



Annual Report
and Accounts
2008-2009



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An Agency within the Department of
**Agriculture and
Rural Development**
www.dardni.gov.uk

**Rivers Agency
Annual Report and Accounts
For the year ended 31 March 2009**

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Annual Report 2008-2009










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Chief Executive's Foreword

I am pleased to present the Rivers Agency's ("the Agency") Annual Report and Accounts for the year ended 31 March 2009. This report covers the main areas of work addressed during the period and shows the progress achieved against the key targets set by the Minister.

The August 2008 flooding event was a very real reminder of the impact that flooding can have on society. Floods have the potential to cause displacement of people and damage to property and the environment (in exceptional cases death and injury) as well as having wider economic consequences. The Agency and its forerunners have invested in flood protection and alleviation projects in past decades and currently the Agency is setting the strategic priorities for future investment through its Flood Management Policy Review and implementation of the EU Floods Directive.

The Agency is taking forward the delivery of flood risk management in accordance with "Living with Rivers and the Sea". This sets the strategic direction for the delivery of flood risk management in Northern Ireland for the next 10 years and beyond.

The EU Directive on the Assessment and Management of Floods entered into force on 26th November 2007. As the competent authority for the transposition and implementation of the Directive in Northern Ireland, the Agency is rising to the challenge of meeting the requirements of the Directive with its partners in the water environment.

Recruiting and retaining adequate numbers of skilled staff and the flooding incidents of 16 August 2008 had a considerable impact on the ability of the Agency to deliver its key targets. Despite the pressures experienced, 22 of the 28 key targets were achieved and this is testament to the commitment and flexibility of the Agency's staff and I wish to take this opportunity to express my appreciation for their excellent efforts during the past year.

The expertise that exists within the workforce is one of the Agency's greatest assets and we are committed to continued future development of the potential that exists. While we have experienced resource pressures we have been encouraged that some of the Trainee Civil Engineering Assistants recruited in recent years have now transformed to PTO grades. A further batch of Trainees were recruited during 2008.

The flooding events of 16 August 2008 have again highlighted the need for all of government Departments to act in a coordinated and concerted manner in dealing with emergencies such as flooding. Our commitment to continued improvement has been reinforced with the review of the Emergency Response and we will be working with the

other responders to implement the recommendations arising from that review.

The Agency continues to liaise closely with Planning Service on drainage and flood protection aspects of Area Development Plans and individual planning applications, to ensure that new developments do not suffer from flooding or result in increased flood risk elsewhere. During the year the strategic flood map was published on the Agency's website to provide high level information on areas at risk of flooding and will assist in the planning process.

The Drainage Council for Northern Ireland, appointed in February 2006, continues to have responsibility for overseeing our programme of publicly funded drainage and flood defence works.

Senior management continues its commitment to ensuring that all staff work in a safe and secure environment and are properly equipped to carry out their duties through the provision of appropriate training and development.



JOHN C. CLARKE
Chief Executive
26th June 2009



Director's Report

History and Background

The Rivers Agency was established as an Executive Agency within the Department of Agriculture Northern Ireland (DANI) on 1 October 1996. As a result of restructuring, the parent Department is now known as the Department of Agriculture and Rural Development (DARD).

The Agency is responsible for arterial drainage and flood protection in Northern Ireland under the Drainage (Northern Ireland) Order 1973.

Principal Activities

Under the terms of the Drainage (Northern Ireland) Order 1973 the Agency has discretionary powers to:

- Maintain watercourses and sea defences which have been designated by the Drainage Council for Northern Ireland (Membership is listed in Appendix 3).
- Construct and maintain drainage and flood defence structures.
- Administer advisory and enforcement procedures to protect the drainage function of all watercourses.

Agency Management Board

The Rivers Agency Management Board is responsible for the day-to-day management and performance of the Agency. Members of the Board for the financial year were:

John Hagan	Chief Executive (retired 6th June 2008)
John C. Clarke	Chief Executive (appointed 7th July 2008)
John C. Clarke	Director of Development (to 6th July 2008)
Philip Mehaffey	Director of Operations
Pat Aldridge	Director of Development (appointed 1st December 2008)
Eddie Gaw	Director of Corporate Services (resigned 3rd September 2008)
Jeff Glass	Director of Corporate Services (appointed 26th August 2008)

Following a recruitment competition Mr John Clarke was appointed Chief Executive on 7 July 2008. The Chief Executive's pay is determined by the Permanent Secretary in accordance with the rules set out in Chapter 7.1 Annex A of the Civil Service Management Code and that of the Directors is determined by the Central Personnel Group of the

Department of Finance & Personnel (DFP). Details of the remuneration of the Chief Executive and senior staff within the Agency are provided in salary bands in the Remuneration Report.

Accounts Direction

The Rivers Agency's audited Accounts for the Financial Year to 31 March 2009 have been prepared in accordance with the Department of Finance and Personnel Direction under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Pension Costs

Further details in relation to the pension schemes are given in accounting policy note 1.14 to the accounts and in the Remuneration Report.

Conflict of Interest

None of the members of the Agency Management Board have any significant interests which would conflict with their management responsibilities. A Register of Interests is maintained by the Agency for all senior staff.

Sickness Absence Data

Due to the migration of sickness absence to HR Connect, NISRA have not been in a position to produce any detailed sickness absence statistics for non industrial staff for NICS Departments and Agencies since November 2008. Rivers Agency have been advised by DARD HR that based on information from NISRA, the overall outturn for DARD non-industrial absenteeism during 2008/09 was 7.9 days. No breakdown of this is available by business area.

Industrial staff absence information is still provided by DARD HR as this function has not yet transferred to HR Connect. At the end of March 2009 Rivers Agency industrial absenteeism figures were 17.8 man days per industrial employee.

Disclosure to Auditor

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



Management Commentary

Aims and Objectives of the Agency

Our Business

The Rivers Agency is an Executive Agency within the Department of Agriculture and Rural Development (DARD). It is the statutory drainage and flood defence authority for Northern Ireland.

The Organisation

The Agency is headed by a Chief Executive supported by a Senior Management Directorate who together make up the Agency Management Board. It is a multi-disciplinary organisation employing 422 staff spanning Industrial, Administration, Professional and Technical disciplines.

Our Headquarters are located at Hydebank in Belfast and there are Regional Offices in Lisburn and Omagh with Area Offices in Coleraine and Craigavon, while an office in Riversdale services a Fermanagh Sub-area. Further details of our office locations and addresses are detailed in Appendix 1.

Management and Accountability

The Agency's relationship with the Department of Agriculture and Rural Development, and its accountability to Ministers and the Northern Ireland Assembly, are set out in a Framework Document.

The Chief Executive is responsible to the Minister for our operations and performance. The Minister determines the policy framework within which we operate, the level of resources made available each year, and the scope of our activities. The Minister also approves our Corporate and Business Plans, sets key performance targets and monitors our performance.

A senior official within the DARD core advises the Minister on strategic issues relating to the Agency and its business performance.

The Agency Management Board consists of the Chief Executive and three functional Directors whose responsibilities are set out in Appendix 2.



Aims

The vision of the Agency is to manage flood risk to facilitate the social, economic and environmental development of Northern Ireland. The following aims support the vision:

- Reducing risk to life and damage to property from flooding from rivers and the sea
- Undertaking watercourse and coastal flood management in a sustainable manner.

Objectives

In support of these aims the Agency's objectives are:

- To deliver sustainable flood risk management policies to meet society's social, environmental and economic needs
- To implement the requirements of the European Directive for the assessment and management of flood risks
- To reduce the number of properties currently at risk of flooding from rivers and the sea
- To maintain flood defence and drainage infrastructure in a satisfactory condition
- To operate to resource limits
- To support and motivate all our people to achieve the Agency's objectives
- To deliver quality services for our customers and stakeholders in a fair and equitable way



Agency Performance in 2008/09

The Agency had 28 targets in 2008/09 including 5 PSA targets. The Agency was successful in meeting the five PSA Targets set by the Minister for the 2008/09 business year. The five PSA targets are outlined in Table 1.

Table 1 Outturn Against Key Targets

PSA Target	Progress
In response to the Flood Management Policy Review establish an agreed policy framework.	Achieved
Complete a detailed resourcing and structural analysis of flood risk management delivery.	Achieved
Refine number of properties at risk from base flood maps by end May 2008.	Achieved
Reduce number of properties at significant risk from 28,000 to 27,923 by end 2009.	Achieved
To maintain flood defence and drainage infrastructure in a satisfactory condition.	Achieved

Developments in Drainage and Flood Defence

Major Schemes

A substantial part of the Rivers Agency remit is to design and construct new or replacement river flood alleviation, sea defence and drainage infrastructure schemes to protect people, homes and property and facilitate economic development across Northern Ireland. The Agency also undertakes works to maintain and repair watercourse culverts. The main schemes progressed during the period of this report were as follows:

Moneymore, Moneyhaw (Flood Alleviation)

In November 2008, Rivers Agency completed the Moneyhaw River Flood Alleviation scheme at Moneymore providing significantly improved protection for two housing developments. The protection provided by the scheme was rigorously tested during construction by the exceptional rainfall on the Moneyhaw River on 16 August 2008, when the works were two thirds complete. The incomplete scheme operated as designed and no properties were flooded by the river during this exceptional period. The scheme has incorporated many environmental features including extensive fishery enhancements and environmental restorative measures. It is the first Agency scheme to be undertaken under the civil engineering industry's independent CEEQUAL (Civil Engineering Environmental Quality) Assessment Scheme. Independent assessments to date have been marked extremely highly and the Agency hopes the scheme will win its first CEEQUAL award.

Banbridge, Belmont Stream (Drainage Infrastructure)

This drainage infrastructure scheme was substantially completed in August 2008. It is designed to provide adequate storm drainage to cater for future proposed development including the Banbridge Outlet Centre in the Belmont Stream Catchment, a small tributary of the River Bann to the east of Banbridge.

Remedial Works Package I, (Small-scale culvert repairs)

This small scheme to undertake infrastructure repair works at 4 different locations, Lisburn, Hillsborough, Crumlin and Ballyclare, was completed in November 2008.



Lower Bann Sluice Gate Motorisation

Works commenced in June 2008 to motorise the 3 main sluice gate sets on the Lower Bann river enabling the gate levels, which control flows in the river, to be mechanically adjusted using either push-button electronic controls beside the river or remote means, via internet-based software. The new system was substantially completed in December 2008.

Portrush Tar Burn Scheme (Drainage Infrastructure and Flood Alleviation)

In November 2008, works on the Portrush Tar Burn scheme finally commenced after a prolonged delay due to technical difficulties with services on the site. This culverting scheme, is being constructed to alleviate flooding to 18 properties and to facilitate development in the south-east of Portrush. A significant proportion of the culvert was installed by tunnelling below ground to reduce the potential conflicts with existing services and avoided traffic disruption to Portrush. Works are timetabled to continue until the summer of 2009.

Other major works

During 2008/09, as part of its Asset Management programme the Agency established a rolling contract of Culvert Renovation. The contract was set up to embark upon substantial renovation / repair work to pipelines and culverts at 3 locations:

- Newry-Armagh Road Drain
- Dromore, Tyrone-Dromore Stream
- Moneymore, Moneymore Stream

Culvert clearance and cleaning at Belfast-Loop River was also undertaken through this contract following severe flooding in August 2008.

During 2008/09, the Agency's Direct Labour force substantially completed a drainage infrastructure culvert repair scheme on the Bellaghy - Old Town Drain.

Works undertaken for the Electricity Supply Board (ESB) (Republic of Ireland)

Water level control in Lough Erne is the responsibility of Electricity Supply Board (ESB) who generate hydro-power from the Lough. The Rivers Agency has a statutory responsibility to maintain the Lough Erne system and as part of this responsibility the Rivers Agency undertook refurbishment of the Portora Sluices near Enniskillen on behalf of ESB. At over 50 years old, the sluice gate and its four gate structures required renovation which included renewal of the steel gates and repainting of the superstructure. ESB financed the refurbishment, with Rivers Agency designing and undertaking the refurbishment works through competitive tendering and utilisation of the Direct Labour. Works were substantially completed in November 2008.

Watercourse Maintenance

Rivers Agency undertakes an annual programme of watercourse maintenance, seeking to maintain appropriate standards of flood protection and land drainage. The annual maintenance programme is based on a rolling programme of inspection although this can be subject to revision, particularly in the aftermath of unforeseen flooding events. The maintenance programme is published in the Notice of Annual Maintenance which invites comment from interested parties. In addition there are regular consultations with fisheries and environmental interests.

Advisory & Enforcement

The Agency administers Schedule 6 of the Drainage (Northern Ireland) Order 1973, issuing consents to anyone seeking to undertake works likely to affect flow in watercourses and pursues enforcement action against persons in breach of the Order through undertaking works affecting watercourses without appropriate statutory consent. The Agency provides information on request, in relation to watercourses, in so far as this is readily available - such as recorded flood levels, estimated flood levels, flood flows etc. The Agency also provides relevant information to Department of Environment Planning Service, in response to consultations on planning applications.



Hydrometrics

The Agency continued to operate the Northern Ireland Surface Water Hydrometric Network, mainly for flood defence, water quality and water resource purposes. As well as assisting the Agency's flood estimation, flood assessment and regulatory and advisory functions, the network supports key functions of some other government agencies.

Data was made available to many external organisations during the year such as Northern Ireland Environment Agency in relation to water quality and pollution issues, DRD Water Service (now NI Water) for water resources, universities for environmental research and other educational establishments for various projects. The Agency also fulfilled its obligation to supply data to the National Water Archive in Wallingford, which publishes river flow information through its National Hydrological Summary publication and on the Internet (www.nwl.ac.uk/ih/nrfa/).

The Hydrometric section acts as coordinator and provided advice and dissemination for Meteorological Information provided by the Met Office. The Agency took part in the Extreme Rainfall Alert Trial which was provided by the Met Office and was in operation throughout the UK between July and December 2008.

During the calendar year 2008 the total rainfall in the Province amounted to 1,276.6 mm which was 115% of normal. This represents the wettest year on record in Northern Ireland in the official record which goes back to 1914. The month with the most rainfall was August 2008 with 204.7 mm which is 225% of the long-term average and the wettest on record. May 2008 had the lowest rainfall at 18.7 mm which was 28% of the long-term average. This was the second driest May on record and the driest since 1991.

August 2008 was in the top three wettest calendar months in Northern Ireland. Most places had already recorded the normal monthly rainfall by mid-month. The 16th August 2008 saw 60 to 90 mm fall widely across central and eastern parts of Northern Ireland and this resulted in major flooding both from surface and river sources. The severity of the flooding can be attributed not only to the amount of rainfall which fell which was exceptional, but also to the fact that the ground was seriously and unusually saturated before the events of the 16th August 2008 unfolded.

EC Water Framework Directive

The second stage of the comprehensive study into the potential impacts of the Water Framework Directive on the Agency's business was undertaken and completed during the year. Consideration is now being given as to how best the key issues identified in the study report might be progressed. Agency staff continued to be engaged, in a broader context, in the overall implementation of the Directive in Northern Ireland.

Asset Management

The whole life optimal management of the Agency infrastructure assets is essential to maximise their contribution to flood risk management. Key to this management is the production of Asset Management Plans (AMPs) which are designed to ensure that existing assets are maintained in satisfactory condition, and to plan for future refurbishment and replacement. The Agency's infrastructure assets consist of an extensive Culvert Network, Fluvial (river) Defences, Sea Defences as well as Land and Buildings.

The Agency is in the process of implementing a suite of AMPs, to date the Culvert Network and Sea Defences AMPs have been completed with work on the Fluvial Defence AMP ongoing. In support of the latter the Agency has established a detailed database for managing defence assets and is using this information to produce a valuation for the Fluvial Defences. In respect of the Culvert Network, the Agency completed a contract to survey 62km (approximately 16%) of the culvert network using CCTV. The information acquired from this survey will be used to formulate the culvert repair and maintenance programme for future years.

Geographical Information System (GIS)

The Agency is becoming more and more reliant on information which is spatially referenced and is fully committed to the application of GIS to improve efficiency and effectiveness. This will more readily facilitate the sharing and communication of information across government departments and to the public.

The Agency fully supports the implementation of the Geographic Information Strategy for Northern Ireland through the Mosaic Programme, and is an active participant in a number of Mosaic initiatives.



Flood Mapping

Information on flood risk will increasingly drive flood risk management activities with an emphasis on managing. Flood mapping is a key information resource and is essential to enabling the sharing and communication of flood risk information to enable those best placed to manage that risk. A flood mapping pilot to establish the requirements of the Floods Directive was progressed during the course of the year.

Most significantly on 4th November 2009 Ministers Gildernew and Wilson launched the Strategic Flood Map – Rivers and Sea on the Agency's web site. The map illustrates the areas throughout Northern Ireland that have flooded from rivers and the sea in the past and those which are estimated to be prone to flooding now and in the future. It also provides additional information on the location of existing flood defences and highlights the areas that benefit from these areas. The map was well received by the public providing a foundation for the dissemination of more map based information as it is developed in line with the requirements of the Floods Directive.

Storm Tide Forecasting

During the winter of 2006 the Agency had a storm tide forecasting service in place as a pilot exercise. In light of the experience of the pilot, and taking account of the scale of flood risk evident from the new strategic flood maps, the Agency has reviewed the business need for such a service and has concluded that there is a requirement for this type of service. The Agency is currently reviewing the provision of this service.

Best Practice Client

The Agency procures a range of works and services in the delivery of flood risk management. In doing so the Agency works together with other organisations within the public sector to act as a better co-ordinated and joined-up client and thus achieve better value for money for the public service and the successful delivery of programmes and projects. To this end the Agency applies the procurement guidelines for Northern Ireland Government Departments which encourage efficiencies and helps to ensure delivery of the Agency's programmes within appropriate time frames. The Agency seeks to improve its procurement practices through its plans with respect to initiatives such as 'Achieving Excellence' in Construction, Value for Money and Sustainability in Construction. The Agency's expertise in Procurement has been recognised by the Central Procurement Directorate (CPD) of the Department of Finance and Personnel and is subject to a Service Level Agreement.

The extensive use of a Framework for Consulting Engineers has become essential to the delivery of flood risk management and a new framework was delivered during the year. Frameworks have also brought improved efficiency in the delivery of services and works and a new framework for works is to be put in place in the 2009/10 business year.

Planning Advice

A key aspect of sustainable flood risk management is to facilitate development of housing, workplaces and transport links by ensuring that they are not at risk from flooding and do not increase flooding elsewhere.

Area Plan Programme

As a key consultee in the planning process, over the year the Agency has continued to provide advice to Planning Service in respect of flood risk areas, in relation to the Area Development Planning Process and development sites. To this end the Agency was represented on Planning Steering Committees for Antrim-Ballymena-Larne, Ards-Down and West Tyrone Area Plans. In addition, preliminary field work commenced on the emerging Fermanagh Area Plan.

The Agency continues to devote a considerable resource to the Belfast Metropolitan Area Plan (BMAP) Public Inquiry as an expert witness on flood risk/drainage matters and in support of Planning Service.

PPS15

During the year engineers from Rivers Agency and planners from Planning Service participated in a joint training programme at cascading PPS15 Planning and Flood Risk policy and operational practice. In tandem with this training, broad agreement was reached between the two organisations on the development of PPS15 flood risk assessment methodology.

SuDS

The Agency continues to play a leading role in the interdepartmental Working Party responsible for developing a strategy for promoting the use of Sustainable Drainage Strategy (SuDS) in Northern Ireland.



Emergency Planning

Rivers Agency in conjunction with DRD Road Service and Northern Ireland Water and in co-operation with a range of responders promotes a joined-up approach to flood emergency response to help people cope with flooding emergencies.

During the year the Agency has continued to develop its emergency planning functions in line with the Northern Ireland Civil Contingencies Framework, the Department's Integrated Emergency Management Development Plan and within the context of the Agency's Flood Management Strategy.

Emergency Response

The August 2008 flooding event overwhelmed the Agency, through receiving 815 requests for assistance of which 534 were responded to within 3 hours. Therefore 66% of requests were dealt with within 3 hours. The target for the year was to respond to 80% of requests for assistance with flood emergencies within 3 hours.

Environmental Aspects

Environmentally sympathetic good working practices are adhered to in the execution of works. With the specific responsibility on the Agency to ensure that fisheries interests are accommodated within our works programmes, there has also been ongoing liaison with the Department of Culture, Arts and Leisure on Inland Fisheries.

During the business year the Agency consulted with other Government bodies and a variety of conservation organisations and interest groups on a range of environmental issues.

In support of the Northern Ireland Biodiversity and Conservation Strategies the Agency sits on relevant habitat delivery groups and inputs to local biodiversity action plans. The Environment Section was closely involved in drawing up the Agency's Biodiversity Implementation Plan. The section has also been involved in a number of inter-departmental groups including the alien invasion species group, biodiversity implementation groups and the Water Framework Directive catchment stakeholder groups. In response to these groups the Environment Section has drawn up protocols for invasive species and for species protected under Habitats Directive.

A number of small scale projects were undertaken to enhance biodiversity. A pond was created at Minnowburn and seasonal wetlands created at Sir Thomas and Lady Dixon Park, both on the edges of Belfast.

In partnership with others the Agency is involved in work on the Lower Bann to reduce bank erosion using recycled Christmas trees. This method of bank protection is environmentally sympathetic and helps promote natural bankside vegetation.

The Environment Section have also had input into further training for maintenance inspection of works and has introduced environmental training into the framework documents for contractor maintenance. Agency conservation staff have also been liaising with River Restoration Centre and Environment Agency on environmental standards and options for watercourse maintenance.



Lough Erne and Lough Neagh Levels

The Agency has continued to fulfil its obligations to manage the water levels of Lough Erne and Lough Neagh within statutory limits as far as climatic conditions permit whilst taking into account the needs and interests of various stakeholders.

Lough Neagh Levels

Lough Neagh Level is solely the responsibility of the Agency and control is achieved by adjusting sluice gates at Toome in order to minimise the impact on a range of environmental and other interests around the Lough which are affected by fluctuating water levels.

Lough levels were generally controlled within the statutory limits of 12.45m to 12.6m above Ordnance Datum Belfast. However as a consequence of an extremely wet August the Lough water level rose above the statutory upper limit for a period of 98 days with the highest recorded level of 581mm above the upper statutory limit for the year occurring on 20th August 2008. There were no breaches of the lower statutory level recorded during this reporting period.

DARD Rivers Agency Hydrometry and Hydrology Study of Lough Neagh

During the year, the Agency completed a research study into the hydrological behaviour of the Lough Neagh catchment and the Lower Bann river system. The study included a digital hydrological model which may be useful in future considerations relating to the EU Water Framework Directive because of the catchments' status as an International River Basin. The Agency will be taking forward recommendations from this study.

Lough Erne Levels

Water levels in both Upper and Lower Lough Erne are monitored on a daily basis. The lower Lough Erne level continues to be managed by the Agency in conjunction with the Electricity Supply Board within the levels prescribed in the Erne Drainage and Development Act 1950. Level control of the lower Lough is by generation and spilling at the hydroelectric power station at Cliff near Ballyshannon while the Upper Lough is controlled by sluice gates at Portora. Water levels in Lower Lough Erne remained within the statutory operating limits throughout the year. The Upper Lough also remained within the range specified in the Erne Drainage and Development Act with the exception of the period 17 August 2008 to 23 August 2008 when it was a maximum of 100mm above the normal maximum. The sluice gates at Portora, which are used to ensure that sufficient water is retained in the Upper Lough to provide adequate depths in the navigable channels,

were operated during this reporting period between 6 November 2008 and 13 November 2008 and again between 19 November 2008 and 17 December 2008.

Lough Erne Estate

Rivers Agency, acting on behalf of the Department of Agriculture and Rural Development manages the Lough Erne Estate which consists mainly of the bed and soil of Upper and Lower Lough Erne and a strip of land around the perimeter of the Loughs exposed by past schemes which lowered the Lough levels.



Works undertaken for the Department of Culture, Arts and Leisure and Others

The Agency continued to undertake maintenance of water recreation sites under its Service Level Agreement with Department of Culture, Arts and Leisure (DCAL). In addition the Agency in conjunction with DCAL, the National Trust and Belfast City Council undertook environmental improvement works in the Lagan Valley Regional Park, the Sir Thomas and Lady Dixon Park and at Ballylesson.

Works undertaken for Waterways Ireland

The Agency has a Service Level Agreement with Waterways Ireland under which it provides a construction resource to this cross border group on a reimbursement basis. During this financial year dredging works continued on the Upper Bann to maintain the navigation channel. This work was accommodated within the Agency's own programme of watercourse maintenance works and provided a cost effective method of procuring specialist works.

Customer Service

The Agency continued to implement its Charter Standard Statement which sets out the standards of service members of the public can expect in their dealings with our staff. The key elements of the Charter are:-

- To provide a courteous and timely response to all enquiries from members of the public
- To apply equality of treatment across Northern Ireland regarding decisions to invest public monies in drainage and flood protection works
- To consult with all relevant interest groups prior to commencement of a new works scheme
- To reinstate private property to agreed standards after completion of works
- To provide a prompt response to watercourse related flooding incidents
- To take all complaints seriously and deal with them as quickly as possible

A copy of our Service Standards has been displayed in all our offices and is also available on our Internet site www.riversagencyni.gov.uk.

The Agency's performance against key measurable standards of customer care is shown in Table 2.

Table 2 *Out-turn Against Charter Standards*

Standard	Out-turn
To attend 80% of watercourse related flooding incidents within 3 hours.	Not Achieved
To give riparians at least 2 weeks notice in advance of commencing works on a drainage or flood protection scheme.	Achieved
To issue substantive replies to 80% of written enquiries within 15 working days of receipt.	Not Achieved
To respond to 98% of Schedule 6 applications within 3 months.	Achieved



Drainage Council for Northern Ireland

The Agency continued to provide secretariat and administrative support to the Drainage Council for Northern Ireland. The Council is a broadly based Independent Advisory body with 18 members, comprising 10 District Councillors, a Department of Agriculture and Rural Development official representing drainage interests, a Department of the Environment official, one representative each from agriculture, conservation, industry, tourism and fisheries interests and one independent drainage specialist.

Its main functions are to determine which watercourses should be designated for drainage works at public expense and to consider the Department's proposals for Drainage and Flood Protection Schemes. It also has a consultative role in relation to assessment of the environmental impact of drainage works under the Drainage (Environmental Impact Assessment) Regulations (NI) 2006.

The Council is subject to the equality and human rights obligations of the Northern Ireland Act 1998 as well as a statutory duty to ensure uniformity of treatment of drainage throughout Northern Ireland.

Under the Freedom of Information Act 2000, the Drainage Council produced a Publication Scheme to inform the public about information it publishes or intends to publish, where it can be accessed and whether the information will be available free of charge or at a specified cost. Where possible information is published on the Drainage Council website at www.riversagencyni.gov.uk. Information may also be obtained on written request to the Drainage Council Secretariat, c/o Rivers Agency, Hydebank, 4 Hospital Road, Belfast BT8 8JP.

Details of Drainage Council membership are set out in Appendix 3.

Managing the Business

The Agency has made progress on a number of fronts during the year to improve the way in which the business is managed.

Human Resource Management

The expertise of a skilled and experienced workforce is one of the Agency's greatest assets and we are committed to developing that potential to the full. This commitment was recognised through the successful re-accreditation of the Investors in People (IIP) award during 2005 as part of the Department of Agriculture and Rural Development (DARD). Throughout the year the Agency continued to maintain and develop its existing processes in preparation for IIP re-assessment during the later part of 2009.

During the financial year the Agency recruited at various levels and held several promotion/trawl competitions. A new Chief Executive was appointed through open competition in July 2008 followed by a new Director of Development during December 2008. Existing Rivers Agency staff were successful in both competitions.

A number of staff were promoted to PPTO, SPTO, HPTO & PTO levels and following a joint DRD/DARD Rivers Agency PTO recruitment competition in November 2007, 8 new staff were appointed throughout the year. In addition, one of the existing Trainee Civil Engineering Assistants (TCEAs) successfully progressed to PTO grade and two existing industrial staff were successful in the TGI competition. A Graduate Trainee was appointed in August 2008 and a Lands Officer during September 2008.

Following a review of the grading of two PTO posts in the Hydrometric Section during 2007 to investigate if the work could be more appropriately undertaken by staff of other disciplines two Scientific Officers were appointed during September 2008 and February 2009.

The Agency's continued commitment to training and development was maintained through the continued requirement for all non-industrial staff to agree a personal development plan outlining their development needs. The Agency is accredited as a registered training provider with Institute of Chartered Engineers and following agreement by DARD core during July 2007, continued to reimburse professional membership fees for engineering grades.

During the year the Agency continued to implement a Standard Training Programme for all professional and technical grades from PTO to PPTO. The programme identifies the



specific competences that post holders require to undertake the engineering duties of their posts effectively. In addition, the TCEAs grades all commenced two year courses of study during September 2008 leading to the HNC/NC in Civil Engineering during 2010.

A Framework Agreement was put in place with DFP, Central Procurement Directorate in order to meet the training needs of the Agency and to meet recommendations contained within an Internal Audit Report. The contract has been in place since 1 April 2008 and will be renewed from 1 April 2009.

During the year staff spent on average 3.5 days on training. This training included specialised engineering functions, health and safety, IT, management training and other non-technical skills training. The Agency continued to evaluate training and development to ensure training objectives were achieved and business needs were met.

Throughout the year the Agency continued to implement NICS reform initiatives including Records NI, HR Connect & Account NI. Specific briefing and training was provided for non industrial staff targeted by business need or management level.

Health and Safety

The Agency is committed to adhering to all existing legislation on health and safety at work to ensure that staff and customers enjoy the benefits of a safe environment.

During the year the Agency has introduced a number of Health and Safety Policy documents, and has revised its method of recording accidents to allow benchmarking to be undertaken against other organisations. In addition new procedures for risk assessment and extensive training in the new procedures were undertaken by the Health and Safety Section. Monitoring of the new procedures will be carried out continually throughout the next business year.

Communications

High importance is placed on the need for good internal communication in order to achieve good business performance and maintain high standards in our dealings with the public. Staff are kept abreast of policy developments through a variety of communication mechanisms. These include policy/information circulars, the DARD core brief, regular management meetings and through the Agency's and DARD's Internet/Intranet sites. All staff receive copies of the departmental staff magazine 'Groundwork' to keep them abreast of wider DARD developments. Rivers Agency migrated in September 2008 to the new Records NI system of managing records which makes the electronic version the historic

record with resultant efficiencies in file retrieval and storage.

Financial Management

The Agency uses the DARD financial accounting system which was introduced to support the production of accruals and resource accounts for the Department as a whole and for its Agencies. The Agency does not have an independent accounting system of its own.

The financial objective of the Agency was to maintain expenditure within the control totals agreed with DARD. The Agency carried out its budget management and monitoring regime on an accruals basis during the year and achieved its objective.

The Agency's administration and running costs budget (Admin Cost Limit) was £11.9 million for 2008/2009 and was largely based on rolling forward and uplifting expenditure from the previous year. The budget for the Agency's programme of capital and maintenance works was £8.3 million.

Income increased from £291k in 2007/08 to £320k in 2008/09. This was due to an increase in work done for other Government Departments.

The Net Cost of Operations increased from £35,840k in 2007/08 to £36,296k in 2008/09 as a result of increases in cost of capital and depreciation. Staff costs have decreased from £10,536k in 2007/08 to £10,452k in 2008/09. This reflects the ongoing resourcing difficulties within the Agency. Other administration costs have increased by 19.98% (from £2,380k to £2,856k) reflecting ongoing cost pressures due to economic and environmental factors affecting the Agency and its work in the region. The value of the Agency's tangible fixed assets decreased from £420 million to £405 million over the year. This can be mainly attributed to the revaluation exercise undertaken at the end of the financial year.



Efficiency and Effectiveness

Practice on Prompt Payment

The Rivers Agency is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industries Better Payment Practice Code and the British Standard BS 7890 – Achieving Good Payment Performance in Commercial Transactions.

The Rivers Agency in line with the Northern Ireland Finance Ministers directive implemented the process and procedures from November 2008 to allow payments to be made within 10 days of receipt. The Agency was able to facilitate 81.83% of payments within this period.

Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods or services on presentation of a valid invoice or similar demand, whichever is later.

Regular reviews conducted to measure how promptly the Agency paid bills found that 97.25% were paid within this standard. In this context it is relevant to note that the Agency does not itself pay suppliers directly, but processes invoices through DARD.

Vehicles, Plant & Equipment

The Agency does not recognise any material difference between the market and book value of its fixed assets at 31 March 2009.

There is continued investment in updating and maintaining the vehicles, plant and equipment required to enable it to fulfil its range of functions effectively.

This fleet currently consists of 185 Large Goods and Support Vehicles, 51 excavators, 10 Dumpers and Dump Trucks, and 485 Items of Ancillary Vehicles and Equipment.

Total replacement value is approximately £8.97 million and write down value is approximately £3.19 million.

Charitable Donations

The Agency made no charitable donations during the year.

Disabled Persons

The Agency follows the NI Civil Service Code of Practice on the Employment of Disabled People. The Agency aims to ensure that disablement is not a bar to recruitment or

advancement.

Equality of Opportunity

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

Audit

The audit function within the Agency is monitored by a Corporate Governance and Audit Committee (CGAC). The Committee is chaired by Graeme Wilkinson who is independent of the Agency. The other members of the Committee are the Agency's Director of Operations and Director of Development. The Northern Ireland Audit Office and DARD Internal Audit are represented at each meeting of the Committee.

The process of business risk management has now been fully embedded in the Agency and clear links with the Business Plan have been put in place. The Agency's Risk Register is reviewed at least quarterly. The audit process is informed by the Risk Register.

Under the terms of a Service Level Agreement, DARD Internal Audit Branch provides an annual assurance report to the Chief Executive as Agency Accounting Officer. The audit report in respect of the 2008/09 business year provided a satisfactory assurance that the Agency's internal control framework, risk management, and governance procedures were effective and that they enabled achievement of the Agency's objectives. The report made some recommendations for improving controls that have been accepted by the Agency Management Board. Appropriate implementation schedules have been agreed in respect of these recommendations.

The financial statements are audited by the Comptroller and Auditor General (C&AG) for Northern Ireland in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Agency. His findings are reported to Northern Ireland Assembly.

The audited Financial Statements for 2008/09 resulted in a notional audit fee of £17,000 which is included within the administration costs of the Income and Expenditure Account.

The C&AG may also undertake other statutory activities that are not related to the audit of the Agency's Financial Statements.



Efficiency and Effectiveness

Business Planning

The Agency remained committed to applying business planning principles at all levels in the organisation. The published 2008/09 Business Plan was supported by Operational Plans for each Business Unit within the Agency. These plans were regularly reviewed and updated to ensure the most effective use of resources in securing the Agency's corporate aims and objectives.

Data Protection

The Agency has undertaken to protect corporate and personal data during the reporting period and is pleased to note that there have not been any data losses to report.

Industrial Pay and Grading

Specific industrial relations issues pertaining to the Rivers Agency industrial workforce continued to be discussed and negotiated in the well-established forum – the Rivers Agency Joint Industrial Council. Also many localised issues were resolved at Area level in the Joint Consultative Committees.

Recoupment of Drainage Infrastructure Costs

The Drainage (Amendment) (Northern Ireland) Order 2005 came into operation on 8 August 2005 providing the Department with the power, inter alia, to charge developers for infrastructure works. A Consultation Document 'Recoupment of Drainage Infrastructure Costs' issued on 31 October 2005 and the consultation period ended on 20 January 2006. The responses to consultation were generally supportive of the proposed policy. Subordinate legislation is required to introduce charging. The legislation will also be subject to public consultation. This legislation is still at drafting stage and has therefore not been consulted on or brought into operation.

Information Systems & Information Technology

During the year the Agency continued to maintain, develop and enhance its use of Information Systems and Technology. Work continued on the upgrade of Agency PCs, servers, databases, software and key infrastructure facilities to support current and planned DARD, inter-departmental and Agency IS/IT Projects.

Additionally work has commenced on a number of new projects:

- Preparation of a Business Case and Project Initiation Document for the replacement of the obsolescent Time and Task Recording and Project Administration systems with a single integrated system;
- Redevelopment of the Agency Intranet site;
- Preparatory work for the upgrade of the TRANMAN fleet management system; and
- Migration of the Agency data communications network to Network NI.

The use of IT in the management of information, communication, technology and assets is regarded as essential in order to improve internal efficiency and effectiveness and to meet greater internal and external demands.



Future Strategy

During the year the Agency will be developing two strategic aspects of work that will lead to a more proactive management of flood risks in future years. The Agency will be introducing legislation to transpose the European Directive on the assessment and management of flood risks (Floods Directive). Key steps to implement the requirements of this Directive will be taken forward with assistance from other Government Departments and responsible authorities. The Agency will take forward the delivery of flood risk management in accordance with “Living with Rivers and the Sea”. The Agency will also continue to take account of the increasing range of legislative and policy developments affecting the wider water environment.

Reducing flooding risk and minimising the damage caused by flooding will continue to be priority issues for the Agency particularly in light of the August 2008 flooding. Resources will be devoted to efficient management of our infrastructure assets and the delivery of cost beneficial flood alleviation schemes. The Agency will also continue to play a positive role in facilitating economic development by upgrading drainage infrastructure to accommodate the increase in run-off associated with industrial and housing development, where this is economically viable.

The management and maintenance of our arterial drainage systems, which are fundamental to securing good drainage throughout Northern Ireland, will continue. The Agency will continue to be pro-active in addressing environmental matters in the planning and execution of all works for which it is responsible.

Remuneration Report

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. Further information about the work of the Review Body can be found at <http://www.ome.uk.com/>.

The Northern Ireland Permanent Secretary Remuneration Committee helps determine pay on entry and the annual review of NICS Permanent Secretaries in line with the agreed response to the annual recommendations of the Senior Salaries Review Body.

The pay award for staff in the Northern Ireland Senior Civil Service (SCS) is comprised of two elements; a base pay uplift and a non-consolidated bonus. Both elements are based on performance. The non-consolidated bonuses are payable to a proportion of SCS staff as part of the annual pay award.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

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

Duration of Notice Periods

Recruits or promotees to the Senior Civil Service on or after 1 January 1997 will be required to give three month's notice of resignation. DARD reserves the right to introduce a longer period of notice for individual posts of up to a maximum of six months and incumbents will be notified accordingly. This may be appropriate where the recruitment of a replacement is likely to be a protracted process.

At the time of resignation, the Department may, by agreement with the member of staff concerned, agree to waive the required notice. Existing members of the senior civil service prior to 1 January 1997 will have the reserved right to give one month's notice.



Where the Department is of the opinion that the appointee is unfit to continue in post or is incapable of adequately performing the duties of the post, it can terminate the appointment with immediate effect by written notice.

Termination payments

If for any reason other than disciplinary dismissal, the minimum period of notice cannot be given, the member of staff will receive compensation in lieu of the unexpired period of notice. Compensation is not payable when the date of leaving is mutually agreed, for example, in cases of flexible early retirement, approved early retirement, voluntary redundancy or where staff resign before the end of the notice period.

No significant awards have been made to past senior managers.

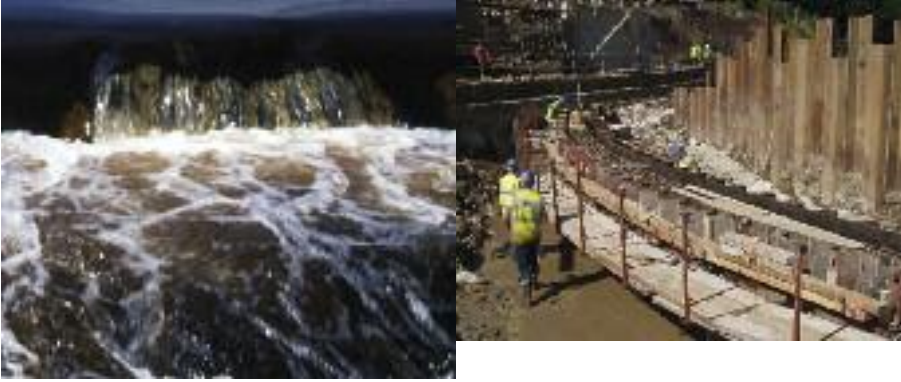
Salary and pension entitlements

Emoluments of Chief Executive and Senior Management

The following sections provide details of salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Agency.

Salaries and Benefits in Kind [Audited]

Officials	2008-09		2007-08	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr John Hagan <i>Chief Executive (retired 6th June 2008)</i>	15-20	Nil	70-75	Nil
Mr John Clarke <i>Chief Executive (appointed 7th July 2008)</i>	55-60	Nil	50-55	Nil
Mr Philip Mehaffey <i>Director of Operations</i>	50-55	Nil	45-50	Nil
Mr Pat Aldridge <i>Director of Development (appointed 1st December 2008)</i>	15-20	Nil	Nil	Nil
Mr Eddie Gaw <i>Director of Corporate Services (resigned 3rd September 2008)</i>	20-25	Nil	40-45	Nil
Mr Jeff Glass <i>Director of Corporate Services (appointed 26th August 2008)</i>	25-30	Nil	Nil	Nil



Salary

'Salary' includes gross salary; performance pay or bonuses; 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.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension Benefits (Audited)

Pension Entitlements

Officials	Accrued pension at age 60 as at 31/3/09 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/09 ***	CETV at 31/3/09	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr John Hagan <i>Chief Executive (retired 6th June 2008)</i>	30-35 plus lump sum of 90-95	0-2.5 plus lump sum of 0-2.5	720	746	5	-
Mr John Clarke <i>Chief Executive (appointed 7th July 2008)</i>	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 0-5	552	636	39	-
Mr Philip Mehaffey <i>Director of Operations</i>	20-25 plus lump sum of 66-70	0-2.5 plus lump sum of 0-2.5	421	466	11	-
Mr Pat Aldridge <i>Director of Development (appointed 1st December 2008)</i>	15-20 plus lump sum of 50-55	0-(2.5) plus lump sum of 0-(2.5)	309	331	(2)	-
Mr Eddie Gaw <i>Director of Corporate Services (resigned 3rd September 2008)</i>	10-15 plus lump sum of 35-40	0-(2.5) plus lump sum of 0-(2.5)	183	187	(1)	-
Mr Jeff Glass <i>Director of Corporate Services (appointed 26th August 2008)</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	158	174	4	-

***The figure may be different from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2009 37



Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (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 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they

are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk

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 CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



John C. Clarke
Chief Executive
Dated: 26th June 2009



Accounts
2008-2009



Statement of the Agency's and Chief Executive's Responsibilities

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel has directed the Rivers Agency to prepare a statement of accounts for each financial year 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 Agency's state of affairs at the year-end and its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the Accounts the Agency is required to comply with the Financial Reporting Manual prepared by the Department of Finance and Personnel, and in particular to:

- observe the Accounts Direction issued by the Department of Finance and Personnel, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Financial Reporting Manual, have been followed and disclose and explain any material departure in the financial statements; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Agency will continue in operation.

The Accounting Officer has the responsibility for providing access to all accounting information and records as requested by the auditors. Additionally, it is the responsibility of the Accounting Officer to ensure that there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer must also ensure that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer for the Department of Agriculture and Rural Development has designated the Chief Executive of the Rivers Agency as the Accounting Officer for the Agency. His relevant responsibilities as Accounting Officer, including the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officer's Memorandum in "Managing Public Money (Northern Ireland)" issued by the Department of Finance and Personnel.



Statement on Internal Control

Scope of Responsibilities

As Agency Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (Northern Ireland). I operate within the terms of a Framework Document, which sets out the Agency's relationship with the Department of Agriculture and Rural Development (DARD) and my accountability to the Minister.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Capacity to Handle Risk/

The Agency's approach to risk management is largely objective driven, with our aim and objectives agreed at Ministerial level. These agreed aims and objectives then drive the critical aspects of the Agency's activities. In 2008/09 the Agency reviewed the way in which we manage our corporate risks and a new approach was developed to further enhance our risk management process. In early 2009/10 we aim to have a Corporate Risk Register linked to the Corporate Scorecard.

Staff have been trained to manage risk in a way appropriate to their authority and duties. The responsibility for the identification and reporting of risks is cascaded through the Agency and as a result, ownership of risk is allocated to appropriate staff.

Risk and Control Framework

The process of business risk management at programme level has been embedded in the Agency. Key roles have been defined, senior staff have been trained and a risk register, which identifies the Agency's principal risks and control strategies, has been compiled. The risk register is kept under regular review by the Agency Management Board. The Agency is also represented on the DARD Risk Management Forum.

Information and information systems as assets are carefully controlled with segmental access provided as required to undertake tasks. The NICS information management systems (TRIM) allows for full audit functionality to minimise and track information risk. The Agency uses the service provided by DARD Internal Audit Unit, which operates to standards defined in the Government Internal Audit Standards. The work of Internal Audit is focused on 'principal risks' identified along with a range of Corporate Governance issues. They submit reports which include the Head of Internal Audit's (HIA's) independent opinion on the adequacy and effectiveness of the Agency's system of internal control and on corporate governance and risk management processes, together with recommendations for improvement. The annual assurance statement from Internal Audit for 2008/09 resulted in a satisfactory audit opinion with all individual audits receiving a satisfactory audit opinion.

The three Directors within the Agency have each provided me with Support Statements in which they acknowledge their responsibility for ensuring that objectives for which they are responsible are clearly defined and that all members of staff within their Directorates are aware of the objectives relevant to their work. In addition they have each acknowledged their responsibility for developing and maintaining effective internal controls within their Directorates to provide reasonable assurance of achievement of these objectives. They have also provided me with specific details of actions taken in various areas of control. These supporting statements are available for audit inspection.

The Rivers Agency Corporate Governance and Audit Committee consider risk and internal control issues. The Committee is chaired by Graeme Wilkinson (Grade 6 Accountant – DRD) who is independent of the Rivers Agency. The other members of the Committee are the Agency's Director of Operations and Director of Development. The Rivers Agency is an Executive Agency within DARD. The Department is regarded as a related party.



Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the 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 and other reports. I have been advised on the implications of the issues arising from the review of the effectiveness of the system of internal control by the Agency Management Board and the Corporate Governance and Audit Committee and a plan, to address weaknesses and ensure continuous improvement of the system, is in place.

My review of the effectiveness of the Agency's system of internal control is therefore informed by: -

- The Business Risk Register and associated review processes;
- The work of internal auditors - The Internal Audit review for 2008/09 provided a satisfactory assurance in relation to the systems of internal control. My management team have accepted the Internal Audit recommendations and are addressing the areas for improvement;
- The Audit Committee ensures that appropriate action is taken to address internal and external findings raised throughout the year;
- Support Statements prepared by each of the Directors within the Agency; and
- Comments made by the NIAO in their management letter and other reports.

Significant Internal Control Issues

During 2008/09 the Agency identified one suspected fraud relating to the issue of a mobile phone. The Agency informed Police Service of Northern Ireland, DARD and NIAO about the suspected fraud. In order to improve the levels of control over the issue and use of mobile phones within Rivers Agency a policy on the issue and use of mobile phones was drawn up and approved by Agency Management Board. This has been issued to all staff.

7. HR Connect

DFP Internal Audit conducted a review of the HR Connect payroll service prior to go-live focusing on the documented operating procedures for shared service centre and NICS staff and provided a satisfactory level of assurance in these areas. However, Internal Audit has not undertaken any direct work since the HR Connect Service went live in November 2008.

The internal audit of the HR Connect service in 2008-09 was undertaken by the main contractor, in accordance with contractual provisions. A set of internal reports have been received from the main contractor, including a review of actual controls against expected controls in respect of the non-industrial payroll system. These have been reviewed by Corporate HR and DFP Internal Audit who are satisfied that although some weaknesses have been identified these are being addressed by Capita and Fujitsu. Corporate HR has also welcomed the establishment of a monthly forum at which Capita and Fujitsu will discuss progress on issues raised in these reports and will monitor progress on the implementation of recommendations. DFP Internal Audit will be conducting direct audit work in HR Connect during 2009-10.



John C. Clarke

Date: 26th June 2009



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

I certify that I have audited the financial statements of the Rivers Agency for the year ended 31 March 2009 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Income and Expenditure Account and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited

Respective responsibilities of the Agency, the Chief Executive and Auditor

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001. I report to you whether, in my opinion, the information, which comprises the Directors' Report and the Management Commentary, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Chief Executive's Foreword, the unaudited part of the Remuneration Report and the Appendices. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.



Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and directions made thereunder by the Department of Finance and Personnel, of the state of the Agency's affairs as at 31 March 2009, and of the net cost of operations, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Department of Finance and Personnel directions issued under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- information, which comprises the Directors' Report and the Management Commentary, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Emphasis of matter: significant uncertainty on any liability over equal pay issues

Without qualifying my opinion, I draw attention to note 15 to the financial statements. This refers to the obligation of the Northern Ireland Civil Service to comply with equal pay legislation and address any anomalies that may exist in its present pay and grading structures. Equal pay claims have been lodged with the Industrial Tribunal by the Northern Ireland Public Service Alliance (NIPSA) on behalf of its relevant members. The present Minister of Finance and Personnel has assured NIPSA of the commitment to resolve the equal pay issue, if possible, through a negotiated settlement and without the need for litigation. The Department of Finance and Personnel considers that a reliable estimate of the potential liability cannot be made at this point in time due to the complexities associated with the resolution of the issue. These complexities include establishing clearly the extent to which the claims may be valid, the groups of staff that might be entitled to a payment and the size of these payments. Consequently a provision has not been made in

the financial statements for any liability that may result.

Report

I have no observations to make on these financial statements.



J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

June 2009



Income and Expenditure Account for the year ended 31 March 2009

	NOTE	2008/09		2007/08	
		£'000	£'000	£'000	£'000
Income	2		320		291
Expenditure					
Staff costs	3.2	10,452		10,536	
Other Admin costs	4.1	2,856		2,380	
Programme costs	4.2	23,308		23,215	
Total Expenditure			(36,616)		(36,131)
Net cost of operations			(36,296)		(35,840)

The net cost of operations arises wholly from continuing operations.

Statement of Recognised Gains and Losses for the year ended 31 March 2009

	NOTE	2008/09	2007/08
		£'000	£'000
Net gain/(loss) on revaluation of tangible fixed assets		(17,043)	18,264
Net gain/(loss) on revaluation of intangible fixed assets		(1)	5
Recognised gains/losses for the year	12.2	(17,044)	18,269

Balance Sheet

as at 31 March 2009

Non-current assets:	NOTE	2008/09 £'000	2007/08 £'000
Property, plant and equipment	5	405,429	420,319
Intangible Assets	6	165	72
Financial assets		-	-
Total non-current assets		405,594	420,391
Current Assets			
Assets classified as held for sale	7	281	301
Inventories			
Trade and other receivables	8	571	353
Other current assets			
Financial assets			
Cash and cash equivalents	9	3	2
Total current assets		855	656
Total assets		406,449	421,047
Current liabilities			
Trade and other payables	10	(1,850)	(2,169)
Other liabilities		-	-
Total current liabilities		(1,850)	(2,169)
Non current plus current assets/liabilities		404,599	418,878
Non current liabilities			
Provisions		(190)	(222)
Other payables		-	-
Financial liabilities		-	-
Total non-current liabilities	11	(190)	(222)
Assets less liabilities		404,409	418,656
Taxpayers Equity			
General Fund	12.1	261,485	258,381
Revaluation reserve	12.2	142,924	160,275
Donated asset reserve		-	-
Total taxpayers' equity		404,409	418,656



John C. Clarke, Chief Executive
Date: 26th June 2009



Cash Flow Statement

for the year ended 31 March 2009

	NOTE	2008/09 £'000	2007/08 £'000
Operating activities			
Net cash outflow from continuing operating activities	13.1	14,688	14,114
Net cash outflow from capital expenditure activities	13.2	8,332	4,617
Total cash outflow before financing		23,020	18,731
Financing			
Cash inflow from financing (Increase) / decrease in cash	9	23,021 (1)	18,731 -
Net cash inflow from financing	20	23,020	18,731

Notes to the Accounts

for the year ended 31 March 2009

Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Manual (FRM) issued by DFP. The accounting policies adopted by the Agency are described below. They have been consistently applied in dealing with all the items relating to the accounts.

1.1 Basis of accounting

The accounts have been prepared in accordance with the historical cost convention, modified to include the revaluation of fixed assets at their value to the business by reference to their current cost.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Order (Northern Ireland) 1986, accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by DFP, in so far as these requirements are appropriate.

1.2 Tangible fixed assets

Freehold land and buildings have been restated at current cost using professional valuations carried out by the Valuation and Lands Agency (VLA) at five yearly intervals and appropriate indices in the intervening years. The valuation of land and buildings currently used in these accounts was provided by the VLA at 1 April 2005. Buildings that are of a specialised nature, if ever sold on the open market, are valued at depreciated replacement cost. The minimum level of capitalisation of a tangible fixed asset is £5,000. Other tangible assets have been stated at current cost using indices extracted from a publication of The Stationery Office Limited entitled 'MM17 - Price Index Numbers for Current Cost Accounting'.

1.3 Infrastructure assets

a. Flood defence

Expenditure on all flood defence assets is capitalised and depreciated over the useful economic life of the asset. For most assets this will be a period of 50 years. Flood defence assets (both sea and river) have been defined as the product of capital expenditure on the creation, provision, purchase, replacement or improvement of discrete physical watercourse based structures, which enable the Agency to achieve its strategic aim of providing flood protection.



In the financial year to 31 March 2006 a revaluation of flood defence assets was carried out. Sea defence assets were independently valued by RPS Consulting Engineers. River defence assets were valued in accordance with FReM para 5.2.6(d) using indices and other appropriate information.

b. Culverts

The Agency manages a culvert network of 300 kilometres, in which there are over 6,200 culvert reaches, i.e. lengths of culverts between manholes. The depths at which culverts are laid vary between 1 metre and 12 metres.

Prior to 1 April 2005, the Agency used an in-house model to calculate a modern day replacement value (MDRV) of the total culvert network, which includes both pipe and box culverts. In the financial year to 31 March 2006 a revaluation of the total culvert network was carried out. This gave a new valuation for the culvert network at 1 April 2005. The modern day replacement value (MDRV) of the culvert network is now based on a hybrid cost model of a UK National Industry Standard Cost Estimating Package (TR61) for the pipe network, and an In-House Developed model for the box culvert network. The rates derived from both cost models are applied to the network statistics, which are contained within the Agencies Asset Inventory Database, INFONET. The TR61 cost model has been independently validated by Halcrow Management Services Ltd. on behalf of WRC and member companies (including Rivers Agency), and the In-House model validated by WS Atkins. Each year the valuation will be revalued using indices mentioned in note 1.2 above. It will also take account of any additions and condition surveys that may have taken place in the year.

The accounting policy adopted in relation to culverts is a variant of renewals accounting as detailed in FReM paragraph 5.2.10. This policy requires the formulation of a detailed Asset Management Plan that determines the amount to be spent to maintain the asset in a steady state condition and also the charge to the Income and Expenditure Account. The Agency charges actual refurbishment costs to the Income and Expenditure Account, with any variation between this figure and that suggested by the Asset Management Plan adjusted in the accounts.

c. Soft defences

Soft defences mainly consist of levees and soft earth banks of varying heights. Those on designated watercourses are maintained to their existing standard, and do not contain a hard core as in the case of urban flood defences. The Agency has decided that it will not attempt to value these defences because:

- For most part they provide protection to agricultural land to a lesser degree than that afforded to the urban environment;
- They are subjected to a six-year rolling programme of scheduled inspection, and are maintained on the basis of need, rather than by reference to a detailed maintenance plan. Any expenditure incurred is merely reactive in nature.

The accounting policy adopted by the Agency in respect of soft defences is to expense all expenditure to the Income & Expenditure Account each year.

d. Capitalisation of engineers time

The Agency has included engineer salary costs in Flood Defence and Culvert Network valuations.

1.4 Depreciation

Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible fixed assets by equal instalments on a straight-line basis over their estimated useful lives, which are as follows:

Culvert Infrastructure	120 years
Flood Defences	50 years
Freehold Buildings	10 to 50 years
Vehicles	5 to 10 years
Plant and Machinery	5 to 15 years
Equipment and Tools	3 to 10 years
Computer Equipment	3 to 7 years.



1.5 Intangible fixed assets

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of £5,000 or more is incurred. In addition similar licences falling below this threshold, which when grouped exceed the threshold, are also capitalised. The value of the capitalised licences is restated at current value at the balance sheet date in accordance with the movement in the Retail Prices Index (RPI). Software licences are amortised over their expected useful life, which can be from 3 to 15 years depending on the licence.

1.6 Stock

Stocks are valued at the lower of cost and net realisable value.

1.7 VAT

Apart from VAT which is taken into account for all trade debtors and trade creditors, all other items in the accounts are exclusive of VAT that is recoverable on a departmental basis.

1.8 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with FRS 12, the Agency discloses certain liabilities where the likelihood of a transfer of economic benefit is remote. These comprise:

- Items over £100,000 that do not arise in the normal course of business and which are reported to Parliament / the Northern Ireland Assembly by minute prior to the Agency entering the arrangement;
- All items (whether or not they arise in the normal course of business) over £250,000, which are required by FReM to be noted in the resource accounts.

1.9 Cost of capital

A charge, reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at a real rate set by the Department of Finance and Personnel (currently at 3.5%) on the average net book value of all assets less liabilities, except for, tangible and intangible fixed assets where the cost is based on opening values, adjusted pro-rata for in-year:

- additions and subsequent capital expenditure on existing assets at cost;
- disposals as valued in the opening balance sheet (plus any subsequent capital expenditure prior to disposal);
- impairments at the amount of the reduction of the opening balance sheet value (plus any subsequent capital expenditure); and
- depreciation of tangible and amortisation of intangible fixed assets.

1.10 Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (NI), which are described in Note 3. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department 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 Principal Civil Service Pension Scheme (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

1.11 Taxation

No taxation is chargeable on the financial results of the Agency.

1.12 Provisions

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



2 Income

Income comprises monies received in respect of the following:

	2008/09 £'000	2007/08 £'000
Work done for Dept. of Culture, Arts & Leisure under the terms of a Service Level Agreement	124	86
Work done for Waterways Ireland	-	26
Work done for other Government Departments	122	121
Sundry income	74	58
	<u>320</u>	<u>291</u>
Net profit from the disposal of fixed assets during the year was £59,000		

3 Staff Numbers and Related Costs

3.1 Average number of staff employed

	2008/09 Number of staff	2007/08 Number of staff
Board and Senior Management	4	4
Administration	50	51
Professional and Technical	123	113
Industrial	245	254
	<u>422</u>	<u>422</u>

3.2 Analysis of Staff Costs

	2008/09 £'000	2007/08 £'000
Salaries and Wages	9,105	9,179
Social security costs	615	611
Superannuation	1,434	1,416
Less Capitalised Engineers' time	(702)	(670)
	<u>10,452</u>	<u>10,536</u>

The PCSPS(NI) is an unfunded defined benefit scheme which produces its own resource accounts, but the Department of Agriculture and Rural Development is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the PCSPS(NI) resource accounts. For 2008/09, employers' contributions of £1,433,910 were payable to the PCSPS(NI) (2007/08 £1,416,591) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands (the rates in 2004/05 were between 12% to 18%). These rates have increased from 1st April 2005 as a result of the latest actuarial valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £ Nil were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £ Nil were payable to the PCSPS(NI) 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 balance sheet date were £ Nil. Contributions prepaid at that date were £ Nil. Six people retired early on ill health grounds, and the total additional accrued pension liabilities in the year amounted to £4,058.



4 Other operating costs

4.1 Administration costs

	2008/09 £'000	2007/08 £'000
Travel and subsistence	565	495
Telephone	75	62
Staff training	137	90
Printing, stationery & advertising	32	20
Accommodation costs	327	309
Hospitality	1	1
Miscellaneous	26	43
Permanent diminution	7	3
Notional costs (Note 4.3 below)	1,628	1,302
Cost of capital	3	4
Depreciation	55	51
	<u>2,856</u>	<u>2,380</u>

4.2 Programme costs

	2008/09 £'000	2007/08 £'000
Supplies, Services and Stores	966	843
PV & E Running costs	634	772
Other expenditure	558	733
Other maintenance	647	347
Culvert maintenance	83	225
Impairment of fixed assets	2,507	2,277
Profit on disposal of assets	(59)	(28)
Cost of capital	14,442	14,127
Depreciation	3,530	3,919
	<u>23,308</u>	<u>23,215</u>

4.3 Notional

Certain services are provided and received without the transfer of cash. The amounts included in the net cost of operations to reflect these costs are as follows:

	2008/09 £'000	2007/08 £'000
NIAO	17	18
Accommodation	971	904
Core Services	486	302
Services from Other Departments	154	78
	<u>1,628</u>	<u>1,302</u>

Note 1:

The Agency takes out commercial insurance to cover third party risks associated with vehicles, owned or leased on the Agency's behalf, and for buildings leased on its behalf where insurance is a requirement of the lease. No other external insurance is effected against fire, explosion, common law, third party and similar risks. A notional charge, based on standard rates, as advised by the Department of Finance and Personnel, has been calculated to reflect the costs of insurable risks of 2008/09 £106,145 (2007/08 £110,561).

In accordance with paragraph 4.5.2, FReM 2008/09 edition, this has not been charged to the income and expenditure account.



5. Tangible Fixed Assets

	Land, Bldgs & Sluices	Plant, Vehicles Equipmt	Computer Equipmt	Flood Defence Assets	Culverts	Assets Under Constr- uction	Hydro- metric Network	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2008	19,062	8,643	243	115,330	387,742	2,449	2,707	536,176
Additions (Note 1)	261	497		2,660	1,865	2,837	113	8,233
Disposals		(502)	(12)					(514)
Transfers (Note 2)								0
Reclassifications (Note 3)			25	90	511	(626)		0
Revaluations (Note 4)								0
Impairments			(19)					(19)
Indexation	(1,386)	331		(4,670)	(15,399)		(111)	(21,235)
At 31 March 2009	17,937	8,969	237	113,410	374,719	4,660	2,709	522,641
Depreciation								
At 1 April 2008	886	5,194	124	34,292	74,989	-	372	115,857
Charge for year	449	823	55	2,223				3,550
Disposals		(486)	(12)					(498)
Transfers (Note 2)								0
Revaluations (Note 4)								0
Impairments			(12)		2,523		(16)	2,495
Indexation	(90)	249		(1,376)	(2,960)		(15)	(4,192)
At 31 March 2009	1,245	5,780	155	35,139	74,552	-	341	117,212
NBV @ 31/3/09	16,692	3,189	82	78,271	300,167	4,660	2,368	405,429
NBV @ 31/3/09	18,176	3,449	119	81,038	312,753	2,449	2,335	420,319

Note 1: - Capitalisation of Engineers' Time –

Culverts and flood defence asset additions include engineers' salary costs which have been capitalised.

Note 2: - Transfers –

Relates to assets transferred in or out of the Agency, to or from another part of the Department of Agriculture and Rural Development.

Note 3: - Reclassification of Assets –

The reclassifications relate to assets transferred from assets under construction to additions to Culverts and Flood Defence Assets.

Note 4: - Revaluation of Land & Buildings and Infrastructure Assets -

A revaluation of land and buildings was carried out by the Valuation and Lands Agency in accordance with the Appraisal and Valuation Manual published by the Royal Institute of Chartered Surveyors. The date of the valuation was 1 April 2005. The index at March 2009 has been applied to these valuations for the purpose of these accounts.

A revaluation of Sea Defences (an element of the Flood Defence Assets) was carried out by RPS Consulting Engineers. The date of the valuation was 31 March 2006.

A revaluation of the culvert network was carried out by in-house staff using an industry standard recognised methodology. The date of the valuation was 31 March 2005. The index at March 2009 has been applied to the culvert valuation for the purpose of these accounts.



6. Intangible Fixed Assets

The Agency's intangible fixed assets comprise purchased software licences.

Purchased software licences	
£'000	
Cost or Valuation	
At 1 April 2008	127
Additions	129
Indexation	(1)
At 31 March 2008	255
Amortisation	
At 1 April 2008	55
Charge for year	35
At 31 March 2009	90
NBV @ 31/3/09	165
NBV @ 31/3/08	72

7. Stocks

	2008/09	2007/08
	£'000	£'000
Stock	281	301

8. Debtors – amounts falling due within one year

	2008/09 £'000	2007/08 £'000
VAT	421	247
Trade debtors	124	95
Sundry debtors	26	11
	<u>571</u>	<u>353</u>

Included within debtors is £25,446 (2007/08: £61,567) that will be due from other central government bodies.

9. Cash

	2008/09 £'000	2007/08 £'000
Balance at 1 April 2008	2	2
Net change in cash balances	1	-
Balance at 31 March 2009	<u>3</u>	<u>2</u>

10. Creditors – amounts falling due within one year

	2008/09 £'000	2007/08 £'000
Other taxation and social security	81	33
Trade creditors	99	12
Capital creditors	1,402	1,447
Accruals and deferred income	230	513
Other creditors	<u>38</u>	<u>164</u>
	<u>1,850</u>	<u>2,169</u>

Included within creditors is £ Nil (2007/08: £ 13,928) that will be due to other central government bodies.



II. Provisions for liabilities and charges – litigation costs

	2008/09 £'000	2007/08 £'000
Balance at 1 April 2008	222	116
Provided in the year	-	142
Provisions not required written back	(20)	(22)
Provisions utilised in the year	(12)	(14)
Balance at 31 March 2009	<u>190</u>	<u>222</u>

Litigation costs –

Legal claims are assessed together and a provision of the likely maximum claim value is made. This value is reviewed on an ongoing basis to ensure it continues to represent a reasonable estimate of the expenditure of the Agency on such claims. Claims greater than or equal to £100,000 are assessed on a case-by-case basis, and provided for or disclosed as a contingent liability as applicable.

12. Reconciliation of movement in reserves and government funds

12.1 General Fund

	Note	2008/09 £'000	2007/08 £'000
Balance as at 1 April 2008		258,381	259,767
Net cash inflow from financing	20	23,020	18,731
Net cost of operations		(36,296)	(35,840)
Notional and other non-cash costs	4.3	1,628	1,302
Cost of capital		14,445	14,131
CFER's repayable to the Consolidated Fund			-
Transfer of assets to Waterways Ireland			-
Transfer of assets to/from Core Department		-	2
Transfer of realised element from revaluation reserve	12.2	307	288
Balance as at 31 March 2009		261,485	258,381

12.2 Revaluation Reserve

	Land, Bldgs & Sluices £'000	Plant, Vehicles Equipt £'000	Intangible Assets £'000	Flood Defence Assets £'000	Culverts £'000	Hydro- metric Network £'000	TOTAL £'000
At 1 April 2008	8,305	293	9	31,192	117,843	2,633	160,275
Revaluations	(1,296)	82	(1)	(3,294)	(12,439)	(96)	(17,044)
Transfer of realised elements to general fund (note 12.1)	(211)	(93)	(3)	-	-	-	(307)
At 31 March 2009	6,798	282	5	27,898	105,404	2,537	142,924



13. Notes to the Cash Flow Statement

13.1 Reconciliation of the net cost of operations to net cash outflow from continuing operating activities

	2008/09	2007/08
	£'000	£'000
Net cost of operations	(36,296)	(35,840)
Cost of capital	14,445	14,131
Depreciation	3,585	3,970
Notional and other non-cash costs	1,628	1,302
Profit on sale of assets	(59)	(28)
Impairment of fixed assets	2,507	2,277
(Decrease) / Increase in stock	20	(90)
(Decrease) / Increase in debtors	(218)	382
Increase in creditors	(275)	(328)
(Decrease) / Increase in provisions	(32)	107
Permanent diminution	7	3
Net cash outflow from continuing activities	<u>(14,688)</u>	<u>(14,114)</u>

13.2 Net cash outflow from capital expenditure activities

	2008/09	2007/08
	£'000	£'000
Tangible fixed asset additions	(6,022)	(10,599)
Intangible fixed asset additions	(129)	(27)
(Decrease) / increase in AICC	(2,211)	5,574
Increase in capital creditors	(45)	383
Proceeds from sale of fixed assets	75	52
	<u>(8,332)</u>	<u>(4,617)</u>

14. Capital commitments

The capital commitments at the end of the financial year for which no provision has been made in the accounts amounted to £1,605,000.

15. Contingent Liabilities

Due to the serious prejudice that would be caused to the Agency's position in relation to disputes with other parties, full disclosure of its contingent liabilities is not possible. The Agency cannot reliably estimate the cost of its contingent liabilities, but considers that the cost should not exceed £20,000.

The former Minister for Finance and Personnel announced measures in May 2008 to address equal pay issues in the Northern Ireland Civil Service. The present Minister for Finance and Personnel has assured NIPSA of the commitment to resolve the equal pay issue, if possible, through a negotiated settlement and without the need for litigation. In May 2009 he confirmed to NIPSA that a settlement offer had not been made but that he had instructed officials to work intensively with NIPSA to establish, as clearly as possible, parameters within which a negotiated settlement might be reached so that he, in conjunction with his Ministerial colleagues in the Executive, can consider how the matter should be taken forward.

NIPSA has lodged equal pay claims with the Industrial Tribunal on behalf of its female members in the AA, AO and EOII and analogous grades in the NICS. The Department of Finance and Personnel (DFP) has assessed the potential impact of these equal pay claims and the wider equal pay issue against relevant accounting standards, in particular FRS 12. The ministerial statements have created an obligation on the part of the NICS to comply with equal pay legislation and to address any anomalies that may exist in its present pay and grading structures. However, DFP considers that a reliable estimate cannot be made, at this point in time, of the potential liability to resolve the issue. This is as a result of the complexities associated with the resolution of the issue, including establishing clearly the extent to which the claims may be valid, the groups of staff that might be entitled to a payment and the size of those payments. Consequently, DFP does not consider that it is possible to reach a reliable estimate of the obligation, and thus make a provision under the criteria set out in FRS 12.



16. Commitments under leases

The Agency did not enter or hold any finance or operating leases during the reporting period.

17. Commitments under PFI

The Agency did not enter or hold any PFI contracts during the reporting period.

18. Financial Instruments

The Agency did not enter or hold any financial instrument during the reporting period.

19. Losses and special payments

Losses statement

There was one case of theft during the period totalling £3500.00.

Special payments

There were no special payments during the year.

20. Source of Funds

	Note	2008/09 £'000	2007/08 £'000
Net cash outflow from continuing operating activities	13.1	(14,688)	(14,114)
Net cash outflow from capital expenditure activities	3.2	(8,332)	(4,617)
Total cash inflow from financing		<u>(23,020)</u>	<u>(18,731)</u>

The Agency has no borrowings and relies on DARD for its cash requirements, and is therefore not exposed to liquidity risks. It has no deposits and all assets and liabilities are denominated in sterling, so it is not exposed to interest rate or currency risk

21. Related Party transactions

The Rivers Agency is an Executive Agency within the Department of Agriculture and Rural Development ('the Department').

The Department is regarded as a related party. During the year, the Agency has had material transactions with the Department.

In addition the Agency has had a small number of transactions with other Government Departments and other central government bodies.

During the year, none of the Board members, members of the key management staff or other related parties have undertaken any material transactions with the Agency.

22. Post Balance Sheet Events

There were no Post Balance Sheet Events between the date of signing by the Chief Executive and the date of submission to the Northern Ireland Assembly.



Appendices



Appendix I

Agency Offices

Agency Headquarters

Hydebank
4 Hospital Road
BELFAST BT8 8JP

Tel: 028 9025 3355

Fax: 028 9025 3455

Western Region

Regional Office
Woodside Avenue
Gortin Road
OMAGH BT79 7BS

Tel: 028 8225 4900

Fax: 028 8225 4901

Coleraine Office

37 Castleroe Road
COLERAINE BT51 3RL

Tel: 028 7034 2357

Fax: 028 7032 0628

Fermanagh Office

Riversdale
Ballinamallard
ENNISKILLEN BT94 2NA

Tel: 028 6638 8529

Fax: 028 6638 8972

Eastern Region

Regional Office
Ravarnet House
Altona Road
LISBURN BT27 5QB

Tel: 028 9260 6100

Fax: 028 9260 6111

Armagh Office

44 Seagoe Industrial Estate
CRAIGAVON BT63 5QE

Tel: 028 3839 9111

Fax: 028 3839 9113

Plant Unit

44 Seagoe Industrial Estate
CRAIGAVON BT63 5QE

Tel: 028 3839 9100

Fax: 028 3839 9112



Appendix 2

Agency Management Board

Chief Executive Mr John C. Clarke		
Director of Development Mr P Aldridge Capital Works Programme Construction Procurement Hydrometrics Asset Management Information Technology Professional Standards	Director of Operations Mr P Mehaffey Operational Management Design Plant Health & Safety Environment Emergency Planning Planning Advice	Director of Corporate Services Mr J Glass Finance Human Resource Management and Development Corporate Policy, Planning and Correspondence Legislation Drainage Council Secretariat

Appendix 3

Membership of the Drainage Council for Northern Ireland

Name of Member	Interest Represented
Mr Gerald Crawford (<i>Chairman</i>)	Fisheries
Alderman Hubert Nicholl (<i>Vice-Chairman</i>)	Ballymena Borough Council
Alderman Roy Beggs	Larne Borough Council
Mr Garth Boyd	Industry
Mr Robert G Cummings	Agriculture
Miss Janice Gault (<i>Resigned 27th May 2008</i>)	Tourism
Cllr Michael Gillespie	Dungannon and South Tyrone Borough Council
Cllr Alan Graham	North Down Borough Council
Cllr Oliver Hughes	Magherafelt District Council
Dr Harold Johnston	Drainage Specialist
Cllr William King MBE	Coleraine Borough Council
Cllr Jim McBriar	Ards Borough Council
Cllr Catherine McCambridge (<i>Resigned 27th October 2008</i>)	Moyle District Council
Mr John Hagan (<i>Retired 21st February 2008</i>)	DARD Rivers Agency
Dr Alexandra McGarel (<i>Resigned 8th September 2008</i>)	Conservation
Cllr Gerry McHugh MLA	Fermanagh District Council
Mr Tom Clarke	DOE Planning Service
Mr John Clarke	DARD Rivers Agency



Appendix 4

Key Objectives and Performance Targets

Key Objective 1:

To deliver sustainable flood risk management policies to meet society's social, environmental and economic needs

- 1.1 Provide flood risk information and advice to Planning Service in relation to 48 hectares of land under its Area Plan development process.
- 1.2 Restructure flood risk management delivery (PSA Target).
- 1.3 Identify and implement lessons learned from the August 2008 floods.

Key Objective 2:

To implement the requirements of the European Directive for the assessment and management of flood risks

- 2.1 Transpose the requirements of the Directive into Northern Ireland legislation (PSA Target).
- 2.2 Publish the Strategic Surface Water Map for Northern Ireland.
- 2.3 Undertake the Preliminary Flood Risk Assessment (PSA Target).
- 2.4 Complete flood mapping pilot study and commence flood mapping programme (PSA Target).
- 2.5 Prepare a detailed programme for the development of Flood Risk Management Plans (PSA Target).

Key Objective 3:

To reduce the number of properties currently at risk of flooding from rivers and the sea

- 3.1 Carry out all flood alleviation works identified in the current year to protect properties at significant risk from flooding – the target is 18 (PSA Target).
- 3.2 Improve drainage infrastructure to cater for development of 40 hectares of land.
- 3.3 Respond to 98% of Schedule 6 applications within 3 months.
- 3.4 Ensure response to 90% of requests to Rivers Agency for assistance within 3 hours during flooding events up to and including a level defined as significant.

Appendix 4 (continued)

Key Objectives and Performance Targets

Key Objective 4:

To maintain flood defence and drainage infrastructure in a satisfactory condition

- 4.1 Develop a fluvial asset management plan.
- 4.2 Complete structural repairs to 1.46 km of the designated culvert network where collapse is likely or imminent.
- 4.3 Inspect & maintain as required, 98% of all designated urban open watercourses in accordance with the Maintenance Manual.
- 4.4 Inspect & maintain as required, 98% of all designated culvert inlet grilles in accordance with the Maintenance Manual.
- 4.5 Maintain a minimum of 442 designated rural watercourses as part of the Agency's 6 year scheduled programme.

Key Objective 5:

To operate to resource limits limits

- 5.1 Maintain expenditure within Resource Limits and to approved budgets.
- 5.2 Produce unqualified accounts which are laid in the Assembly by the summer recess.



Appendix 4 (continued)

Key Objectives and Performance Targets

Key Objective 6:

To support and motivate all our people to achieve the Agency's objectives

- 6.1 Deliver a 50% reduction in lost time work related accidents from the 2006-07 base figure of 21.
- 6.2 Reduce average annual level of absenteeism due to sickness for non industrial staff to not more than 8.5 days.
- 6.3 Reduce average annual level of absenteeism due to sickness for industrial staff by more than 15% from 2006/07 baseline of 21 days.

Key Objective 7:

To deliver quality services for our customers and stakeholders in a fair and equitable way

- 7.1 Issue substantive replies to 95% of written enquiries within 15 working days of receipt.
- 7.2 Respond to 80% of planning application consultations within 21 working days of receipt
- 7.3 Establish an Agency communication strategy.

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