human health. ECU seeks to protect and improve the environment through effective enforcement which supports legitimate businesses while removing illegal activity from the sector.</td><td>The Industrial Pollution and Radiochemical Inspectorate regulates approximately 700 sites / operators’ industrial activities to ensure compliance with industrial emissions legislation, emissions trading, major accident hazards, radioactive substances and chemical controls.</td><td>The Waste Regulation Unit regulates around 900 waste management authorisations and facilities. This includes landfills, carrying out both scheduled and unannounced inspections, processing authorisation applications, responding to complaints and taking enforcement action where necessary. It also regulates the trans-frontier shipments of waste to and from Northern Ireland and has regulatory responsibility under the Producer Responsibility Obligations Regulations ensuring businesses are accountable for the environmental impact of their products throughout their lifecycle, particularly focusing on packaging waste, waste electrical products and batteries.</td></tr>
</table>

Natural Environment Division **The Natural Environment Division has responsibility for the protection and enhancement of Northern Ireland's natural heritage. Towards the end of 2025-26, and continuing into 2026-27, the Division will be undertaking a restructuring of its Units.**			
Natural Environment Operations Unit responsibilities include but are not limited to the provision of environmental advice for planning consultations, Local Development Plans and Strategic Environmental Assessments, assessment of farm sustainability standards, the administration of grant funding to not-for-profit organisations undertaking strategic environmental projects, management of NIEA Country Parks and Nature Reserves; and the development and implementation of initiatives associated with outdoor recreation and access, environmental education, landscapes, wildfires and peatland restoration.	The **Natural Science Unit** is responsible for implementing policies to protect Northern Ireland's biodiversity and wildlife, including but not limited to the provision and reporting of data, evidence and advice on the wildlife and the natural environment, the designation, protection and management of important sites for biodiversity and geodiversity, and science and advice to tackle particular drivers of biodiversity loss, such as air pollution (ammonia) and land use change.	The **Operational Review Programme** aims to optimise the operational delivery of NIEA's regulatory functions to best support the achievement of ministerial priorities DAERA strategic objectives.	The **Central Services Unit** has oversight of finance, workforce planning, governance, premises and fleet. The unit is also responsible for the CEO office, strategic internal communications, stakeholder engagement, strategic planning and reviews.

What we aimed to deliver during 2025-26

<table>
<tr><td>Programme for Government</td><td colspan="2">Missions: People, Planet and Prosperity
Cross-cutting commitment to Peace
Nine priorities including, ‘Protecting Lough Neagh and the Environment’</td></tr>
<tr><td>Ministerial Priorities, and Key Pledges significant to the Agency</td><td>• Tackling and responding to Climate Change together in a fair and just way.
• Protecting and restoring our terrestrial and marine environment.
• Strengthening environmental governance.
• Supporting sustainable, resilient and productive agri-food and fishing sectors.
• Building strong sustainable and diverse rural communities.
• Investing in our science and research and development capacity.</td><td>• Key Pledge 2 - We will have delivered improvements to water quality, including through implementation of the Lough Neagh Action Plan and other related interventions.
• Key Pledge 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.
• Key Pledge 9 - We will have published and will be working to implement a new Waste Management Strategy to help build a low carbon circular economy.</td></tr>
<tr><td>NIEA Key Priority Areas</td><td colspan="2">NIEA Key Priority 1: Environmental Regulation, Protection and Enforcement
NIEA Key Priority 2: Water Quality
NIEA Key Priority 3: Nature Recovery</td></tr>
<tr><td>NIEA Key Performance Targets</td><td>KPT 1: Lough Neagh
KPT 2: Mobuoy
KPT 3: Planning
KPT 4: Drinking Water Supplies</td><td>KPT 5: Environment Projects and Schemes
KPT 6: Operational Review Programme</td></tr>
<tr><td>NIEA Wider Targets</td><td>7. Natural heritage licencing and consenting/assenting
8. Wildfire management
9. Natural science evidence and data
10. Environmental crime (including waste crime)
11. Applications for authorisations across all our regimes
12. Operational guidance and policy which underpins our regulatory regimes</td><td>13. Response to pollution incidents
14. River basin management plan
15. NIEA Regulatory Digital Roadmap and Digital Transformation of Regulatory Systems
16. Regulation Evidence and Data
17. 2025 Cross Compliance programme
18. Engagement on the Statement of Regulatory Principles and Intent
19. Our People</td></tr>
</table>

NIEA Operational Highlights 2025-26

Mobuoy

An important milestone was reached for the Mobuoy site on the 13 June 2025 with the launch of the public consultation on the draft Remediation Strategy for the site. Over a 16-week period, the public were invited to share their opinions. To facilitate direct engagement, two public meetings were held in Eglinton Community Centre and Millennium Forum in September 2025. Partners in the project participated in these events.

The consultation ended on 2 October 2025, and 26 people or groups sent in their feedback. These responses are now being carefully considered to inform any necessary amendments to the draft Remediation Strategy.

The Mobuoy team continues to lead, supported by teams across the Agency, the delivery of a comprehensive Environmental Monitoring Programme at the Mobuoy site. The monitoring data is used by NIEA and NI Water to continually assess any changes in the risk to water quality in the river Faughan and at the NI Water abstraction point. Water quality reports are published quarterly on the DAERA website.

Every month, project updates are provided to the Derry City and Strabane District Council Environment and Regeneration Committee to keep everyone informed.

Photo: Eglinton Community Centre event

Photo: Millennium Forum event

Operation Sycamore

Upon the discovery of a substantial illegal waste site on Mobuoy Road, east of Derry/Londonderry, the Environmental Crime Unit (ECU) was tasked with undertaking both criminal and financial investigations into the activities of two companies and their respective directors.

A criminal investigation under the Waste and Contaminated Land (Northern Ireland) Order 1997 commenced with an intrusive survey of the site, which covered an area approximately 1.2 kilometres in length and 0.5 kilometres in width.

A financial investigation was initiated under the Proceeds of Crime Act 2002 (PoCA), with inquiries conducted across multiple international jurisdictions to trace money transfers and asset acquisitions. The defendants' assets were subsequently restrained by order of the High Court.

After a protracted legal process, the two defendants entered guilty pleas in relation to activities contrary to the Waste and Contaminated Land (Northern Ireland) Order 1997, and the Court imposed custodial sentences of 21 months and 12 months respectively. Both individuals are now subject to confiscation proceedings under the PoCA.

Lough Neagh

In July 2025, the NIEA completed an important investigation, which included installing two new monitoring buoys at Washing Bay and the Lower Bann River. These buoys, along with those on the main rivers flowing into Lough Neagh, now provide real-time information on water quality. This helps us quickly spot and respond to harmful algal blooms. This data can be viewed online through the Lough Neagh Water Quality dashboard.

We have also improved our monthly checks by using special equipment (called a FluoroProbe) at nine shore locations. This tool lets us instantly see which types of algae are present, which is faster and more useful than older methods.

All of the information we collect is shared with scientists, special project teams working on Lough Neagh, and the Blue-Green Algae Inter-Agency Monitoring Working Group. This ensures everyone working to protect the lake has the most up-to-date information.

Looking ahead to Spring 2026, we plan to add another monitoring station in the Lower Bann. This will help us keep a close watch on algal blooms all the way to the coast.

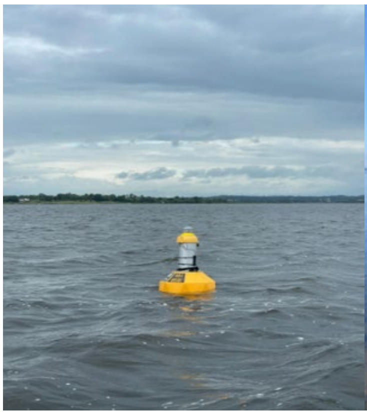



Photo: Monitoring Buoy **Photo: FluoroProbe monitoring on Lough Neagh**

Air Pollution

Air pollution, in the form of nitrogen oxides and ammonia, is damaging our natural environment. NIEA, in its role as the Statutory Nature Conservation Body (SNCB), has a duty to provide advice to planning authorities and other competent authorities on the potential impacts of air pollution from plans and projects on protected habitats and species. NIEA also assesses the air quality impacts from intensive agricultural and industrial activities requiring environmental permits, such as Pollution Prevention and Control (PPC) permits.

UK Air Pollution Assessment Service (UK APAS) is a digital service that performs detailed air dispersion modelling on proposed developments to determine the air quality effects on the designated ecological site network. This tool, which will be free at point of use, will enable applicants and consultancies to design and test the environmental sustainability of their proposed development before making a formal submission to the planning authority. The tool aims to increase the accuracy and transparency of air quality assessments, and improve consistency between conservation advisors, regulators, and planning authority decision makers.

Peatlands

The Peatland Challenge Fund is funded through the Shared Island Initiative and match funded by DAERA's Environment Fund. It opened for applications in May 2024 and following the assessment of applications, five projects were awarded funding to the value of £2.7million. The projects commenced in October 2024 and have committed to the restoration of 447 hectares on sites across the province but also on increasing the capacity in the sector to deliver positive peatland management.

Ulster Wildlife was awarded a grant through the Shared Island Initiative Peatlands Challenge Fund to provide paid training placements focused on peatland restoration. This aims to address the need for building capacity in the peatland restoration sector in order to achieve the ambitious targets set out in the NI Peatlands Strategy to 2040. By April 2027, 12 people will have been given the opportunity to gain skills and experience that will help them pursue a career in the Peatland Restoration sector.

The first cohort completed their traineeship in March 2026. Within this timeframe trainees have taken part in panel discussions at the IUCN Peatlands Conference, presented at Stormont, and taken part in hundreds of hours of training. As of January 2026, three of the six have managed to attain full time jobs in the peatland restoration sector, supporting projects that are delivering significant restoration across Northern Ireland and Ireland. This is a positive result for the project as this not only shows the value of the programme for those taking part but also for future restoration projects that can benefit from this increased capacity.

Photo: Trainees undertaking species and vegetation identification training

Wildfire Strategy

During 2025–26, NIEA published the *Wildfires in Northern Ireland: A Strategic Framework 2025-2030*, strengthening the region's approach to preventing and managing wildfires. The framework sets clear priorities for reducing wildfire risk, improving collaboration with land managers and emergency services, and protecting vulnerable habitats increasingly impacted by climate change. It also promotes practical prevention measures, public awareness, and targeted actions to build long-term community and environmental resilience.

This work supports wider NIEA goals on biodiversity protection and sustainable land management.

The Strategic Framework is to be supported by an Action Plan which will promote actions such as the NIEA tender award in 2025-26 for the development of wildfire management and response plans for high risk designated sites in the Mournes, Antrim Hills and Carn / Glenshane.

NIEA Operational Review Programme

The Operational Review Programme (ORP) is an internal staff-led Programme comprising over 70 manageable projects, designed to deliver a comprehensive review of NIEA's operations.

The purpose of the Programme is to move NIEA from a fragmented delivery model to controlled, outcome-driven delivery at scale.

Early establishment of a dedicated communications and governance function enabled Programme visibility and supported staff engagement. An ORP Topic Page, MS TEAMS channels and a central ORP inbox, ensured consistent Programme messaging was effectively cascaded to NIEA staff.

A robust governance structure was agreed, with the Programme Board holding accountability for Programme outputs, outcomes and benefits within agreed constraints. Since inception, 13 Programme Board meetings have been held, providing consistent strategic oversight.

Findings from the first ORP staff engagement survey and Project 1 (Review of Statutory Functions) identified immediate actions for 2025, including establishing a Future Leaders Team, to support leadership development. Project 1 clarified NIEA's statutory responsibilities and provided a strong evidence base for the wider Programme. Building on these outputs and the second staff survey, the Board approved a portfolio of over 70 projects aligned to statutory need.

Following agreement of the Programme framework, Phase 1 projects were prioritised to drive NIEA's mission, vision and values, and developing a strategic plan. A Project Control Board was established in October 2025 and meets regularly to monitor progress, manage risks, and maintain delivery.

This methodical best practice approach means that the foundations are now in place so that delivery of the Programme is controlled and sustainable, and accrual of outcomes and benefits will now begin to accelerate during the lifetime of the Programme and beyond. In the future success won't be measured by how much we're doing, but by what we're delivering and the impact on the environment that it's having. We'll be anticipating risks and managing delivery proactively, rather than responding once problems emerge. There will be a step change in how people are working to effectively deliver our business plan.


Photos of ORP Staff Engagement Events

Waste and Industrial Pollution Regulatory Activity

Odour continues to be the most common issue raised by complainants and also attracts significant media interest, EIR/FOI requests and queries from elected representatives. The Agency has been improving how it deals with odour issues by rolling out a new training programme, introducing odour sensitivity testing for our inspectors and beginning a review of our odour guidance.

NIEA has also worked closely with HSENI to investigate a major weather-related incident at one of our power stations and to find urgent solutions to allow the power station to return to full operation as soon as possible to maintain energy supply.

This regulatory work protects the environment from industrial emissions as well as safeguarding the amenity of members of the public living near regulated sites.

The Environmental Crime Unit maintained strong operational performance throughout the reporting year, delivering measurable environmental, enforcement, and financial outcomes. A total of 333 incidents were processed, supported by proactive site inspections and regulatory interventions aimed at ensuring compliance and addressing environmental harm.

Enforcement activity resulted in three convictions, leading to six suspended sentences and the recovery of £3,572 in court-awarded costs. Other interventions included the issuing of 69 warning letters and 26 fixed penalty notices. A significant environmental benefit was achieved through the remediation of approximately 6,000 tonnes of waste, reflecting the Unit’s continued focus on securing effective clean-up outcomes and preventing further harm. Financial disruption remained a core strand of the Unit’s approach to tackling organised environmental crime. During the year, four confiscation orders were secured under the Proceeds of Crime Act 2002, with a combined value of approximately £575,000, generating around £129,000 for reinvestment in asset recovery activity. In addition, five restraint orders relating to seven entities were actively managed, with a total value of approximately £6.8 million.

The Unit also demonstrated the importance of partnership working in addressing complex and organised offending, participating in eight multi-agency operations alongside strategic partners. These operations contributed to the disruption of criminal activity and strengthened collaborative approaches to environmental enforcement.

Partnership working on an operation at the ports

Risk

The NIEA Risk Register identifies six strategic risks that could significantly impact the Agency's ability to deliver statutory duties and business objectives.

1. Resourcing

There is a risk that constrained staffing capacity, capability gaps and financial pressures undermine governance, performance and service delivery. Key controls include workforce and succession planning led by NIEA's Senior Management Team, oversight through the NIEA Resources and People Committee, active financial monitoring arrangements, engagement with NICS HR on recruitment, and the planned establishment of a dedicated Communications, Stakeholder Engagement and Workforce Planning Branch in early 2026-27.

2. Health & Wellbeing

Insufficient staff numbers, skills and resilience may cause staff to feel undervalued, cause burnout and affect NIEA's ability to meet legislative and business plan commitments. Controls include senior management and Resource and People Committee oversight of resourcing, engagement with NICS HR, targeted recruitment initiatives (including scientific competitions), mentoring and learning programmes, training coordination, workforce planning and promotion of corporate health and wellbeing supports.

3. Function & Statutory Framework

There is a risk that policies, programmes and legislation are not fit for current and future environmental challenges. This is mitigated through Organisational Reform Programme (ORP) projects, including statutory function reviews, improved stakeholder engagement, workforce planning, cultural change initiatives, and strengthened collaboration across NIEA and DAERA.

4. Health & Safety

Failure to effectively manage health and safety could result in serious harm, legal consequences and reputational damage. Controls include established health and safety audit programmes, regular reporting to the NIEA Board, leadership and mentoring programmes, clear escalation routes, specialist health and safety advice, mandatory training, and departmental health and safety governance structures.

5. Information & Records Management

Loss, mishandling or poor management of information could lead to GDPR breaches, regulatory action and reputational harm. Controls comprise information governance policies, mandatory training, logging and tracking of FOI/EIR/SAR requests, IT system maintenance, access controls, Information Asset Owner arrangements, regular security audits, and action plans to strengthen compliance.

6. Emergency Response & Organisational Agility

Inadequate contingency planning or response capability may impede NIEA's ability to manage emergencies effectively. Key controls include business continuity and major emergency response planning (MERP), participation in departmental exercises, training and preparedness activity and real-time system monitoring.

1.2 Performance Analysis

The Agency had a total of 19 NIEA Group level targets during the 2025-26 reporting year - six of which were agreed with the Minister as NIEA Key Performance Targets (KPTs) i.e. NIEA targets 1-6.

All 19 Group level targets are available to view online via the published NIEA Business Plan.

The Northern Ireland Civil Service Internal Audit team has reviewed the KPT Performance and has indicated a satisfactory performance opinion.

The noted NIEA targets are part of a wider programme of activities.

NIEA Key Performance Targets (KPTs) 2025-26				
NIEA Target Number	**NIEA Target**	**Target Date**	**Year End Result**	**Year End Explanation for Result**
1 **Ministerial Priority** **KPT 1**	**LOUGH NEAGH** Deliver the recommendations identified in the Lough Neagh Report, for which NIEA has responsibility to deliver regulation, enforcement and nature recovery by: **Regulation, Compliance and Enforcement:** • Undertake catchment investigations and take appropriate actions in identified priority sub-catchments of Lough Neagh; • Undertake a programme of risk based cross compliance inspections on farms in identified priority sub catchments of Lough Neagh, taking appropriate enforcement action as required; • Identify site locations and oversee installation of two permanent monitoring stations within Lough Neagh catchment to enable the provision of almost real time data on the nutrient contributions and identify priority areas for action when commissioned. **Nature Recovery:** • NED will progress the development of the Pressures and Threats Report for Lough Neagh.	31 March 2026	**Green** (Achieved)	**Regulation, Compliance and Enforcement:** ***Catchment Investigations:*** • The Moyola Local Management Area (a sub-catchment of Lough Neagh) catchments investigations have been completed. • This has resulted in production of a Technical Summary report and associated digital datasets that identify significant pressures, critical source areas and recommendations across eight waterbodies. • This is based on 286 investigations across five priority waterbodies, and a scientific desktop assessment across eight waterbodies, to ensure a holistic whole catchment approach. ***Cross Compliance Inspections:*** • 154 cross compliance inspections have been conducted within the Lough Neagh Catchment this reporting year. • All on farm inspections have taken place, with 154 (100%) also having all the associated calculations and paperwork completed and released. ***River in-flow monitoring stations:*** • This measure is being delivered in conjunction with AFBI through the DAERA commissioned research project 'SHIELD'. • Following a meeting with DfI Rivers and AFBI, four sites for monitoring installation have been put forward for

				consideration. Whilst progress has been slower than anticipated in this element, NIEA has progressed and moved forward with installation of two new monitoring buoys located at Washing Bay and the Lower Bann River with data linked to an online data platform. • This data can be viewed online through the Lough Neagh Water Quality dashboard at: [Lough Neagh Water Quality Dashboard] **Nature Recovery:** ***Pressures and Threats Report:*** • Officials have engaged the Co-Centre for Climate + Biodiversity + Water to consider the pressures and threats acting upon the Lough Neagh ecosystem, to inform the development of a Lough Neagh Conservation Management Plan. • A co-authored scientific paper on the direct and indirect drivers of biodiversity change in Lough Neagh is being reviewed, prior to publication. • QUB has also published an independent peer-reviewed paper on the potential impacts of sand-dredging on Lough Neagh that provides additional evidence on ecological interactions relating to this pressure.
2 **Ministerial Priority** **KPT 2**	**MOBUOY** Safeguard water quality and the environment by: • Completing the consultation process on a long term, proportionate and sustainable remediation solution; • Delivering the Environmental Monitoring Programme; and • Publishing quarterly water quality reports.	31 March 2026	**Green** (Achieved)	***Consultation process:*** • A 16-week public consultation, seeking views on the draft Remediation Strategy for the Mobuoy site, closed on 2 October 2025, with 26 responses received. Responses are being carefully considered to inform any necessary amendments to the draft Remediation Strategy. • A report on the consultation responses was published on the DAERA web site on 12 March 2026. ***Delivering the Environmental Monitoring Programme:*** • The Environmental Monitoring Programme for the Mobuoy site for the year has been delivered, and nothing of concern has been highlighted in relation to water quality. ***Publishing quarterly water quality reports:***

				• Four quarterly Water Quality Reports have been published on the DAERA web site.
3 **Ministerial Priority** **KPT 3**	**PLANNING** Improve progress towards ensuring that statutory planning consultation requests are responded to within 21 days or otherwise agreed timeframes by: • Developing and implementing an improvement plan to increase the Agency's performance, in responding to statutory planning consultations, by 15 percentage points; • Developing standing advice on single dwellings to reduce the number of cases that require active consideration by NIEA; • Supporting the delivery and assessment of the prioritisation process being piloted by councils; • Ensuring that councils provide specific reason for consultation on requests for advice to ensure that advice provided by NIEA is appropriately targeted; and • Reviewing and establishing revised governance and monitoring arrangements within NIEA to ensure the delivery of key actions and targets within the planning improvement plan.	31 March 2026	**Red** (Target Not Achieved)	***Statutory planning consultation requests:*** • An NIEA Planning Improvement Plan has been developed and approved by Minister on 15 January 2026. • Dedicated resource has been assigned to lead the delivery of the Plan. Delivery is ongoing and will continue into the 2026-2027 reporting year. • Improvements from the implementation of the NIEA Planning Improvement Plan is not yet evident. The 2025-2026 performance rate for statutory consultations is 64%. ***Single dwellings advice:*** • Measure not completed. Advice has been drafted and shared with Heads of Planning for comments. Comments have been received. A review of comments is underway, and the final document will be finalised and published by the end of May 2026. ***Specific reason for consultation from councils:*** • Measure completed. Letter issued to Heads of Planning, and a process of returning consultation requests where the consultation reason is inappropriate is now in place. ***Governance and monitoring arrangements:*** • A new monthly governance board was established in May 2025. The NED Director, as Chair, provides an update to the NIEA Board on progress of delivering the Planning Improvement Plan and Statutory Performance Rate. • Performance stats are provided to the NIEA management meeting and the NIEA Board.
4 **KPT 4**	**DRINKING WATER SUPPLIES** Protect public health by providing effective and efficient regulation and enforcement of drinking water supplies by: • 95% compliance with statutory duty to deliver annual monitoring programme for private drinking water supplies; • Categorising 90% of drinking water quality events notified by NI Water within five days; and	31 March 2026	**Green** (Achieved)	***Annual Monitoring Programme:*** • 95% compliance with statutory duty to deliver annual monitoring programme for private drinking water supplies was achieved. ***Drinking water quality events:*** • 100% of the drinking water quality events reported from April 2025 to March 2026 have been categorised within five working days.

	• Publishing an independent annual report on drinking water quality in Northern Ireland.			***Annual report publication:*** • An independent annual report on drinking water quality in Northern Ireland in 2024 was published on 20 February 2026.
5 KPT 5	**ENVIRONMENTAL PROJECTS AND SCHEMES** Manage projects (totalling over £8million in Resource and Capital funding) delivering environmental priorities effectively, ensuring sound governance, through the Environment Fund which contribute to the Environmental Impact Priority Areas: • Nature and Climate Recovery: Building Ecological and Climate Resilience; • Connecting People with Nature; and • Water Quality. Engage with SEUPB to provide oversight and governance for PEACEPLUS projects, delivering against investment areas (i) 5.1 Biodiversity, Nature Recovery and Resilience and (ii) 5.3 Water Quality and Catchment Management. This includes projects that will contribute towards the Environmental Improvement Plan, the Lough Neagh Action Plan, the Peatland Shared Island Fund and Climate Change Adaptation.	31 March 2026	**Green** (Achieved)	***Projects delivering environmental priorities:*** • Environment Fund (EF) Strategic Stand applications (including in-year funding) - Letters of Offer for 2025-2026 totalled more than £8.5million. • EF Nature Recovery Capital funding Letters of Offer successfully issued with offers totalling more than £1.5million. • Shared Island Fund Peatland Capital funding management ongoing with Letter of Offer for 2025-26 totalling over £782k. In-year competitive funding for additional works also processed. PEACEPLUS IA 5.1: • PEACEPLUS project successfully launched during February 2026; • PEACEPLUS Nature project being progressed prior to anticipated April 2026 launch by lead partner (Minister to attend). PEACEPLUS investment area 5.3: • Minister attended launch of CALM on 6 March 2026; • Launch of FLOW planned for 29 April 2026; • Launch of Protecting Shared Waters planned for 18 June 2026; • Drawdown requests have been progressed. Water Quality Improvement Strand: • 2025-26 scheme year: 16 projects funded, which saw £347,000 delivered to improve water quality. • 2026-2027 year: Call opened on 7 January 2026 and closed on 18 February 2026. 18 applications received and assessed. It is proposed to fund 16 of these projects to a total cost of £381,535.
6 KPT 6	**OPERATIONAL REVIEW PROGRAMME** Ensuring that staff across the NIEA are engaged and deliver Phase 1 of the Operational Review Programme. This will be measured by: • Projects teams and Critical Friends groups for Phase 1 are fully staffed; • Staff across the NIEA include Personal Performance Agreement	31 March 2026	**Green** (Achieved)	***Phase 1 of the ORP:*** • The ORP Programme Board approved a Resourcing Plan for Phase 1 Project and Critical Friends groups at Programme Board 9. • Director level Stewardship Reports include assurance that NIEA staff objectives in respect of the ORP are included in 2025-2026 PPA/PDPs.

	(PPA) objectives that are relevant to their roles in respect of the ORP; • Business-as-usual adopts benefits and performance measures to ensure benefits are fully realised; and • The Operational Review Programme Unit managing, supporting and driving successful delivery (including progress of benefits realisation) through best practice programme and project management techniques. An evaluation of Phase 1 of the ORP will be completed in the first quarter of 2026-2027.			• The ORP Programme Board approved a benefits realisation plan and a change management strategy at Programme Board 12. • The ORP Programme Board has reviewed and scrutinised management of ORP Unit, via Programme Board meetings. Following scrutiny, a Programme Dashboard was first published in October 2025 and has been updated monthly up to March 2026. Note - A stocktake report for the period September 2025 to March 2026 will be completed, as planned, in the first quarter of 2026-2027.

Other Measures of NIEA's Performance

Managing Our Human Resources Effectively

The NIEA has experienced significant resourcing pressures during the reporting period. This has had a direct and ongoing impact on the operational activities undertaken by NIEA. Resolving this and making the most of the limited resources remains one of our top priorities. During the reporting period NIEA established the Resources and People Committee and it has a strong focus on how we manage our people resources effectively. Its agenda includes staff stress and mental health as a recurring item, recognising the impact that limited resources can have on our people as they strive to deliver the full extent of our statutory remit.

To address this pressure the NIEA Finance team is enhancing workforce planning to support the early identification of resourcing pressures and support our people throughout the period with clearer information and analysis on a wide range of human resources issues.

Human Rights

The Agency is committed to respecting human rights. We believe that the services we provide and the activities that we undertake have a positive impact on society. The Agency complies with Section 75 statutory equality obligations and all aspects of the Department's Equality Agenda in the delivery of policy and delivery of services.

Anti-Corruption and Bribery

It is crucial that the Agency maintains high ethical standards. The Agency does not tolerate fraud, bribery, any form of corruption or any illegal or unethical activity. DAERA Strategic Planning & Corporate Services Group Branch has responsibility for leading on Counter Fraud related matters within the Department. The Department's Principal Accounting Officer established the Departmental Counter Fraud Forum (CFF) as a sub-committee of the DAERA Audit and Risk Assurance Committee (ARAC). The role of the Counter Fraud Forum, which includes representation from NIEA, is to oversee, promote and provide guidance in relation to all Departmental activities associated with the prevention and detection of fraud.

Managing Our Financial Resources Effectively Within a Strong Corporate Governance Framework

NIEA 2025-26 Provisional Resource Departmental Expenditure Limit (RDEL) underspend of £239K represents 0.63% of the closing net Resource budget (£38.030m), following the final in year monitoring round.

The Capital Departmental Expenditure Limit (CDEL) underspend of £591K represents 10.19% of the closing Capital budget (£5.801m).

The over/under spends relating to Resource DEL and Capital DEL were managed and accommodated by planned over/underspends elsewhere within the parent Department.

Funding

Our primary source of funding in terms of Resource and Capital Expenditure comes from Central Government. However, 30% (2024-25: 29%) of expenditure in 2025-26 was funded from external sources including income from Regulatory Charges and the Carrier Bag Levy. The total net assets held by the Agency at 31 March 2026 were £28.444m (2024-25: £24.485m).

Results for the Year

The Statement of Comprehensive Net Expenditure is set out on page 71 and shows the net cost of operations as £52.655m (2024-25: £45.774m), representing an increase of £6.881m (15%). This increase reflects a significant rise in staff costs, driven by changes in staff numbers and profile; an increase in revenue grant expenditure; and an increase in accommodation and provision charges, in addition to the cumulative impact of other minor cost movements across several expenditure areas.

Income

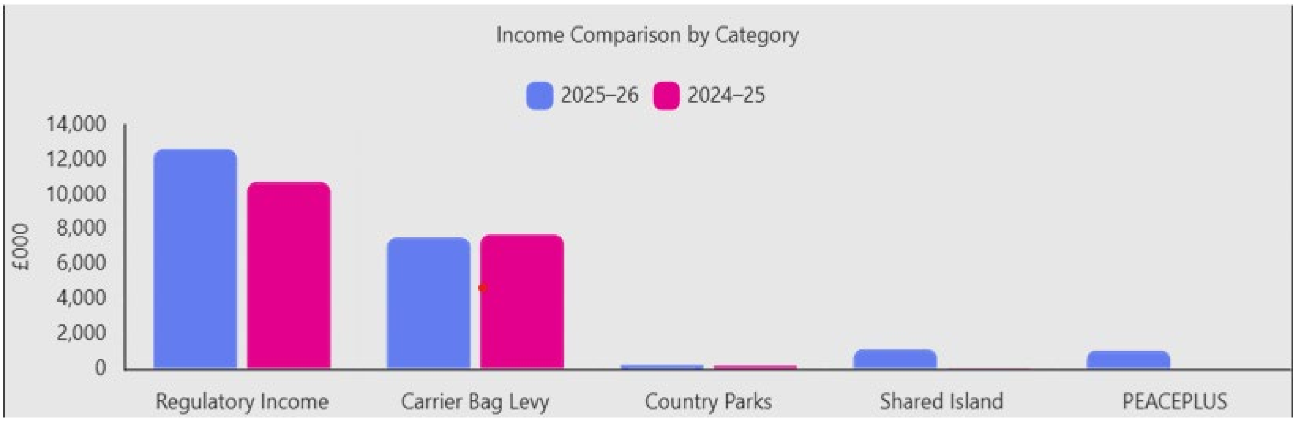
NIEA's operating income increased by £3.907m (21%) to £22.7 million (2024–25: £18.8 million), primarily reflecting growth in regulatory income and increased externally funded programme activity, including the Shared Island Initiative and PEACEPLUS funding.

Other operating income increased by £2.0m (25%), largely driven by:

- **Shared Island Initiative funding (£1.16m vs £0.08m prior year)**
- **New PEACEPLUS match funding (£1.07m)**

Carrier Bag Levy income remains broadly stable, with a slight reduction year-on-year.

The chart below provides a breakdown of income figures.



Expenditure

In summary the NIEA's net operating expenditure for the year was £52.7 million (2024–25: £45.8 million), an increase of £6.9 million (15%).

Operating expenditure rose to £75.4 million (17%) (2024–25: £64.6 million).

This increase was driven largely by:

- **Staff costs**, which increased by £5.6 million to £40.6 million, reflecting pay awards, inflationary pressures, and increased staffing levels to support regulatory and general delivery activities during 2025-26.
- **Other operating expenditure**, which rose to £16.61 million (2024–25: £14.97 million), reflecting higher operational activity and cost pressures.

- **Grant expenditure**, including £1.07 million of EU current grants relating to PEACEPLUS activity, with no prior year comparator. A breakdown of grants by directorate is included in Note 4 of these accounts.
- **Provision expense**, which increased by £0.654m to £1.3 million (2024–25: £0.7 million), reflecting revised estimates of liabilities, including personal injury claims, employee claims, and judicial reviews.

Depreciation and amortisation charges increased to £2.24 million (2024–25: £2.03 million), consistent with the ongoing use and investment in non-current assets.

Long Term Expenditure Trends

NIEA's overall expenditure profile increase in spend in 2025-26 was primarily represented by an increase in grants and notional costs alongside a significant increase in staff costs. Overall, the Agency has reduced its corporate estate and relocated to a single principal office building while continuing to access other facilities across the DAERA estate. This reduces the accommodation costs and contributes to minimising the environmental footprint of the Agency.

Property, Plant and Equipment and Intangible Assets

The Agency does not believe that there is any material difference between the market and book value of its property, plant and equipment and intangible assets. Movements on property, plant and equipment and intangible assets are set out in Note 8 to the accounts.

Supplier Payment Policy

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate. In 2025-26, 98.9% of invoices for goods or services were paid within 30 days (2024-25: 99%) and 94% were paid within 10 days (2024-25: 96%).

Political and Charitable Donations

The Agency made no political or charitable donations within the financial year (2024-25: £Nil).

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. NI's Sustainability Reporting Guidance 2025-26 was issued to NICS departments mid-year, i.e. departments were unaware of the information they were expected to collect at the start of the 2025-26 financial year. This may have led to omissions in data reporting and this will be explained in this report where appropriate.

The organisational boundary used in this sustainability report is NIEA's estate. The information disclosed in this report relates to the estate that the Agency occupies. It also includes the environmental impact from a building that is rented by the Agency. 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 a department rents 50% of the floor space of a building, the department will report 50% of the emissions associated with that building.

Policy roles: This report follows NI's Sustainability Reporting Guidance 2025–26. DAERA is the policy holder and will update the guidance over time. NIEA acts as its own policy administrator, coordinating data collection, assurance and preparation of this report.

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. The spreadsheet named "Greenhouse gas reporting: conversion factors 2025" was used for this report.

Data Validation

The data provided on Emissions Scope 1 (fuel burned) and 2 (purchased electricity) was not audited but was checked against previous figures and outlying figures were reviewed. The data for department owned transport was automatically generated through Global Positing Systems (GPS) for approximately two thirds of NIEA's fleet vehicles. The mileage for the non-GPS vehicles was based on the average miles per annum (last known mileage and age). The data provided on travel claims using vehicles not owned by the Agency was sourced from Account NI; it is policy that any claims made via Account NI are supported by receipts and checked by line management before approval. The paper printed data was fully validated and audited.

Emissions

Emissions Scope 1 (fuel burned) and 2 (purchased electricity)

Please note that fuel consumed may include fuel that departments have 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.

NIEA owns and occupies its Lisburn office as well as the country parks and nature reserves for which it is responsible. Table 1 does not include Clare House data, where a significant portion of NIEA's Natural Environment Division staff are based. This building is owned by the Department of Finance, who are unable to supply the Table 1 statistics in time for the 2025-26 Annual Report and Accounts.

In relation to heating and fuel burned, the Department of Finance, Property Services Division (PSD), is responsible for managing the Building Energy Management System for all government buildings. This includes heating and air handling units. All NICS Premises Officers adhere to PSD's Summer Heating Policy where the heating is turned off in NICS Buildings from 1 June until the end of September – Premises Officers may request a daily heating boost through PSD if temperatures fall during this period.

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})	208,948	199,096
Consumption (kWh Gross CV)	1,003,726	1,124,838
Net Cost (£millions)	0.063	0.26

Source of data: Usage is based primarily on meter readings and, where necessary, on estimates. Costs are calculated using annual average unit rates under the Department of Finance collaborative contracts.

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	Kg CO2e 2025-26
4x4/LAND ROVER 1.6 - 2.5 tonnes (x18)	Diesel	106,219 miles	35,437 kg CO2e (cf 0.33362)
E-VEHICLE 1.5 tonnes (x1)	Electric	2,098 miles	434 kg CO2e
LORRY 3.5 - 26 tonnes (x5)	Diesel	19,330 miles	6,449 kg CO2e (cf 0.33362)
MOTOR VEHICLE 1.2 - 1.9 tonnes (x15)	Diesel	64,877 miles	21,644 kg CO2e
PANEL VAN Large 1.7 - 2.5 tonnes (x8)	Diesel	46,633 miles	15,558 kg CO2e (cf 0.33362)
PANEL VAN Small 1.35 - 1.65 tonnes (x64)	Diesel	536,666 miles	17,9043 kg CO2e (cf 0.33362)
DAE PICK UP 1.8 - 2.4 tonnes (x48)	Diesel	88,082 miles	29,386 kg CO2e (cf 0.33362)

Source of data: DVA Fleet Scheme data / DVA Online / Tranman / Navman GPS

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 fuel type are not available for the data presented in Table 3.

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

Year	Mileage	Kg CO2e
2025-26	261,729	70,444

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	432.53	1,243.65	793.80

Source of data: Account NI

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

No data is available at Agency level for business travel, hotel stays or car hire booked through a contractor used by NICS; however, this information is available at DAERA level. The contract was amended in early 2026, and it is anticipated that this data will be available for inclusion in the NIEA Annual Report 2026-27.

Paper printed

Table 5: Paper printed by year

Year	Paper printed (pages)
2023-24	384,252
2024-25	421,625
2025-26	376,460

Source of data: IT Assist

Responsible disposal of ICT waste

Under the “Framework for disposal services for IT equipment, electronic and electrical equipment”, suppliers are required to hold BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) prior to appointment to the framework.

The framework specification also requires suppliers to ensure:

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 Department of Finance 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'.

For information on the meaning of Social Value, the Public Procurement Policy Statement approved by the NI Executive on 5 June 2025 states: "Social Value means economic, environmental and social benefits in support of the Programme for Government". The DoF Social Value Strategy document 2025-2027 further defines Social Value as "Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change".

The Procurement Policy Note (PPN) 01/21, Scoring Social Value, has been revised as Procurement Policy Note (PPN) 01/21, Social Value in Procurement, and came into effect on 24 February 2025.

Single use plastics

DAERA, in partnership with the Department of Finance (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.

The clear plastic bags used by Premises Team for the recycling bins are made from recycled plastic and can therefore be disposed of in recycling bins.

Most single-use plastics generated at the NIEA Lisburn site arise from supplier deliveries of goods and supplies, such as stationery orders, personal protective equipment, and laboratory equipment.

The Premises Team have reduced the use of single-use plastics in the workplace by providing alternatives to plastic cutlery and cups for hospitality. Staff are also encouraged to use reusable drinks bottles when using the water coolers.

Optional disclosures

Energy efficient LED lighting was installed throughout the NIEA Lisburn site during 2025-26.

Department’s own fleet: Ultra-Low Emission Vehicles

An NIEA Fleet Strategy 2026-36 has been drafted, which includes proposals to enhance the sustainability of the Agency’s fleet.

Table 6: Percentage of department's own, hire or lease vehicle fleets that are categorised as Ultra-Low Emission Vehicles (less than 50g CO2 per km)

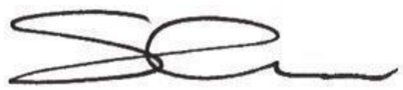
	Total no. vehicles in fleet	**% of vehicles in fleet that are ULEV**
2025-26	160	1.2%

Source of data: DVA Fleet Scheme data / DVA Online / Tranman / Navman GPS

Future Plans

The installation of solar panels is planned at the NIEA Lisburn site during 2026–27.

The NIEA Fleet Strategy also sets out plans to introduce electric vehicles into the fleet in the near future. This initiative will enable the organisation to evaluate their operational suitability while developing corporate knowledge and practical experience in the use of electric vehicle technology.



Richard Crowe
Chief Executive
3 July 2026

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors’ Report

Management Board

NIEA’s Management Board during the year ended 31 March 2026 comprised:

Chief Executive

David Reid

Director of Natural Environment Divisions

Liz Loughran

Director of Water Regulation and Enforcement Division

Richard Crowe

Brian McVeigh (1 September 2025 until 20 November 2025)

Director of Waste and Industrial Pollution Regulation and Enforcement

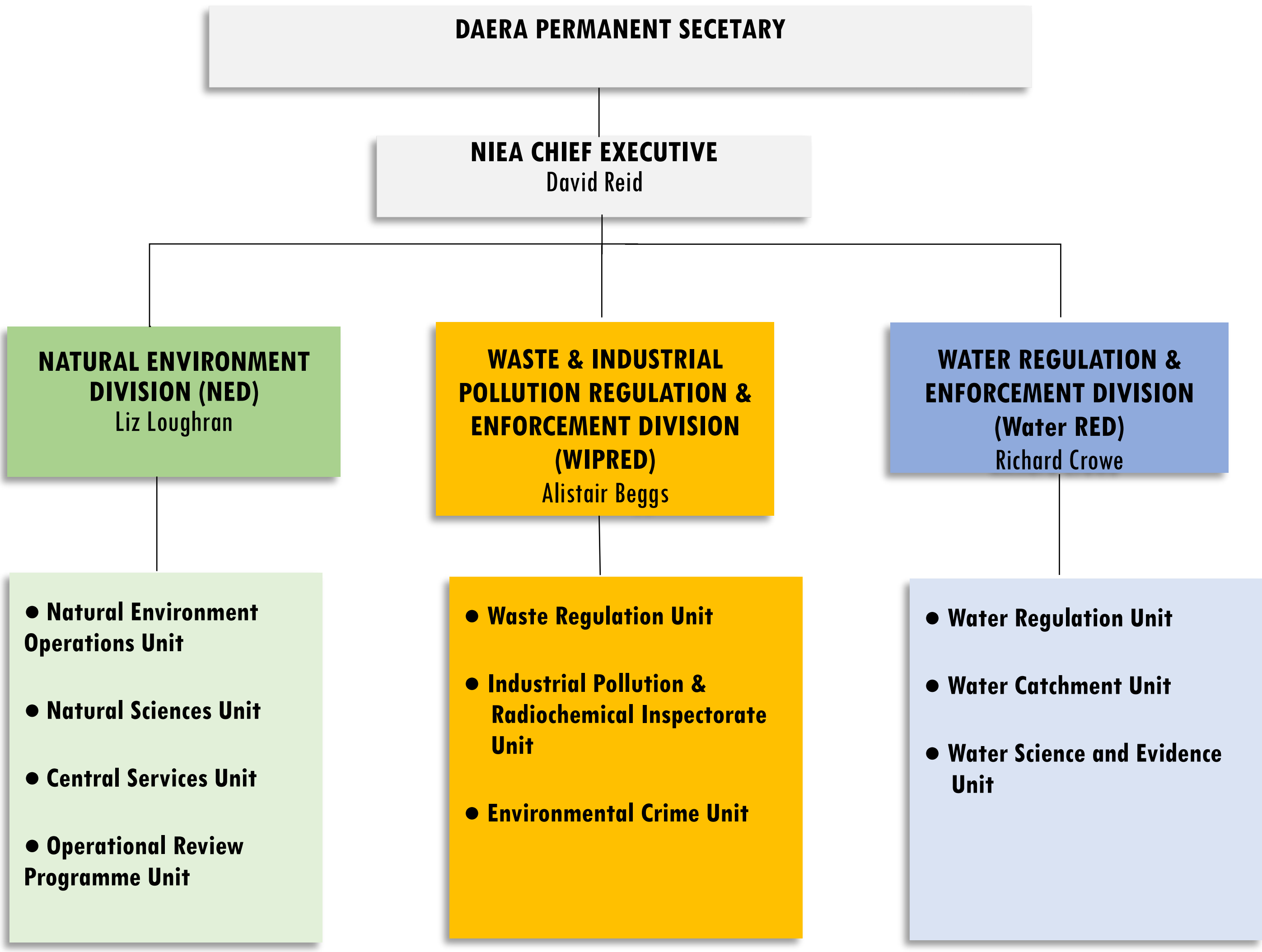
Alistair Beggs (Joined the Board 10 June 2025)

Non-Executive Directors

Stephen Welch (Appointed 1 February 2023, reappointed 1 February 2026)

Veronica Morris (Appointed 1 April 2025)

NIEA Organisation Chart 1 April 25 - 31 March 26



Independent Board Members

Stephen Welch joined the board as a Non-Executive Board Member on 1 February 2023.

Veronica Morris joined the board as a Non-Executive Board Member on 1 April 2025.

Company Directorships

There are no company directorships or other significant interests held by Management Board members which conflict with their management responsibilities. All Members of the Agency’s Board have made a Declaration of Interests. Any interests declared have been recorded and will be managed if there is believed to be a conflict of interest.

Auditor

Our financial statements are audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. The C&AG is head of the Northern Ireland Audit Office, and she and her staff are wholly independent of the Agency and the Department. She reports her findings to the Northern Ireland Assembly.

The audit of the financial statements for 2025-26 resulted in a notional audit fee of £20,600 (2024-25: £20,100) which is included in operating costs in the Statement of Comprehensive Net Expenditure. As far as I am aware, there is no relevant audit information of which the entity's auditor is unaware. I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Agency's auditor is also aware of that information.

The Accounting Officer is content that there is no relevant audit information which the Department's auditor should be aware of. The Accounting Officer has taken all reasonable steps to ensure that both he and the Department's auditor is aware of all relevant audit information.

Pension Liabilities

The Agency is covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC).

Further information on Pensions is provided in the Remuneration Report (page 44) and Note 2 of the Accounts (page 84).

Equality of Opportunity

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualification and aptitude for the work.

Freedom of Information

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 481 (2024-25: 282) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

Health and Safety

The Agency is committed to ensuring the health, safety and welfare of staff, and others who may be affected by its undertakings. Health and Safety performance is formally reviewed on an annual basis and an associated Annual Programme of Work produced to ensure that the high standards achieved are continually improved through policy development, staff consultation, risk assessment, monitoring and review procedures.

Employee Involvement

The maintenance of a highly skilled and effective workforce is key to the future of our business. The Agency supports staff in updating their skills through the Agency's training and development opportunities. We also encourage staff to remain well-informed on new developments and to network with, for example, Great Britain departments and agencies and European bodies. Development opportunities focus not only on professional and technical knowledge, but also on ensuring staff have the skills and attributes to provide a high level of customer service when working with the public and other outside bodies.

Our commitment to, and recognition of staff, is integral to our business performance. DOE first achieved the Investors in People (IiP) standard in the spring of 2009, and the Agency was involved in (IiP) reassessment in 2012-13 as part of the wider departmental review. Following the restructure of NICS Departments in May 2016, DAERA's IiP status was reassessed and the Department's formal recognition as an 'Investor in People' was retained in February 2017. DAERA's IiP reaccreditation assessment commenced in March 2023, and the Department were awarded Standard Investors in People Accreditation on 29 June 2023. This accreditation was valid until 7 February 2026. DAERA's Capacity, Capability, Equality & Diversity Branch are meeting with IiP in early 2026-27, will develop a timetable and anticipate it to be renewed in late 2026.

The Agency's Whitley Council provides for regular consultation with employees' Trade Union representatives. Engagement with the Agency's Whitley Council has strengthened with the introduction of divisional-level meetings, in addition to agency-level meetings.

Information Management

Effective information security is a key priority for the Agency through recognising that stringent principles of information security must be applied to all information it holds. Another key priority is the protection of personal data in line with the legal requirements of the Data Protection Act 2018 and the principles outlined in the Department's Data Protection Policy Statement. The Department's Information Management Branch ensures that there is a strong emphasis on Information Assurance and that the correct approach to the management and security of information is taken. In relation to data security, the Agency follows departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. The Agency identified no data security breaches during the year.

Richard Crowe
Chief Executive
3 July 2026

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(1) and (2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance has directed the Northern Ireland Environment Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Environment Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

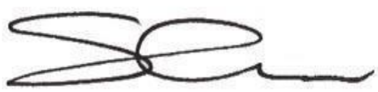
In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the relevant Accounts Direction issued by the Department of Finance including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts;
- 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 Principal Accounting Officer for the Department of Agriculture, Environment and Rural Affairs has appointed the Chief Executive as Accounting Officer of the Northern Ireland Environment Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Northern Ireland Environment Agency's assets, are set out in "Managing Public Money Northern Ireland" issued by the Department of Finance.

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

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



Richard Crowe
Chief Executive
3 July 2026

GOVERNANCE STATEMENT

Introduction

This is the Annual Governance Statement for the Northern Ireland Environment Agency (NIEA, the Agency) as required by DAO (DFP) 10/12 Requirement to Complete a Governance Statement. This statement sets out the governance, risk management and internal control arrangements that have operated in the Agency from 1 April 2025 to 31 March 2026.

NIEA operates in compliance with the guidance set out in the "Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2025".

Over the last financial year, in line with best practice, I reviewed NIEA's governance and accountability arrangements remedying any shortcomings highlighted through reports from the Northern Ireland Audit Office (NIAO), NICS's Internal Audit Service and the Agency Audit and Risk Assurance Committee.

In addition to supporting the delivery of significant elements of wider departmental programmes, regulation and enforcement were central to the Agency's work in 2025–26, enabling the Agency to support economic operators while safeguarding the natural environment.

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.

Governance Structures

General

The Minister approves the policy framework within which the Agency operates, including routinely approving the Agency Balanced Scorecard including annual Key Performance Targets (KPT).

As Chief Executive of the Agency, I reported directly to the Permanent Secretary of the Department of Agriculture, Environment and Rural Affairs (DAERA). I am also a member of the DAERA Departmental Board. During the reporting period, I also attended the weekly Departmental Weekly Business Review (WBR) meetings chaired by the Permanent Secretary to review key and current issues.

As Chief Executive, I also fulfil the role of Designated Accounting Officer for NIEA, in which capacity I am responsible to the Permanent Secretary (as the Principal Accounting Officer) and the Minister for maintaining a sound system of internal control that supports the achievement of Agency policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

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

- Agency Management Board;
- Agency Audit and Risk Assurance Committee (ARAC);
- Resources and People Committee;
- Agency Corporate Support Team (CST);
- NICS HR (Business Partners); and
- NICS Internal Audit Service.

Management Board

The work of NIEA is co-ordinated and monitored by a Management Board which I Chair, and which provides corporate leadership to the organisation, takes responsibility for the Agency's performance, and provides advice to the Department's Permanent Secretary and DAERA's Minister on environmental matters.

The Board's purpose is to lead the Agency's strategic planning and assist me as the Chief Executive and Agency Accounting Officer in fulfilling my corporate governance objectives and responsibilities.

The Agency Management Board under my chairmanship currently comprises the Agency's three Executive Directors (see page 29 of the Annual Report for further details). There are appropriate administrative support arrangements in place to help the Board operate effectively.

There are two Non-Executive Board Members (NEBM), Stephen Welch and Veronica Morris, who support my role through regular attendance at Board meetings.

During 2025-26, the Board ordinarily met bi-monthly under my leadership, to supervise the operational management of the Agency. Whilst strategic policy is ultimately determined by the DAERA Minister, the Agency Board considers policy development and implementation in the context of analysing options, strategic planning, and operational management. The Agency Board acts in an advisory and consultative capacity, offering relevant support to the Department and Minister, as required. Although significant, contentious, or cross-cutting policy decisions are brought to the Board for discussion and endorsement; day-to-day operational matters are the responsibility of the Agency's relevant Executive Directors. The Board takes collective decisions on relevant matters referred to it in keeping with the Nolan Principles of Public Life. If after consideration a consensus cannot be reached I, in my role as Chief Executive, undertake to make the final decision.

The Board routinely receives information on financial management, corporate governance, workforce planning and other HR issues (performance and absence management data), as well as an update on health and safety issues. On a quarterly basis, in addition to these routine monthly papers, updates are provided on progress in achieving the Agency Key Performance and Business Plan targets, with significant risk or audit issues brought to the Board by the Audit, Risk and Assurance Committee (ARAC). Any significant internal control issues that have been raised in my Chief Executive's biannual Assurance Reports are also reported and considered.

The Board seeks to operate within its Terms of Reference and the guidelines set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2025. It is responsible, with the support of its ARAC, for ensuring that good practice in corporate governance is adhered to, including the maintenance of a transparent risk management system and prudent and effective controls. The Board's Terms of Reference, which include details of the function, composition, and operation of the Board meetings, are provided in the NIEA Framework.

Conflict of Interest

At every Agency Board meeting a standard agenda item on declarations of interest is included and brought to the attention of Board Members by the chair. Board Members with a conflict of interest on a specific agenda discussion will leave the Board meeting for that item. No conflicts of interest were declared in 2025-26.

Audit and Risk Assurance Committee

The Agency Audit and Risk Assurance Committee (ARAC) supports me in my responsibilities for stewardship of the Agency resources, corporate governance, and risk management, by reviewing the levels of assurances provided to me, including the timeliness, reliability and integrity of those assurances.

The ARAC ensures that high level information on risk and control is brought to my attention, to assist in identifying priorities or emerging issues for action. The committee also subjects my executive decisions to appropriate constructive challenge to ensure that rigour has been demonstrated in reaching evidence-based decisions and Agency objective outcomes.

The ARAC has no executive authority over the operations of the Agency or those units that conduct audit and assurance work, including the NICS Internal Audit Service and the NIAO. The ARAC's role is to advise the Board and me as Accounting Officer on its conclusions and recommendations regarding identified governance weaknesses and emerging risks, associated with the agreed work plans of those units.

The ARAC reviews action plans and the Agency corporate risk register, providing support and guidance on key governance issues. During 2025-26, the Committee was comprised of four to five independent members, and four meetings were held, in May 2025, June 2025, October 2025 and January 2026. Stephen Welch, in his capacity as a NEBM, continued to chair the Committee.

During the year the committee discussed a wide range of issues including:

- Internal and External Audit strategies and reports;
- Mobuoy Waste Site Remediation;
- Risk Management;
- NIEA Annual Report and Accounts 2024-25;
- Governance Statement 2024-25;
- Persistent HR recruitment delays and the resultant impact on service delivery, particularly in the scientific grades; and
- Cyber Security arrangements within DAERA and the processes in place to educate all staff and raise awareness of the threat posed to the NIEA by a malicious attack.

At each ARAC committee meeting a report is provided which summarises any changes to the NIEA Risk Register, incorporating details and performance of any ongoing or new fraud and whistleblowing incidents, an Audit Implementation Plan update, a progress report from Internal Audit, Post Project Evaluations progress reports, and any other report or update that the Committee considers noteworthy.

During the reporting period the Committee specifically noted:

- The number of Internal Audit Reports receiving a satisfactory Internal Audit opinion which continued to give the committee reasonable assurance regarding NIEA operations;
- The continued satisfactory assurance rating provided by Internal Audit in their 2025-26 Annual Opinion and Report;

- The improved internal processes in place to ensure that the Agency implements audit recommendations in a timely manner; That the Comptroller and Auditor General (C&AG) certified the 2024-25 financial statements with a qualified audit opinion relating to the Mobuoy site contingent liability use by the NIEA; and
- The NIAO report on the accounts, and the four recommendations made in relation to regularity and the internal control environment.

Resources and People Committee

The Agency Resources and People Committee (RPC) support me in my responsibilities for advising on financial management within NIEA, ensuring sound financial management is in place and scrutinising the allocation of financial and human resources to achieve strategic objectives.

The remit of the NIEA Resources and People Committee considered:

- Monitoring Agency expenditure against allocated budgets;
- Reviewing the NIEA Annual Report and Accounts;
- Monitoring the Equality Implications within budget exercises;
- Considering the financial impacts of the Agency's Asset Management Plans;
- Overseeing workforce planning including monitoring and advising on affordable staff resourcing levels and skill requirements;
- Monitoring and evaluating income streams including fees and charges uplift rates;
- Reviewing the Agency's fleet profile; and
- Overseeing financial provisions associated with the Waste Licencing Scheme (remediation) fees and sources.

Non-Executive Board Member Annual Report

The Non-Executive Board Member (NEBM) also provided me with his Annual Report which summarises the Committee's work for the year, providing me with relevant assurances that good governance exists within the Agency, detailing where any improvements were necessary and that appropriate action has been taken, or is being taken, to address the issues identified.

Board and Audit Committee attendance

The Board and its formal committee members attendance during the reporting period is shown in the tables below:

Board Members	Meetings attended per Board and its formal committee members out of the meetings eligible to attend		
	Board	Audit and Risk Assurance Committee	Resources and People Committee
David Reid, Chief Executive	**5/6**	**3/4**	**N/A[1]**
Richard Crowe, Director of Water Regulation and Enforcement Division	**4/6**	**1/4**	**2/5**
Brian McVeigh[2], Acting Director of Water Regulation and Enforcement Division	**1/1**	**1/1**	**1/1**
Liz Loughran, Director of Natural Environment Division	**6/6**	**N/A[3]**	**4/5**
Alistair Beggs, Director of Waste and Industrial Pollution Regulation and Enforcement Division	**3/4**	**3/4**	**3/5**
Veronica Morris, Non-Executive Director	**6/6**	**4/4**	**5/5**
Stephen Welch, Non-Executive Director	**6/6**	**4/4**	**4/5**

Audit and Risk Assurance Committee Members	Meetings attended per Audit Committee member out of the meetings eligible to attend
Stephen Welch (Chair)	**4/4**
Veronica Morris	**4/4**
Alfie Wong[4]	**1/1**
Colin Jack	**3/4**
Deirdre Ward	**3/4**

Resources and People Committee Non-Executive Members	Meetings attended per Resources and People Committee member out of the meetings eligible to attend
Veronica Morris (Chair)	**5/5**
Stephen Welch	**4/5**

1. David Reid was not a member or formal attendee of the NIEA Resources and People Committee.
2. Brian McVeigh was Acting Director of the Water Regulation and Enforcement Division from 01/09/25 until 20/11/25.
3. A Deputy Director represented the Natural Environment Division, and a Deputy Director represented Richard Crowe when he was not available to attend the Audit and Risk Assurance Committee.
4. Alfie Wong joined the NIEA Audit and Risk Committee in January 2026 as a Financial Professional and Independent Member.

Review of Board Effectiveness

The Board Operating Framework commits the Board to an annual review of its performance. This commitment is in line with DoF's "Corporate governance in central government Departments: Code of good practice NI (2025)" which states:

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

The Agency commissioned a NIEA Board Effectiveness Review on 26 February 2026, and the outworkings of the review are currently subject to consideration by the NIEA Board.

NIEA Board's oversight of climate-related issues

The NIEA Board holds overall accountability for climate-related matters through its oversight of the NIEA Risk Register, which is a standing agenda item and is therefore reported to the Board approximately six times per year. NIEA Risk Register updates are also a standing agenda item at the NIEA Audit and Risk Assurance Committee meetings, which meets approximately four times per year. Climate considerations are embedded within strategic risks relating to resourcing, statutory and policy frameworks, and emergency response.

NIEA management's role in assessing and managing climate-related issues

NIEA senior management are responsible for assessing and managing climate-related issues that impact their performance objectives. Senior managers escalate matters as necessary to the Board through established governance meetings such as divisional-level senior management meetings and the quarterly Risk Management Group meetings.

NIEA managed climate-related issues the delivery of its 2025–26 Business Plan targets, including NIEA Key Performance Target 5, "Environmental Projects and Schemes" which successfully delivered its commitment to "Nature and Climate Recovery: Building Ecological and Climate Resilience". This work contributed to the DAERA Ministerial Priority of "Tackling and responding to climate change together in a fair and just way".

Agency Divisional Governance

In my overall assessment of the adequacy of control systems, I am supported by the Agency's Directors. Each Division provides quarterly updates to the Corporate Services Branch (CSB). The CSB in turn provides the ARAC with updates on the implementation of both internal and external audit recommendations, and revisions to the Agency Risk Register. The main purpose of this reporting process is to support the implementation of audit recommendations by improving outcomes and corporate governance in all areas of the Agency. This assists me in reviewing the Bi-annual Stewardship Reports (6 and 12 months) which are completed by each of the directors which underpin the overall annual Governance Statement.

I seek the timely implementation of all audit recommendations detailed in these reports including any recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency's accounts. As part of this process, the relevance and transferability of recommendations are also considered as part of the implementation process.

Internal Audit

During 2025-26, NIEA was audited by internal auditors from the NICS Internal Audit Service who operate using the Public Sector Internal Audit standards (PSIAS) framework.

Internal Audit submits regular reports to me, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control, together with recommendations for improvement.

I am pleased to note the overall Satisfactory opinion provided by Internal Audit on the overall adequacy and effectiveness of the Agency's governance, risk management and control arrangements during the 2025-26 financial year.

During 2025-26, the following Internal Audit (IA) assignments were completed in respect of NIEA:

Title of Audit	Date	Opinion	Number of Recommendations
NIEA Procurement 2024-25	21/05/2025	Satisfactory	5
Review of Financial Provision Follow-up	29/05/2025	Limited	1
NIEA Abstraction & Impoundment Licence Applications & Discharge Consents	09/06/2025	Limited	6
NIEA Warrant Cards	12/09/2025	Satisfactory	2
IPRI Emissions Trading Scheme	07/11/2025	Satisfactory	4
Peatlands Challenge Fund 2025-26	15/12/2025	Satisfactory	3
Follow Up Review of NIEA Fleet Management 2025-26	12/11/2025 (Note – Draft Report date)	Satisfactory	0[1]
Follow Up Review of NIEA Planning Consultations 2024-25	24/03/2026 (Note – Draft Report date)	Limited	0

I will ensure, through reporting to the NIEA ARAC, the timely implementation of the recommendations in all these audit reports.

Corporate Services

During 2025-26, IT services were provided by the Department's Digital Services Division. Financial management, governance, business planning, risk management and coordination processes and exercises were delivered by the Agency's Corporate Support Team (CST). Other corporate services were provided by DoF's Enterprise Shared Services as outlined below.

[1] No new recommendations. Four ongoing recommendations from 2024-25.

In relation to data security the Agency follows the Departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government.

No data security breaches were identified during the year.

Fraud and Raising a Concern Notifications

The Agency continues to operate the Raising a Concern recording system. This requires all Divisions to maintain a Raising Concern Register to record disclosures received within each Division. The maintenance of Registers is a mandatory requirement across the Department. All Raising a Concern notifications are investigated and addressed by the relevant business area under the supervision of the relevant Director. In cases of suspected fraud, an investigation by the Department of Finance (DoF) Fraud Investigation Service is requested. Updates were commissioned in advance of each ARAC meeting to ensure that senior management and ARAC were aware if there were any Raising a Concern or fraud notifications.

In 2025-26 there were no cases of suspected fraud reported in the Agency. Work on two fraud cases raised initially in 2022-23 and 2023-24 is still ongoing. During 2025-26 there was one Raising a Concern notification received by the Agency.

Enterprise Shared Services

I draw assurance from the audit opinion and on the mid and year-end Inter-Departmental assurance reports received from the Permanent Secretary in the Department of Finance (DoF) on the various components of Inter-Departmental services provided by DoF to all Departments. Included within the Enterprise Shared Services are; Account NI which is responsible for all the Department's financial transaction processing; NICS HR which is responsible for the Department's Human Resource management arrangements; Digital Shared Services and Central Procurement Directorate. DoF's assurance also covers HR Connect, an external organisation commissioned to provide operational HR services to the NICS including payroll, recruitment and leave arrangements.

I note also that the Permanent Secretary in the Department of Finance has provided a satisfactory audit opinion on Inter-departmental internal audit services.

Business Continuity Management

NIEA has business continuity plans in place to ensure procedures are available to support the recovery and continuation of business activities in the event of a business level disruptive incident. NIEA's Premises Officers also took action during the Winter Preparedness 2025 exercise to protect buildings and equipment over the winter period.

NIEA participated in Exercise Pegasus, a National Tier 1 Pandemic Exercise led by the UK Government's Department of Health and Social Care (DHSC) and delivered by the UK Health Security Agency (UKHSA). Exercise Pegasus was the largest national pandemic exercise ever held and included all four nations. UK Government and Devolved Administrations participated in live scenarios of the outbreak of a novel infectious disease and tested the Department's emergency structures and current resilience capability.

I am pleased to note that the support of the Digital Services Division has enabled staff to work flexibly across the NIEA estate, thereby providing an additional layer of operational resilience throughout the 2025–26 period.

Risk Management and Control Framework

The system of internal control is designed to manage risk to an acceptable level and cannot eliminate all risk of failure to achieve policies, aims and objectives, particularly where issues are outside the control of the Agency and Department. It therefore provides reasonable, but not absolute, assurance of effectiveness.

The Agency Board has established appropriate procedures to ensure that risks are adequately managed within the Agency. Risk Registers at the Agency Corporate and Divisional levels are maintained and monitored on a quarterly basis. The Corporate Support Team has responsibility for co-ordinating the Agency's risk management/internal control functions, developing the risk management framework and providing advice and guidance to staff on risk management issues. The risk management cycle is a "top-down" and "bottom-up" exercise that ensures any Agency risks included in the Departmental Corporate Risk Register are also included in the Agency Risk Register and risks identified and managed at Divisional level are escalated to the Agency register, as appropriate.

The Agency's Corporate Risk Register is reviewed quarterly by the ARAC and the NIEA Board.

Bi-annual Assurance Reports (6 and 12 months) are completed for the two Agency operational divisions as well as an overarching statement for the Agency. However, it is the 12-month Agency Report which underpins my Governance Statement by highlighting, where appropriate, any control issues of concern across a range of key governance functions, primarily business planning, financial management, information and risk management, fraud, regulation and compliance, customer service standards, staffing, procurement and audit reports. I am reassured by these reports that information used for operational purposes and reporting purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

In summary, as Accounting Officer, I have overall responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter for the annual accounts and other Value for Money (VFM) reports. I have been advised on the implications of the effectiveness of the system of internal control by the Agency Board and the Agency ARAC. Therefore, I am confident in plans to address any identified weaknesses and actions to ensure continuous improvement of the control system.

Significant Issues

Resourcing of key priorities: Despite adequate funding during the reporting period, the Agency did not secure adequate people resources to deliver its objectives. This has contributed to our failure to fully deliver the key objectives outlined in our business plan.

Planning Performance: During 2025-26, NIEA and MFD continued to manage a consistently high volume of planning consultations, with a growing proportion involving complex and technically challenging cases. Between 1 April 2025 and 31 March 2026, NIEA received 4,939 statutory and non-statutory consultations, of which 87% received a response. This reflects a sustained and focused effort by teams to engage constructively with Planning Authorities whilst responding to increasing demand and complexity.

The statutory consultation response rate for the year was 65% reflecting the longstanding under performance by the agency in this area of work. Whilst this represents a reduction in performance compared to 2024-25, targeted actions were introduced during the latter part of 2025-26 through the development and implementation of the NIEA Planning Improvement

Plan, aimed at strengthening the efficiency, transparency and quality of planning engagement. Key improvements introduced in 2025-26 included more substantive and timely updates to Planning Authorities to enhance customer confidence, revised standing advice to reduce over-consultation and re-consultation, improved internal prioritisation and risk-based triage, and the introduction of enhanced internal caseload tracking. The Planning Improvement Plan will continue into 2026-27, building on progress made to support more consistent, timely and effective planning consultation responses and to clearly communicate DAERA's role within the wider planning system.

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

Since then, NIEA has focused on the private landowner's remediation efforts. In addition, NIEA has chaired multi-agency meetings to co-ordinate information sharing and support partner agencies in evaluating potential public health impacts throughout the remediation process.

An independent consultant's report, commissioned by NIEA, indicates that the residual asbestos-containing material fragments remaining on site pose minimal risk, provided the site remains secure and the materials are not disturbed.

Asian hornet: NIEA co-ordinated a multi-agency response to Northern Ireland's first confirmed Asian hornet incursion in October 2025, helping to protect pollinators and local ecosystems and resulting in the rapid detection and destruction of the nest established by this Invasive Alien Species. NIEA organised ongoing precautionary monitoring in spring 2026 to determine whether any fertile Queens from this nest had overwintered in the immediate area, thus ensuring no further nests could be established from the one found the previous autumn.

If there is a sighting in 2026-27, the newly drafted NI Rapid Response Asian Hornet Contingency Plan will be enacted, with potential implications for NIEA, including the redeployment of staff from business-as-usual activities and enhanced collaboration with relevant stakeholder organisations, as set out in the plan.

Office for Environmental Protection (OEP) reports and findings: In February 2026, the OEP reported the findings of their investigation into the Conservation (Natural Habitats etc) Regulations (Northern Ireland) 1995 in relation to the protection of wild birds. They asserted that DAERA failed to comply with these regulations in relation to Special Protection Areas and wild birds, and NIEA are preparing an action plan to address these issues.

During 2025-26, the OEP published 'A Review of Implementation of Laws for Terrestrial and Freshwater Protected Sites in NI' which concluded that existing legislation is not being effectively implemented. DAERA and NIEA accepted the findings and the recommendations and are working through actions aligned with Environmental Improvement Plan commitments.

The NIEA are continuing to implement recommendations from the OEP 2024 report on "A review of implementation of the Water Framework Directive Regulations and River Basin Management Planning in Northern Ireland" and implement the 2024 action plan on "Duties under the Abstraction and Impoundment Licensing Regulations 2006".

In November 2025, the OEP launched an investigation into the regulation of sewage discharges into Belfast Lough involving DAERA/NIEA, the Department for Infrastructure and the Utility Regulator. Findings are expected during 2026.

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 NIEA in 2025-26 was 481. This high volume across the operation impacted on the response times achieved within the statutory limit.

NIEA's performance rate for 2025-26 was 72% of requests responded to within the statutory timescales. Although it is acknowledged that this is below expected standard, it is notable that the Agency has seen a substantial increase in demand, with a 70% increase in information requests over the past two years (282 Information requests receipted in 2024-25 with 481 received in 2025-26), placing considerable pressure on available resources.

NIEA remains committed to improving performance in this area and is taking steps to improve information request compliance.

Disagreement on accounting treatment: 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 Agency has been in the context of not having an agreed preferred option for Mobuoy.

The Agency 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 Agency'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 Agency'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.

Richard Crowe
Chief Executive
3 July 2026

Agency Remuneration and Staff Report

Remuneration and Pension Entitlements

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 (including salary) and pension entitlements

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

[1] Civil Service Commissioners for Northern Ireland (nicscommissioners.org)

Remuneration and pension entitlements (Audited)

<u>**Officials**</u>	**Salary £'000**		**Benefits in kind (to nearest £100)**		**Pension Benefits * £'000**		**Total £'000**	
	2025-26	**2024-25**	**2025-26**	**2024-25**	**2025-26**	**2024-25**	**2025-26**	**2024-25**
Mr D Reid Chief Executive	115-120	105-110	Nil	Nil	91	78	205-210	185-190
Dr R Crowe Director of Regulation and Enforcement Division (Water)	95-100	85-90	Nil	Nil	84	69	175-180	155-160
Ms L Loughran Director of Natural Environment Division	95-100	45-50 (85-90 full year equivalent)	Nil	Nil	19	12	115-120	60-65 (100-105 full year equivalent)
Mr A Beggs Director of Regulation and Enforcement Division (Waste) *(from 10/06/2025)*	75-80 (90-95 full year equivalent)	N/a	Nil	N/a	17	N/a	90-95 (105-110 full year equivalent)	N/a
Mr B McVeigh Acting Director of Regulation and Enforcement Division (Water) *(from 01/09/25 to 20/11/25)*	15-20 (85-90 full year equivalent)	N/a	Nil	N/a	9	N/a	25-30 (95-100 full year equivalent)	N/a
Mrs L Strutt Director of Natural Environment Division (*from 01/04/24 to 30/09/24*)	N/a	40-45 (75-80 full year equivalent)	N/a	N/a	N/a	36	N/a	75-80 (110-115 full year equivalent)
Mr S Welch Non-Executive Board Member	10-15	5-10	N/a	N/a	N/a	N/a	10-15	5-10
Ms V Morris Non-Executive Board Member *(from 01/04/2025)*	10-15	N/a	N/a	N/a	N/a	N/a	10-15	5-10

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

Salary

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

Bonuses

Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2025-26 relate to performance in 2025-26 and the comparative bonuses reported for 2024-25 relate to the performance in 2024-25. There were no bonus payments during the financial years 2025-26 and 2024-25.

Fair Pay Disclosures (Audited)

Pay Ratios

The banded remuneration of the highest-paid director in NIEA in the financial year 2025-26 was £115,000 - £120,000 (2024-25, £105,000 - £110,000). 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 (£)	33,542	37,694	47,304
Pay ratio	3.5:1	3.1:1	2.5:1

2024-25	**25th percentile**	**Median**	**75th percentile**
Total remuneration (£)	32,221	36,024	43,815
Pay ratio	3.3:1	3.0:1	2.5:1

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, Nil (2024-25: Nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £25,796 to £117,500 (2024-25, £23,177 to £107,500).

Percentage Change in Remuneration

The percentage changes in respect of NIEA are shown in the following table.

Percentage change for:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	11.8%	5.0%
Highest paid director’s salary and allowances	9.3%	10.8%

The calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year. Percentage increases from last year are due to a combination of annual incremental pay increases; pay scale progressions; and changes in staff composition and grades.

Pension Entitlements (Audited)

Officials	Accrued pension at pension age as at 31/3/26 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/26 £'000	CETV at 31/3/25 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Mr D Reid Chief Executive	40-45 plus lump sum of 95-100	2½-5 plus lump sum of 5-7½	828	713	70	Nil
Dr R Crowe Director of Regulation and Enforcement Division	40-45 plus lump sum of 95-100	2½-5 plus lump sum of 5-7½	925	800	75	Nil
Ms L Loughran Director of Natural Environment Division	40-45 plus lump sum of 90-95	0-2½ plus lump sum of 0	830	777	6	Nil
Mr A Beggs Director of Waste & Industrial Pollution Regulation & Enforcement Division *(from 10/06/2025)*	55-60	0-2½	1,124	1,054	8	Nil
Mr B McVeigh Director of Regulation and Enforcement Division (Water) *(from 01/09/25 to 21/11/25)*	10-15	0-2½	163	152	4	Nil
Mrs L Strutt Director of Natural Environment Division (from 01/04/24 to 30/09/24)	N/a	N/a	N/a	202	N/a	Nil

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 the Department of Finance to remedy this discrimination.

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

- Ensuring all active members are treated equally for future service as members of the reformed Alpha scheme only from 1 April 2022, and
- Providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the 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 prereformed 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 were 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 Report 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 accrued 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 accrued 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) | Department of Finance.

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 Contribution 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 2025 to 31 August 2025		**Contribution rates – All members from 1 April 2025 to 30 June 2025**	***Contribution 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		**Contribution 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)

No compensation payments were made or are due to any of the senior management in the Northern Ireland Environment Agency under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)) in the year ending 31 March 2026 or 31 March 2025.

Staff Numbers and Related Costs (Audited)

Staff costs comprise:

			2025-26 £000	2024-25 £000
	Permanently employed staff	**Others**	**Total**	**Total**
Wages and salaries	23,837	5,088	28,925	24,976
Social security costs	3,254	-	3,254	2,452
Other pension costs	8,410	-	8,410	7,572
Total*	**35,501**	**5,088**	**40,589**	**35,000**
Of which	Charged to Administration	Charged to Programme	Total	
	-	**40,589**	**40,589**	

** Of the total, £Nil has been charged to capital.*

Pension Arrangements

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but the Northern Ireland Environment Agency is unable to identify its share of the 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 Northern Ireland Civil Service Pension Scheme Valuations.

For 2025-26, employers' contributions of £8,409,934 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £7,571,742 at 34.25%).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £23,147 (2024-25: £24,874) were paid to one or more of the panels 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 £665 0.5% (2024-25: £628, 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.

One person (2024-25: four) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £3,356 (2024-25: £18,713).

Average Number of Persons Employed* (Audited)

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

Activity	2025-26 Permanent staff	2025-26 Others	2025-26 Total	2024-25 Total
Natural Environment	208	10	218	220
Central Services**	53	18	71	51
Water Regulation and Enforcement	201	67	268	246
Waste and Industrial Pollution Regulation and Enforcement	142	17	159	157
Total	604	112	716	674

**The 2024-25 figures have been restated to account for a divisional split in 2025-26.*

*** Notional administrative division for reporting purposes; see Note 9 for further detail.*

Staff Turnover

Staff turnover rates for 2025-26 are shown below. The Agency continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in the Agency and take appropriate action to improve effectiveness, including where turnover becomes problematic.

	2025-26	2024-25
Agency Turnover Rate	7.7%	9.0%
General Turnover Rate	5.0%	5.2%

Civil Service HR guidance defines Agency Turnover as staff leaving the Civil Service or a particular department, and General Turnover as staff living leaving the Civil Service as a whole. Turnover includes permanent and temporary staff, and those who left the NICS whilst on career break.

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 (latest available) staff invited to complete the survey, of which 1,716 (2023: 1,817) participated, a response rate of 46% (2023: 48%). 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 NICS People Survey Results. The next NICS People Survey is due to take place in 2027.

Staff Composition (Male & Female – Directors, SCS, Employees)

The NIEA Management Board comprised of the Chief Executive (male), Executive Director of Natural Environment Division (female), Executive Director of Water Regulation and Enforcement Division (male), Executive Director of Waste and Industrial Pollution Regulation and Enforcement Division (male) and two Non-Executive Directors (male and female) at 31 March 2026.

770 (2024-25: 718) staff were in post at 31 March 2026 of which 401 (2024-25: 378) were male and 369 (2024-25: 340) were female.

Staff Profile

The following table shows a breakdown of staff in post at 31 March 2026 by category.

Category	**2025-26**	**2024-25**
Senior Civil Servants (substantive)	4	3
Science Grades	460	446
Operational Staff	35	35
Support Staff	263	229
Professional Staff	8	5
Total	**770**	**718**

The NIEA staff profile provides a breakdown of key staff groupings across the Agency over the past two years. With a workforce of 770 staff, comprising both permanent and temporary employees, the Agency delivers a wide range of specialist activities and responsibilities. This is reflected in the number and diversity of specialist roles within the overall workforce.

Number of SCS Staff by Band

The Agency's Chief Executive, David Reid (Grade 3); the Director of Natural Environment Division, Liz Loughran (Grade 5); the Director of Water Regulation and Enforcement Division, Richard Crowe (Grade 5); the Director of Waste and Industrial Pollution Regulation and Enforcement Division, Alastair Beggs (Grade 5); and the Acting Director of Water Regulation and Enforcement Division, Brian McVeigh (Acting Grade 5), were the Agency's only Senior Civil Servants in 2025–26.

Reporting of Civil Service and other compensation schemes - exit packages (Audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-/(-)	-/(-)	-/(-)
£10,000 - £25,000	-/(-)	-/(-)	-/(-)
£25,000 - £50,000	-/(-)	1/(-)	1/(-)
£50,000 - £100,000	-/(-)	1/(-)	1/(-)
£100,000- £150,000	-/(-)	-/(-)	-/(-)
£150,000- £200,000	-/(-)	-/(-)	-/(-)
Total number of exit packages	-/(-)	2/(-)	2/(-)
Total resource cost /£'000	-/(-)	124/(-)	124/(-)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland) (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 (2024-25 comparative figures are also given). £123,516 exit costs were paid in 2025-26, the year of departure (2024-25 Nil). Where the Agency has agreed early retirements, the additional costs are met by the Agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Off-Payroll Engagements

Temporary off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.

	2025-26	2024-25
Number of existing engagements as of 31 March 2026	-	-
Of which have existed for:		
Less than one year at time of reporting	-	-
Between one and two years at time of reporting	-	-
Between two and three years at time of reporting	-	-
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	-	-

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

All temporary off-payroll workers engaged at any point during the year ended 31 March 2026, earning £245 per day or greater

	2025-26	2024-25
Number of off payroll workers engaged during the year ended 31 March 26	-	1
Of which:		
Not subject to off payroll legislation	-	-
Subject to off-payroll legislation and determined as in-scope of IR35	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	1
Number of engagements reassessed for compliance or assurance purposes during the year	-	1
Of which: Number of engagements that saw a change to IR35 status following review	-	1

Expenditure on Consultancy

No consultancy expenditure was incurred in 2025-26.

Sickness Absence

The Agency had an overall sickness absence rate of 9.2 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 | Northern Ireland Statistics and Research Agency. The 2025-26 sickness absence data is not currently available and will be published later this year.

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 Department for Communities JobStart Scheme which aims to improve the employability and long-term employment prospects of those who face additional barriers to employment. The Civil Service 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 recruit website.

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

Human Capital Management

(i) Career Development

The NICS is committed to career development, acknowledging that skilled and engaged staff are an essential resource in meeting current and future business needs.

This NICS Career Development Policy emphasises that career development is a collaborative process between individual staff members, line managers, and Departments, and takes account of the NICS Competency Framework and Performance Management System. As well as the individual's role in managing their career development, the NICS provides opportunities to enhance the skills, capabilities and performance of staff so that they, in turn, can contribute to achieving corporate objectives.

There is a wide range of career development options available within the NICS and within the Career Development Policy that support various career development interventions including secondment and interchange opportunities, elective transfers, temporary promotion, job rotation, job shadowing, as well as mentoring.

(ii) Learning & 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 NICS HR[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.

NICS HR 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
- 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 & Management
- Collaborative & Collective Working
- Innovation, Improvement & Transformation
- Health & Wellbeing
- Digital Skills Development

[1] NICS HR is the NICS' centralised human resources operational delivery function, falling under the responsibility of the Department of Finance

(iii) Pay policy

Under the Civil Service (NI) Order 1999, the Department of Finance is responsible for the pay arrangements of NICS civil servants (apart from those agencies, non-ministerial government departments and other bodies with an agreed pay delegation). The pay award system aims to:

- be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- secure the confidence of staff that their pay will be determined fairly;
- secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.

Current pay scales are available online.

(iv) 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. Further detail is available in the NICS Standards of Conduct Policy.

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

	Total
***Number of exits from the Civil Service**	**31**
Number of BAR's applications submitted to the Department over the year (by grade)	-
Number of BAR's applications approved by the Department over the year (by grade)	-
Number of BAR's applications where conditions were set by the Department over the year (by grade)	-
Number of applications that were found to be unsuitable for the applicant to take up by the Department over the year (by grade)	-
Number of breaches of the Rules in the preceding year	-

**Number of exits from the Civil Service provided by P&OD Workforce Analysis & Statistics.*

(v) Employee Consultation and Trade Union Relationships

The Department of Finance (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. Business areas may also have a Whitley arrangement in place dealing with issues specific to that business area.

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.

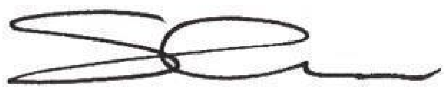
Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information is available in the Equality, Diversity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



Richard Crowe
Chief Executive
3 July 2026

Assembly Accountability and Audit Report

Regularity of Expenditure (Audited)

As NIEA's Accounting Officer, I am content that the expenditure and income of my Agency have been applied to the purposes intended by the NI Assembly. Furthermore, I am content that the Agency's transactions are within the scope of the authorities that govern them, and that there are no material weaknesses in the design and implementation of the Agency's internal controls to prevent and detect fraud.

Remote Contingent Liabilities (Audited)

In addition to contingent liabilities reported within the meaning of IAS 37, the Agency 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.

Losses and Special Payments (Audited)

Losses Statement

	Number of Cases	2025-26 £'000	Number of Cases	2024-25 £'000
Administrative Write Offs	18	23	9	4
Other Write Offs	4	27	2	-*
Total	**22**	**50**	**11**	**4**

**£Nil due to rounding*

Special Payments

	Number of Cases	2025-26 £'000	Number of Cases	2024-25 £'000
Public Liability Claims	1	26	-	-
Exit Packages	2	124	-	-
Total	**3**	**150**	**-**	**-**

Cases include accidental damage to property, personal injury, bad debts written off and employee exit packages.

Fees and Charges (Audited)

The Agency is required to undertake regular reviews of the services it delivers and to prepare a detailed Memorandum Trading Account (MTA) for each scheme or service.

The summary MTA below sets out the income and expenditure for the 2025-26 NIEA Regulatory Charging Schemes. In line with the Agency's financial objectives, these services are operated on a full cost recovery basis, ensuring that income generated through charges is sufficient to meet the total cost of service provision.

Business Activities Attracting Fees and Charges

	2025-26 £'000	2024-25 £'000
Fees and Charges	**12,629**	**10,740**
Operating Costs		
Staff Costs	9,078	7,684
Administration and Accommodation	2,251	689
Notional Charges	2,398	1,552
Total Charges	**13,727**	**9,925**
Operating (Deficit)/Surplus	**(1,098)**	**815**

Payments to Past Directors (Audited)

There have been no payments to past directors (2024-25: £Nil)

Richard Crowe
Chief Executive
3 July 2026

NORTHERN IRELAND ENVIRONMENT AGENCY

THE CERTIFICATE 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 Northern Ireland Environment Agency for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Northern Ireland Environment Agency 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 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 Northern Ireland Environment Agency'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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

The Northern Ireland Environment Agency has disclosed a contingent liability relating to the Mobuoy illegal waste site at Note 16 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 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 Northern Ireland Environment Agency has declined to recognise a provision in respect of this obligation. Total provisions of £1.5 million have been recorded at Note 15 in the Agency’s financial statements, of which £0.5 million relates to annual monitoring and maintenance costs of the Mobuoy site. The Northern Ireland Environment Agency 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 Northern Ireland Environment Agency 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 my certificate.

My staff and I are independent of the Northern Ireland Environment Agency 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 Northern Ireland Environment Agency’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 Northern Ireland Environment Agency'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 Northern Ireland Environment Agency 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 included in the annual report.

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 Northern Ireland Environment Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or 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 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 are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud of 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 Northern Ireland Environment Agency'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 Northern Ireland Environment Agency 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 Northern Ireland Environment Agency 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;
- making enquiries of management and those charged with governance on the Northern Ireland Environment Agency'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 Northern Ireland Environment Agency'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: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- 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;
- 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 and inquiries of management and those charged with governance;
- 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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Statement of Comprehensive Net Expenditure

for the period ended 31 March 2026

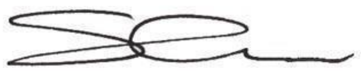
	Note	2025-26 £000	2024-25 £000
Revenue from Contracts with Customers	7	(12,629)	(10,737)
Other Operating Income	7	(10,072)	(8,057)
Total Operating Income		**(22,701)**	**(18,794)**
Staff Costs	2	40,589	35,000
Current Grants	3	6,918	5,468
Capital Grants	3	4,102	4,451
EU Current Grants	3	1,071	-
Accommodation Running Costs	3	2,501	1,982
Depreciation and Amortisation Charges	3	2,235	2,026
Provision Expense	3	1,326	672
Other Operating Expenditure	3	16,614	14,969
Total Operating Expenditure		**75,356**	**64,568**
Net Operating Expenditure		**52,655**	**45,774**
Other comprehensive net expenditure			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of Property, Plant and Equipment		(294)	(287)
Net gain on revaluation of Intangibles		-	-
Comprehensive Net Expenditure for the year		**52,361**	**45,487**

The notes on pages 76 to 107 form part of these accounts.

Statement of Financial Position
as at 31 March 2026

	Note	2025-26 £000	2024-25 £000
Non-current assets			
Property, plant and equipment	8(i)	28,612	29,445
Heritage assets	8(iii)	2,197	2,197
Intangible assets	8(v)	-	-
Total non-current assets		**30,809**	**31,642**
Current assets			
Inventories	11	-	83
Trade and other receivables	12	7,369	4,646
Cash and cash equivalents	13	3	3
Total current assets		**7,372**	**4,732**
Total assets		**38,181**	**36,374**
Current liabilities			
Trade and other payables	14	(8,102)	(11,014)
Provisions	15	(1,531)	(762)
Total current liabilities		**(9,633)**	**(11,776)**
Total assets less current liabilities		**28,548**	**24,598**
Non-current liabilities			
Other payables	14	(104)	(113)
Total non-current liabilities		**(104)**	**(113)**
Total assets less total liabilities		**28,444**	**24,485**
Taxpayers' equity & other reserves:			
General fund		19,121	15,001
Revaluation reserve		9,323	9,484
Total taxpayers' equity		**28,444**	**24,485**

The financial statements on pages 71 to 107 were approved by the Board and were signed on its behalf by



Richard Crowe
Chief Executive
3 July 2026

The notes on pages 76 to 107 form part of these accounts.

Statement of Cash Flows

for the period ended 31 March 2026

	Note	2025-26 £000	2024-25 £000
Cash flows from operating activities			
Net operating cost		(52,655)	(45,774)
Adjustments for non-cash transactions:			
Depreciation and amortisation	8	2,235	2,026
Profit on disposal of property, plant and equipment	3	(27)	(87)
Notional Charges	6	9,884	9,146
Provisions expensed	15	1,326	672
Bad Debts Provision	3	110	(48)
Revaluations	3	-	(90)
Decrease in Inventories	11	83	-
Adjustments for investing or financing activities:			
Interest payable on finance leases	18	5	5
Increase in trade and other receivables	12	(2,723)	(3,067)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		(110)	48
(Decrease)/Increase in trade payables	14	(2,916)	1,980
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(324)	378
Use of provisions	15	(557)	(495)
Net cash outflow from operating activities		**(45,669)**	**(35,306)**
Cash flows from investing activities			
Purchase of property, plant & equipment and heritage assets		(784)	(1,672)
Proceeds of disposal of property, plant & equipment		27	88
Net cash outflow from investing activities		**(757)**	**(1,584)**

Cash flows from financing activities		
Funding from Parent Department DAERA	46,436	36,913
Capital element of finance lease rental payments	(5)	(18)
Interest element of finance lease rental payments	(5)	(5)
Net cash outflow from financing activities	**46,426**	**36,890**
Cash and cash equivalents at the beginning of the period	**3**	**3**
Cash and cash equivalents at the end of the period	**3**	**3**
Net change in cash and cash equivalents	**-**	**-**

The notes on pages 76 to 107 form part of these accounts.

Statement of Changes in Taxpayers’ Equity
for the period ended 31 March 2026

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers’ Equity £000
Balance at 31 March 2024		**14,277**	**9,636**	**23,913**
Net Assembly Funding		36,913	-	36,913
Comprehensive Net Expenditure for the year		(45,774)	287	(45,487)
Non-cash charges – notional costs	6	9,126	-	9,126
Auditors’ Remuneration	6	20	-	20
Transfers between reserves		439	(439)	-
Balance at 31 March 2025		**15,001**	**9,484**	**24,485**
Net Assembly Funding		46,436	-	46,436
Comprehensive Net Expenditure for the year		(52,655)	294	(52,361)
Non-cash	6	9,863	-	9,863
Auditors’ Remuneration	6	21	-	21
Transfers between reserves		455	(455)	-
Balance at 31 March 2026		**19,121**	**9,323**	**28,444**

The General Fund serves as the main operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

The notes on pages 76 to 107 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2025-26 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Environment Agency (NIEA, the Agency) for the purpose of giving a true and fair view has been selected. The particular polices adopted by NIEA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

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

1.2 Property, Plant and Equipment

Expenditure on property, plant and equipment of over £5,000 is capitalised. On initial recognition property, plant and equipment is measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid, or a liability has been incurred.

All property, plant and equipment is carried at fair value.

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years, with the last full valuation of land and buildings undertaken by Land and Property Services (LPS) as at 1 April 2021 and the next full valuation is due 1 April 2026 and will be undertaken during the 2026-27 financial year. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

With the exception of items under construction, fair value is estimated by restating the value annually, between professional valuations, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of property, plant and equipment are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of property, plant and equipment are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

1.3 Intangible Assets

Expenditure on intangible assets over £5,000 is capitalised. On initial recognition intangible assets are measured at cost including any expenditure such as installation, directly attributed to bringing them to working condition. Intangible assets are carried at fair value. Fair value is estimated by restating the value annually, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of intangible assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of intangible assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

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

1.4 Depreciation and Amortisation

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

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

Land	Not depreciated
Buildings (excluding Dwellings)	On an individual basis not exceeding 100 years
Transport Equipment (including Railway Stock & Boats)	5 - 30 years
Plant and Machinery (including Laboratory Equipment)	5 - 30 years
Information Technology (Hardware / Software)	3 - 5 years
Furniture and Fittings (including Exhibitions)	5 - 30 years

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

1.5 Heritage Assets

The Northern Ireland Environment Agency holds certain heritage assets that have been purchased. The assets relate to various land located throughout Northern Ireland and are regarded as non-operational heritage assets. These are either declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific Interest. On initial recognition the assets are recognised at cost. They are revalued annually, using indices provided by the Office 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 Revenue 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 and the next full valuation is due 1 April 2026 and will be undertaken during the 2026-27 financial year.

Non-operational heritage assets which have not been purchased have no valuation placed on them as it is neither practical nor appropriate to do so, due to the special characteristics of these assets. The Agency receives adequate information on the condition and maintenance of the properties to enable us to fulfil our stewardship role. It is not the intention of NIEA to dispose of these assets in the foreseeable future, given their importance to the natural heritage of Northern Ireland. In accordance with DoF guidelines we consider that obtaining a valuation of these assets is not warranted in terms of benefits which the valuation would deliver. This policy will be kept under review for future years.

Detailed records are maintained for each heritage asset and site management plans are maintained and regularly updated. Many heritage assets, nature reserves, are open to the public and access is encouraged, where practical. Heritage assets are purchased for their long-term protection by the state.

Upward revaluations of heritage assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of heritage assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

1.6 Operating Income

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for licences and services provided on a full cost basis to external customers. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income. All operating income is classified as programme and is stated net of VAT.

1.7 Classification of Expenditure

The classification of expenditure as programme follows the definition of programme costs set out in the *FReM*, issued by the Department of Finance. Costs incurred by the Agency reflect non-administration costs, including payments of grants and other disbursements by the Agency and therefore are classified as programme costs.

1.8 Employee Benefits including Pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated using employees' daily rate costs applied to any untaken leave balance as at 31 March 2026.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) which are described in the remuneration report. The defined benefit schemes are unfunded and non-contributory except in respect of dependents' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI).

In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.9 Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

1.10 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non- current assets. VAT is recoverable on a Departmental basis.

1.11 Inventories

Finished goods and goods for resale are valued at cost. Inventories are valued at net realisable value only when they either cannot or will not be used.

1.12 Contingent Liabilities

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

These comprise:

a. items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by Departmental minute prior to the Agency entering into the arrangement; and

b. all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of the Agency accounts) which are required by the *FReM* to be noted in the Agency accounts.

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

1.13 Leases

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

Leases previously classified as operating leases: transition to IFRS 16

The Agency adopted IFRS 16 on the cumulative catch-up basis as mandated in the FReM, and therefore the cumulative impact on previous years' results has been recognised within reserves at the beginning of the period. As such, the prior year comparative information has not been restated and note 1.13(i) applies for the prior year. Under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16, a right-of-use asset and lease liability has been recognised for all relevant leases not previously recognised as finance leases for accounting purposes under IAS 17.

Peppercorn Leases:

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

Measurement of Right-of-Use asset on transition

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

Measurement of lease liability on transition

On initial application, the lease liability is measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:
• The interest rate implicit in the lease
• HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

1.14 Critical Accounting Estimates and Key Judgements

As a result of the uncertainties inherent in all business activities, many items in financial statements, such as provisions and depreciation, cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with *FReM*, management have used judgements based on the latest available, reliable information.

Management continually reviews estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.15 Government Grant Receivable

Government grants received for revenue purposes are recognised as income in the Statement of Comprehensive Net Expenditure so as to match them with expenditure towards which they are intended to contribute.

Grants received as a contribution towards non-current assets are recognised as income in the Statement of Comprehensive Net Expenditure, unless the funder imposes a condition requiring that future economic benefits embodied in the grant are consumed as specified by the grantor or must be returned to them. Assets funded by government grant are revalued, depreciated and subject to impairment review in the same way as any other non-current asset.

1.16 Financial Instruments

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

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

The Agency measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition. Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.17 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the best estimate of the expenditure required to settle the obligation where this can be determined. This relates to providing for public and employer liability claims, industrial tribunals, equal pay settlement and judicial reviews. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

1.18 Impending application of newly issued accounting standards not yet effective

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 Agency'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.

1.19 Management Agreements

The Agency enters into management agreements with landowners in order to “preserve” lands/buildings identified as being Areas of Special Scientific Interest (ASSIs) or of architectural/historical interest. These agreements can include a one-off payment, an annual payment for a set amount of time or an annual payment in perpetuity and cover designated ASSIs and Nature Reserve lands. Management agreements covering Nature Reserves and ASSIs involve compensation payments to the landowners. The management agreements do not confer title of ownership to the Agency.

2. Staff Costs

Staff costs comprise:

	2025-26 £000	2024-25 £000
Wages and Salaries	28,925	24,976
Social Security Costs	3,254	2,452
Other Pension Costs	8,410	7,572
Total	**40,589**	**35,000**

A breakdown of the above costs, distinguishing between permanent staff and other staff, is provided in the Remuneration and Staff Report within the Accountability Report on page 53.

3. Other Operating Expenditure

	Note	2025-26 £000	2024-25 £000
Current Grants	4	6,918	5,468
Capital Grants	4	4,102	4,451
EU Current Grants	4	1,071	-
Other Current Expenditure	5	3,825	3,723
Accommodation Running Costs		2,501	1,982
Advertising & Publicity Costs		49	26
Communication Costs		131	136
Operating Leases		7	6
Other Office Services		529	528
Other Staff Costs		115	96
Travel & Subsistence Costs		189	194
Staff Training & Development		124	101
Vehicle & Boat Costs		362	287
Other Operating Costs		1,233	951
Non-cash items			
Provisions – expensed in year	15	1,326	672
Bad Debt Provision		110	(48)
Inventories written off		83	-
Notional charges:			
Department of Finance	6	2,067	2,107
Intra-Departmental Notional Charges	6	7,796	7,019
External Auditor's Remuneration	6	21	20
Non-current assets:			
Depreciation	8(i)	2,235	2,026
Profit on disposal of property, plant and equipment		(27)	(87)
Revaluations		-	(90)
Total		**34,767**	**29,568**

4. Grants

	2025-26 £000	2024-25 £000
Natural Environment	10,404	9,631
Waste and Industrial Pollution Regulation and Enforcement Division	-	-
Water Regulation and Enforcement	1,687	288
Total	**12,091**	**9,919**
Natural Environment Grants comprise:		
Environment Fund: Strands 1 and 2	5,986	5,180
Environment Fund: Strand 3 Challenge Fund - Capital	3,638	3,799
Rural Development Programme - Capital	461	652
Shared Island Initiative Peatlands Challenge Fund	319	-
Total	**10,404**	**9,631**
Water Regulation and Enforcement Grants comprise:		
Environment Fund: Water Quality Improvement	346	288
PEACEPLUS Programme:		
Water Quality & Catchment Management – EU Funding	1,071	-
Water Quality & Catchment Management – National Funding	267	-
Other - Capital	3	-
Total	**1,687**	**288**

Grant expenditure is analysed across three divisions in the current year. This represents a change from 2024–25, when Waste and Industrial Pollution Regulation and Enforcement Division, and Water Regulation and Enforcement were combined and reported as a single division, namely the Regulation and Enforcement Division.

5. Other Current Expenditure

	2025-26 £000	2024-25 £000
Divisional costs comprise:		
Natural Environment	2,041	1,951
Waste and Industrial Pollution Regulation and Enforcement Division	605	693
Water Regulation and Enforcement	1,179	1,079
Total	**3,825**	**3,723**
Natural Environment costs comprise:		
Contracted Services	1,698	1,727
Professional Costs	343	224
Total	**2,041**	**1,951**
Waste and Industrial Pollution Regulation and Enforcement costs comprise:		
Contracted Services	424	297
Professional Costs	181	396
Total	**605**	**693**
Water Regulation and Enforcement costs comprise:		
Contracted Services	668	600
Professional Costs	511	479
Total	**1,179**	**1,079**

Natural Environment Contracted Services costs include commissioned research and analytical work, as well as contracted cleaning and security services for the Agency’s remote sites. Regulation and Enforcement costs cover a range of contracts related to environmental monitoring, local clean-up support, small business research initiatives, and the maintenance of laboratory facilities at the Agency’s Lisburn site.

6. Notional Charges

	2025-26 £000	2024-25 £000
Intra-Departmental Charges		
Department of Agriculture, Environment and Rural Affairs	7,796	7,019
Total	**7,796**	**7,019**
Services provided by other Departments		
Department of Finance:		
Accommodation	221	191
IT Assist	749	746
Personnel	740	662
Account NI	279	296
Departmental Solicitor's Office	-	136
Information Strategy and Innovation	78	76
Total	**2,067**	**2,107**
External Audit Fees	**21**	**20**
Total Notional Charges	**9,884**	**9,146**

7. Income

	2025-26 £000	2024-25 £000
Revenue from Contracts with Customers		
Regulatory Income	12,629	10,737
Total	**12,629**	**10,737**
Other Operating Income		
Carrier Bag Levy	7,565	7,744
Operating Income from Country Parks	277	230
Shared Island Initiative grant income	1,159	83
PEACEPLUS Programme: Match Funding	1,071	-
Total	**10,072**	**8,057**
Total Income	**22,701**	**18,794**

Shared Island Initiative grant income represents funding receivable from the Department of Housing, Local Government and Heritage (Republic of Ireland) in respect of the Peatland Challenge Fund.

PEACEPLUS Programme match funding represents income receivable in respect of Water Quality and Catchment Management projects.

8(i) Property, Plant and Equipment

2025-26	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2025	**7,735**	**28,411**	**2,484**	**5,522**	**97**	**2,588**	**754**	**47,591**
Additions	-	-	228	23	-	271	588	1,110
Disposals	-	-	(84)	(26)	-	-	-	(110)
Revaluations*	-	23	195	147	-	-	-	365
Reclassifications and transfers	-	291	(35)	44	-	165	(312)	153
At 31 March 2026	**7,735**	**28,725**	**2,788**	**5,710**	**97**	**3,024**	**1,030**	**49,109**
Depreciation								
At 1 April 2025	**52**	**11,214**	**1,878**	**4,138**	**96**	**768**	**-**	**18,146**
Charged in year	22	1,449	163	293	-	308	-	2,235
Disposals	-	-	(84)	(26)	-	-	-	(110)
Revaluations	-	8	110	77	-	40	-	235
Reclassifications and transfers	-	-	(32)	23	-	-	-	(9)
At 31 March 2026	**74**	**12,671**	**2,035**	**4,505**	**96**	**1,116**	**-**	**20,497**
Carrying amount at 31 March 2026	**7,661**	**16,054**	**753**	**1,205**	**1**	**1,908**	**1,030**	**28,612**
Carrying amount at 31 March 2025	**7,683**	**17,197**	**606**	**1,384**	**1**	**1,820**	**754**	**29,445**
Asset financing:								
Owned 2026	**6,394**	**16,037**	**753**	**1,205**	**1**	**1,908**	**1,030**	**27,328**
Leased 2026	**1,267**	**17**	**-**	**-**	**-**	**-**	**-**	**1,284**
Carrying amount at 31 March 2026	**7,661**	**16,054**	**753**	**1,205**	**1**	**1,908**	**1,030**	**28,612**

**Professional revaluations of land and buildings are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation is due 1 April 2026 and will be undertaken during the 2026-27 financial year. The valuation methods applied in intervening years are detailed in note 1.2 Property, Plant and Equipment on page 76.*

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. The following leases, previously classified as Operating Leases under IAS 17, have been recognised in the Statement of Financial Position:

	Land £000	Buildings excluding Dwellings £000	Total £000
Right-of-Use Assets:			
At 1 April 2025	99	21	120
Additions	-	-	-
Depreciation charged in year	(7)	(4)	(11)
At 31 March 2026	**92**	**17**	**109**
Peppercorn Leases:			
At 1 April 2025	1,190	-	1,190
Depreciation charged in year	(15)	-	(15)
At 31 March 2026	**1,175**	**-**	**1,175**

	Land £000	Buildings excluding Dwellings £000	Total £000
Right-of-Use Assets:			
At 1 April 2024	-	25	25
Additions	106	-	106
Depreciation charged in year	(7)	(4)	(11)
At 31 March 2025	**99**	**21**	**120**
Peppercorn Leases:			
At 1 April 2024	1,205	-	1,205
Depreciation charged in year	(15)	-	(15)
At 31 March 2025	**1,190**	**-**	**1,190**

The valuation of Right-of-Use assets is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the SoFP immediately before the date of initial application. An analysis of lease liabilities is available in Note 18 to the accounts.

Peppercorn Leases were professionally valued by LPS at 1 April 2022.

8(ii) Property, Plant and Equipment

2024-25	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2024	**7,645**	**26,241**	**2,974**	**5,495**	**97**	**1,725**	**2,020**	**46,197**
Additions	106	-	46	10	-	803	433	1,398
Disposals	(16)	-	(583)	(5)	-	-	-	(604)
Revaluations	-	516	50	22	-	15	-	603
Reclassifications and transfers	-	1,654	(3)	-	-	45	(1,699)	(3)
At 31 March 2025	**7,735**	**28,411**	**2,484**	**5,522**	**97**	**2,588**	**754**	**47,591**
Depreciation								
At 1 April 2024	**46**	**9,689**	**2,266**	**3,791**	**96**	**615**	**-**	**16,503**
Charged in year	22	1,344	170	339	-	151	-	2,026
Disposals	(16)	-	(582)	(5)	-	-	-	(603)
Revaluations	-	181	28	13	-	2	-	224
Reclassifications and transfers	-	-	(4)	-	-	-	-	(4)
At 31 March 2025	**52**	**11,214**	**1,878**	**4,138**	**96**	**768**	**-**	**18,146**
Carrying amount at 31 March 2025	**7,683**	**17,197**	**606**	**1,384**	**1**	**1,820**	**754**	**29,445**
Carrying amount at 31 March 2024	**7,599**	**16,552**	**708**	**1,704**	**1**	**1,110**	**2,020**	**29,694**
Asset financing:								
Owned 2025	**6,394**	**17,176**	**606**	**1,384**	**1**	**1,820**	**754**	**28,135**
Leased 2025	**1,289**	**21**	**-**	**-**	**-**	**-**	**-**	**1,310**
Carrying amount at 31 March 2025	**7,683**	**17,197**	**606**	**1,384**	**1**	**1,820**	**754**	**29,445**

8(iii) Heritage Assets

2025-26	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
Cost or valuation		
At 1 April 2025	**2,197**	**2,197**
Disposals	-	-
Revaluations*	-	-
Reclassifications	-	-
Transfers	-	-
At 31 March 2026	**2,197**	**2,197**
Carrying amount at 31 March 2026	**2,197**	**2,197**
Carrying amount at 31 March 2025	**2,197**	**2,197**

**Professional revaluations of heritage assets are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2021 and the next full valuation is due 1 April 2026 and will be undertaken during the 2026-27 financial year. The valuation methods applied in intervening years are detailed in note 1.5 Heritage Assets on page 77. There has been no movement in the annual ONS indices applied to these assets between 2022-24 and 2025-26.*

Purchased Heritage Assets

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. There were no purchases or disposals of heritage assets during the five-year period to 31 March 2026, and no heritage assets acquired by donation during the periods.

8(iv) Heritage Assets

2024-25	Non Operational Heritage Land (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
Cost or valuation		
At 1 April 2024	**2,197**	**2,197**
Disposals	-	-
Revaluations*	-	-
Reclassifications	-	-
Transfers	-	-
At 31 March 2025	**2,197**	**2,197**
Carrying amount at 31 March 2025	**2,197**	**2,197**
Carrying amount at 31 March 2024	**2,197**	**2,197**

8(v) Intangible Assets

2025-26	Information Technology £000	Software Licenses £000	Total £000
Cost or valuation			
At 1 April 2025	**373**	**232**	**605**
Additions	-	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
At 31 March 2026	**373**	**232**	**605**
Amortisation			
At 1 April 2025	**373**	**232**	**605**
Charged in year	-	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
At 31 March 2026	**373**	**232**	**605**
Carrying amount at 31 March 2026	**-**	**-**	**-**
Carrying amount at 31 March 2025	**-**	**-**	**-**
Asset financing:			
Owned 2026	**-**	**-**	**-**

8(vi) Intangible Assets

2024-25	Information Technology £000	Software Licenses £000	Total £000
Cost or valuation			
At 1 April 2024	**373**	**232**	**605**
Additions	-	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
At 31 March 2025	**373**	**232**	**605**
Amortisation			
At 1 April 2024	**372**	**232**	**604**
Charged in year	1	-	-
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
At 31 March 2025	**373**	**232**	**605**
Carrying amount at 31 March 2025	**-**	**-**	**-**
Carrying amount at 31 March 2024	**1**	**-**	**1**
Asset financing:			
Owned 2025	**-**	**-**	**-**

9. Statement of Operating Costs by Operating Segment

	Waste & Industrial Pollution Regulation & Enforcement £000	Water Regulation & Enforcement £000	Natural Environment £000	Central Services £000	Total £000
Staff Costs	10,490	15,498	14,237	364	40,589
Other Operating Expenditure	1,119	2,780	5,014	152	9,065
Grants	-	1,687	10,404	-	12,091
Non-cash Expenditure	2,627	4,817	5,421	746	13,611
Income	(7,803)	(6,411)	(7,874)	(613)	(22,701)
Net Operating Cost 2025-26	**6,433**	**18,371**	**27,202**	**649**	**52,655**

	Waste & Industrial Pollution Regulation & Enforcement £000	Water Regulation & Enforcement £000	Natural Environment £000	Central Services £000	Total £000
Staff Costs	9,585	12,901	12,311	203	35,000
Other Operating Expenditure	1,220	2,479	4,233	98	8,030
Grants	-	288	9,631	-	9,919
Non-cash Expenditure	2,441	3,866	4,763	550	11,619
Income	(7,388)	(3,764)	(7,142)	(500)	(18,794)
Net Operating Cost 2024-25	**5,858**	**15,770**	**23,075**	**351**	**45,774**

The Agency does not regularly provide an analysis of assets and liabilities by segment to the chief operating decision maker and, as such, this information is not disclosed in accordance with IFRS 8.

During 2025–26, the Agency comprised three operational divisions: Waste and Industrial Pollution Regulation and Enforcement Division, Water Regulation and Enforcement Division, and Natural Environment Division. This represents a change from 2024–25, when Waste and Industrial Pollution Regulation and Enforcement and Water Regulation and Enforcement were combined and reported as a single division, namely the Regulation and Enforcement Division.

Each division plays a role in delivering the Agency’s overall objective to protect, conserve and promote the natural environment of Northern Ireland for the benefit of present and future generations.

The Management Board reviews financial information at divisional level for decision-making purposes, with analysis undertaken by cost category. Reportable segments have been identified on this basis, and there have been no changes to the methods used to identify reportable segments since the prior year.

Further details of the roles performed by each division are provided in the Annual Report.

A fourth notional administrative division, the Central Services Unit, incorporates the Business Support Team, the Chief Executive's Office, and the three Operational Directors to deliver key corporate functions. These include strategic planning, governance, and financial and budget management. The Unit operates under the oversight of the Natural Environment Division.

10. Financial Instruments

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

11. Inventories

	2025-26 £000*	2024-25 £000
Operational	-	83
Total	**-**	**83**

Note: **Retained stock was written off during 2025-26 due to the low value and nature of the stock retained in prior periods.*

12. Trade and other receivables

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Trade Receivables	2,436	2,846
Other Receivables	591	406
Prepayments & Accrued Income	4,342	1,394
Total	**7,369**	**4,646**

12. Trade and other receivables (continued)

Included within trade receivables is £Nil (2024-25 £Nil) which will be payable to the Consolidated Fund once the debts are collected.

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

	2025-26 £000	2024-25 £000
Balance at start of year	(115)	(163)
Impairment losses (recognised)/derecognised on receivables	(110)	48
Balance at end of year	**(225)**	**(115)**

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

Interest is not automatically charged on trade receivables. The Agency has made a full provision for receivables over 361 days old, as experience shows that amounts outstanding beyond this period are generally not recoverable, unless there is evidence to indicate otherwise.

The following table presents an analysis of debts that are past due but not impaired. No provision has been made where there has been no significant change in credit quality and the Agency considers the amounts fully recoverable:

	2025-26 £000	2024-25 £000
Neither past due nor impaired trade receivables	146	1,608
1 – 30 days	905	1,064
31 – 60 days	70	171
61 – 90 days	15	-
91 – 180 days	287	1
181 – 361 days	1,013	2
361 days plus	-	-
Gross carrying value	**2,436**	**2,846**

12.1 Intra-Government Balances

	2025-26 £000	2024-25 £000
Receivables: Amounts falling due within one year:		
Balances with other central government bodies	1,669	471
Balances with local authorities	225	432
Balances with public corporations and trading funds	3,220	1,265
Balances with NHS trusts	2	9
Subtotal: Intra-government balances	**5,116**	**2,177**
Balances with bodies external to government	2,253	2,469
Total receivables at 31 March	**7,369**	**4,646**

13. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Balance at 1 April 2025	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 March 2026	**3**	**3**
The following balances at 31 March 2026 were held:		
Cash in hand	**3**	**3**

14. Trade and other payables

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Trade Payables	322	210
Accruals	6,966	9,852
Deferred Income	802	944
Leases Liabilities	12	8
Total	**8,102**	**11,014**
Amounts falling due after more than one year:		
Leases Liabilities	104	113
Total	**104**	**113**

14.1 Intra-Government Balances

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Balances with other central government bodies	599	556
Balances with local authorities	681	769
Balances with public corporations and trading funds	9	8
Balances with NHS trusts	3	241
Subtotal: Intra-government balances	**1,292**	**1,574**
Balances with bodies external to government	6,810	9,440
Total payables at 31 March	**8,102**	**11,014**
Amounts falling due after more than one year:		
Balances with bodies external to government	104	113
Total payables at 31 March	**104**	**113**

15. Provisions

	Public/ Employer's Liability £000	Industrial Tribunals £000	Judicial Reviews £000	Other £000	Total £000
Balance at 1 April 2025	92	80	-	590	762
Provisions not required written back	(64)	(61)	-	-	(125)
Provided in the year	866	-	55	530	1,451
Provisions utilised in the year	(28)	(19)	-	(510)	(557)
Balance at 31 March 2026	**866**	**-**	**55**	**610**	**1,531**

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. All provisions are current and are expected to be settled within the next 12 months.

	Public/ Employer's Liability £000	Industrial Tribunals £000	Equal Pay Settlement £000	Other £000	Total £000
Balance at 1 April 2024	-	-	10	575	585
Provisions not required written back	-	-	(10)	-	(10)
Provided in the year	92	80	-	510	682
Provisions utilised in the year	-	-	-	(495)	(503)
Balance at 31 March 2025	**92**	**80**	**-**	**590**	**762**

All provisions are classified as current and are expected to be settled within the next 12 months.

Provisions for liabilities and charges relate to public and employer's liability claims, industrial tribunals, judicial reviews, and future costs associated with site monitoring and the removal of waste. Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by the Agency and relate to accidents or injury caused due to faults in the fabric of an agency building and other damages including fair employment and industrial tribunal cases. Provisions for judicial reviews include legal costs associated with landfill sites.

Other Legal Issues

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. The 2025–26 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020, reflecting an assessment of the possible extent of liability under the current legal framework: settlement remains subject to negotiation and resolution of outstanding uncertainties.

There are still some significant elements of uncertainty around this estimate for a number of reasons including:

1. Lack of agreement with claimants' legal representatives around how to treat data for years prior to 2011; and
2. Ongoing negotiations with Trade Union and their legal representatives which will determine the final scope of settlement.

16. Contingent liabilities disclosed under IAS 37

Mobuoy Waste Site:

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.

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.

Mullaghglass Landfill Site:

Following a ruling by the Supreme Court an application for judicial review for an alleged breach of human rights based on emissions from Mullaghglass landfill site was referred back to the Court of Appeal for consideration of additional points. The Court of Appeal hearing took place on 18 June 2025, and the judgment was in favour of the Department in September 2025. An application to appeal the decision was refused by the Supreme Court on the 27 February 2026. This brought the litigation to an end.

17. Commitments

The Agency has commitments to pay various grants in respect of environmental protection and nature conservation. The payments to which the Agency is committed during 2025-26, analysed by the period during which the commitment expires, are as follows:

	2025-26 £000	2024-25 £000
Not later than one year	10,694	8,192
Later than one year and not later than five years	16,619	14,864
Later than five years	-	-
Balance at 31 March 2026	**27,313**	**23,056**

18. Commitments under leases

18.1 Operating leases

These are low value lease arrangements which are exempt from IFRS 16 application. Leases payments are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

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

	2025-26 £000	2024-25 £000
Obligations under operating leases for the following periods comprise:		
Land and Buildings		
Not later than one year**	-	-
Later than one year and not later than five years**	-	-
Later than five years	1	1
	1	**1**

** *Figures reported as £Nil due to rounding.*

18.2 Right-of-Use leases

Maturity analysis of lease liabilities

Total future minimum lease payments for Right-of-Use Assets are shown in the table below for each of the following periods.

	2025-26 £000	2024-25 £000
Obligations under leases for the following periods comprise:		
Land and Buildings		
Not later than one year	14	13
Later than one year and not later than five years	44	56
Later than five years	90	92
	148	**161**
Less: Interest element	(35)	(40)
Present value of obligations	**113**	**121**

An analysis of Right-of-Use Assets is available in note 8(i) Property, Plant and Equipment on page 91.

Amounts recognised in the Statement of Comprehensive Net Expenditure

	2025-26 £000	2024-25* £000
Land	5	5
Buildings	-	-
	5	**5**

** 2024-25 figures were updated to exclude the capital element of finance lease rental payments and to show the interest element only. This does not represent a change in accounting policy, and total expenditure figures remain unchanged.*

Amounts recognised in the Statement of Cash Flows

	2025-26 £000	2024-25 £000
Total cash outflow for lease:		
Land	10	10
Buildings	-	13
	10	**23**

19. Financial Targets

The Department of Agriculture, Environment and Rural Affairs does not consider it appropriate to set financial targets for the Agency.

20. Related Party Transactions

The Department for Agriculture, Environment and Rural Affairs is regarded as a related party as it is the Agency's parent Department. The Agency had various material transactions with both Department, and with other entities to which these Departments are regarded the parent Department such as, DVA and Forest Service NI.

In addition, NIEA has had various material transactions with other Government Departments and other central government bodies. Most of these transactions have been with:

Department for Infrastructure
Department of Finance
Department of Justice

During the year, neither the Chief Executive, members of the Management Board, nor other related parties have undertaken any material transactions with NIEA.

The Agency is responsible for managing nature lands to ensure their scientific interest is maintained in a favourable condition. This conservation management often requires grazing at low stocking levels and grazing at times of year unattractive to the farming community. The Agency levies an annual charge for grazing rights on these lands which is set by Land and Property Services.

A number of employees have entered into agreements with the Agency.

21. Events after the reporting period

There have been no material events occurring after the accounting period that affect these accounts.

Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 3 July 2026.

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

Northern Ireland Environment Agency 2025-26

Introduction

1. This report highlights significant matters arising from my audit of the Northern Ireland Environment Agency's (NIEA's) 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 NIEA's 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 NIEA 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 NIEA 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 NIEA has again declined to recognise a provision in respect of this obligation. Instead, total provisions of £1.5 million have been recorded in the NIEA'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 NIEA has incorrectly disclosed the matter as a contingent liability in both years.

10. The NIEA 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 NIEA 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 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. The NIEA 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.

In conclusion

15. I reiterate my previous recommendation that the NIEA progress and refine the business case for remediation. The NIEA 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.

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

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

03 July 2026

Northern Ireland Environment Agency
Gníomhaireacht Comhshaoil Thuaisceart Éireann
Norlin Airlan Environment Agency
www.daera-ni.gov.uk

Northern Ireland Environment Agency

17 Antrim Road

Tonagh

Lisburn

BT28 3AL

Email: nieainfo@daera-ni.gov.uk

Telephone: 0300 200 7856

An Agency within the Department of Agriculture, Environment and Rural Affairs
www.daera-ni.gov.uk

Gníomhaireacht de chuid na Roinne Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe

An Agency wi'in the Depairtment o Fairmin, Environment an' Kintra Matthers