



Annual Report  
and Accounts  
2009-2010



[www.riversagencyni.gov.uk](http://www.riversagencyni.gov.uk)



An Agency within the Department of  
**Agriculture and  
Rural Development**  
[www.dardni.gov.uk](http://www.dardni.gov.uk)

**Rivers Agency  
Annual Report and Accounts  
For the year ended 31 March 2010**

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under section 11(3) (c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of Agriculture and Rural Development  
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## Annual Report 2009-2010



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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 2010. 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.

During 2009/10 reducing flooding risk and minimising the damage caused by flooding continued to be a priority issue for the Agency. Resources were devoted to the efficient management of our infrastructure assets and the delivery of cost beneficial flood alleviation schemes. The Agency also continued 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 was economically viable.

The EC 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 introduced legislation to transpose the European Directive on the assessment and management of flood risks (Floods Directive) in 2009/10. The Agency continued to take forward the delivery of flood risk management in accordance with "Living with Rivers and the Sea". This paper agreed by the NI Executive sets the strategic direction for the delivery of flood risk management in Northern Ireland for the next 10 years and beyond.

During 2009/10, the Agency achieved 21 of the 25 key targets (Appendix 1), 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.

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.

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  
30th June 2010



# Directors' Report

## Introduction

The Agency presents its Annual Report and Accounts for the financial year ended 31 March 2010.

The Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the relevant edition of the Government's Financial Reporting Manual (FRM) and under an Accounts Direction given by the Department of Finance and Personnel (DFP) in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

## History and Background

The 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 2);
- Construct and maintain drainage and flood defence structures; and
- Administer advisory and enforcement procedures to protect the drainage function of all watercourses.

## Pension Liabilities

DARD is covered by the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) and bears the cost of pension provision for its' staff by payment of an Accruing Superannuation Liability Charge (ASLC). The scheme is essentially non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future

benefits is a charge to the PCSPS (NI). The Agency meets the cost of pension cover provided for staff by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS (NI) as a whole.

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

### Agency Management Board

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

John C Clarke	Chief Executive
Philip Mehaffey	Director of Operations
Pat Aldridge	Director of Engineering (previously Director of Development until 6th December 2009)
David Porter	Director of Development (appointed 7th December 2009)
Jeff Glass	Director of Corporate Services
Wendy Johnston	Non Executive Director (appointed 25th August 2009)

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 Directors is determined by the Central Personnel Group of the Department of Finance & Personnel (DFP). Details of the remuneration of the Chief Executive and Directors within the Agency are provided in salary bands in the Remuneration Report.

### Conflict of Interest

None of the members of the 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.





## Auditors

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

The audit of the financial statements for 2009/10 resulted in a notional audit fee of £21k which is included in the administration costs in the Operating Cost Statement. The C&AG did not provide any non-audit services during the year.

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

## Supplier Payment Policy

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code.

The Rivers Agency in line with the Northern Ireland Finance Ministers directive implemented the process and procedures in 2009/10 to allow payments to be made within 10 days of receipt. The Agency was able to facilitate 59% of payments during 2009/10.

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

Regular reviews conducted to measure how promptly the Agency paid bills found that 87% 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.

## Charitable Donations

The Agency made no charitable donations within the financial year.

## Disabled Persons

It is the Agency's policy to give equality of opportunity when considering applications from disabled persons. The Agency complies with all existing legislation in regard to its disabled employees.

## Equality of Opportunity

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

## Freedom of Information

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 17 "Requests for Information", falling within the terms of this legislation, were received within the period of this report.

## Health & 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.

## Employee Involvement

The maintenance of a highly skilled workforce is key to the future of our business. We support them in updating their skills through the Agency's formal training and development opportunities.

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.

The Agency's Whitley Council provides for regular consultation with employees' representatives.



## Published Sickness Absence Data

Listed in the table below are the sick absence results for Rivers Agency.

Staff	Average days lost per member of staff	Agency Target
Non-Industrial	10.7	8.5
Industrial	15.8	17.8

## Reports of Personal Data Related Incidents

The Agency is required to report on personal data related incidents. There were no incidents of personal data loss recorded within the period under review.

## Information Management

There have been no incidents where the Agency has charged for value added information under the Re-use of Public Sector Information Regulations.

## Equal Pay

The equal pay claim for AA, AO and EOII and analogous grades in the NICS has been agreed in principle and the Agency will contribute to the apportioned cost as agreed with the parent department.

**JOHN C. CLARKE**  
**Chief Executive**  
**30th June 2010**

## Management Commentary

### Our Business

The Agency is an Executive Agency within 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 Board. It is a multi-disciplinary organisation employing 415 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 included at Appendix 3.

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 2);
- Construct and maintain drainage and flood defence structures; and
- Administer advisory and enforcement procedures to protect the drainage function of all watercourses.

### Management and Accountability

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 Board consists of the Chief Executive and four functional Directors whose responsibilities are set out in Appendix 4. The Board membership also includes an independent Non Executive Director with no functional responsibilities.

## 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; and
- Undertaking watercourse and coastal flood management in a sustainable manner.

## Objectives

In support of these aims the Agency's key 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; and
- To deliver quality services for our customers and stakeholders in a fair and equitable way.

## Financial Review of 2009/10

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 this objective.

The Agency's administration and running costs budget (Admin Cost Limit) was £11.5 million for 2009/2010. The budget for the Agency's programme of capital and maintenance works was £10.1 million.

Income increased from £320k in 2008/09 to £407k in 2009/10. This was due to an increase in work done for other Government Departments.

The Net Cost of Operations increased from £36,445k in 2008/09 to £39,123k. Staff costs have increased from £10,463k in 2008/09 to £11,319k in 2009/10. Other administration costs have increased by 12.36% (from £2,856k to £3,209k) 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 non current assets decreased from £404 million to £395 million over the year. This can be mainly attributed to the revaluation exercise undertaken at the end of the financial year.

## Corporate Governance

The work of the Agency is co-ordinated and monitored by the Board which is responsible for ensuring that good practice in corporate governance is adhered to including the maintenance of a transparent system of prudent and effective controls through the assessment and management of risk.

The Board comprises the Chief Executive, the Agency's 4 functional Directors and an independent Non Executive Member. The Board meets on a monthly basis and is chaired by the Chief Executive who is also the Agency Accounting Officer. Board agendas, papers and minutes are held on TRIM.



The Agency employs a system of internal control based on an ongoing risk management process designed to identify and prioritise the key risks which could affect the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised, assess the impact should they be realised, and to manage them efficiently, effectively and economically. This system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives.

The Corporate Risk Register is reviewed by both the Board and the Corporate Governance and Audit Committee on a quarterly basis. 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 a Non Executive member from the parent department. The Northern Ireland Audit Office, DARD Director of Finance, DARD Internal Audit and the other Executive Directors of the Agency attend each meeting of the Committee.

Under the terms of a Service Level Agreement (SLA), DARD Internal Audit Branch provides an annual assurance report to the Chief Executive as Agency Accounting Officer. The audit report in respect of the 2009/10 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 Statement on Internal Control included in this report provides a summary of the effectiveness of internal control during 2009/10.

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 2009/10 resulted in a notional audit fee of £21k which is included within the administration costs of the Operating Cost Statement.

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

## Agency Performance in 2009/10

The Agency had 25 targets in 2009/10 including 6 PSA targets. Internal Audit validated that the Agency achieved 21 of the 25 targets (Appendix I) and the 6 PSA Targets set by the Minister for the 2009/10 business year. The PSA targets are outlined in Table I.

*Table I Rivers Agency 2009/10 PSA Targets*

<b>PSA Target</b>	<b>Progress</b>
Restructure flood risk management delivery.	Achieved
Transpose the requirements of the Directive into Northern Ireland legislation.	Achieved
Undertake the Preliminary Flood Risk Assessment.	Achieved
Complete flood mapping pilot study and commence flood mapping programme.	Achieved
Prepare a detailed programme for the development of Flood Risk Management Plans.	Achieved
Carry out all flood alleviation works identified in the current year to protect properties at significant risk from flooding – the target is 18.	Achieved





## Review of Activity in 2009/10

### Flood Alleviation

The construction and maintenance of flood and sea defences to protect people and alleviate damage to property continued to be one of the Agency's primary functions. The key factors influencing the urgency and priority of capital flood defence works were the numbers of people affected and the potential for damage to property and business activity due to flooding from rivers and the sea. Priority was also given to culverts in need of repair to avert complete failure and thereby ensure public safety. Drainage infrastructure works were also provided to ensure that the flood risk to new and existing development was managed. In delivering these works the Agency sought to maximise the benefit secured from available resources.

### Maintenance

Rivers Agency carried out cyclical inspections to designated watercourses, and culvert inlet grilles. The timing of these inspections was dependent on the likely maintenance requirements, drainage impact and flood risk. For example, high risk inlet grilles were inspected on a weekly basis and rural watercourses generally on a six yearly programme. Maintenance works identified during these inspections were programmed and carried out by the Agency's industrial staff using in house plant, or contractors, or by using site specific repair and maintenance contracts. The Maintenance Programme was evaluated using environmental and cost-benefit criteria prior to the inclusion of proposals in the annual works programme.

### Advisory & Enforcement

Rivers Agency continued to liaise closely with Planning Service on drainage and flood protection aspects of Development Plans, planning applications and in relation to sustainable development in line with the Planning Service's policy PPS 15 on Planning and Flood Risk.

### Water Level Management

The Rivers Agency monitored and measured river flows and water levels at locations throughout Northern Ireland. It supplied appropriate river flow data to the United Kingdom (UK) National River Flow Archives on a monthly and annual basis and to other users such as Northern Ireland Environment Agency and Northern Ireland Water who

used the data for environmental and water resource monitoring. The Agency was also responsible for managing, insofar as climatic conditions allowed, the water levels of Lough Erne, Lough Neagh and stretches of the River Bann and River Lagan. Lough Neagh and the Lower Bann are controlled by a series of sluices at Toome, Portna and the Cutts near Coleraine.

## Asset Management

During 2009/10 the Agency continued to migrate from its current reactive approach to creating and maintaining its assets to one based upon Asset Management Plans (AMP). A suite of AMPs are now in place dealing with culverts, sea defences and fluvial defences. An ongoing cycle of inspection, assessment and intervention ensured the effective functioning of assets.

## EC Water Framework Directive

Legislation to transpose the EU Floods Directive in Northern Ireland was made on the 20th November 2009 and is called 'The Water Environment (Floods Directive) Regulations (Northern Ireland) 2009'.

The Northern Ireland Regulations require a co-ordinated approach with other government departments, district councils, NI Water, the Northern Ireland Fire and Rescue Service and the public. The Agency continued to develop close working relationships with these groups and other parties that have an interest in and represent those affected by flooding. The Agency continues to work closely with colleagues in the Office of Public Works in the Republic of Ireland to fulfil the obligations of the Directive in respect of trans-boundary catchments.

## Emergency Planning

Rivers Agency in conjunction with Department of Regional Development 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

While incidents of flooding were not so numerous and serious as in the 2008/09, there was still a significant number of requests for assistance made directly to Rivers Agency or through the new Flood Incident Line.

Significant flooding occurred in Fermanagh during late November and early December 2009. Widespread disruption was experienced on public roads, private lands and a small number of properties were flooded. Rivers Agency in partnership with co-responders worked effectively together to mitigate against the causes and effects of this widespread flooding.

## Health and Safety

In carrying out works the Agency strictly adhered to all Health and Safety legislation and endeavoured to create a safe working environment both for staff and in areas accessible to the public. The Agency continued to adopt a pro-active role on health and safety issues. Ongoing and continuous training of staff remained a key element in reducing accident rates. There has been a significant reduction in the number of reportable accidents.

## Sustainability and Environment

The Agency carried out works in an environmentally sensitive manner and employs Conservation Officers to give advice and oversee maintenance and capital works schemes. 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 and Loughs Agency on Inland Fisheries; as well as Northern Ireland Environment Agency on the broader issues around drainage and flood defence works.

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

## 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 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 (ESB) within the levels prescribed in the Erne Drainage and Development Act 1950. Level control of the Lower Lough is by electricity generation and spilling at the hydro-electric power station at Cliff near Belleek; while the Upper Lough is controlled by sluice gates at Portora, Enniskillen. Water levels in Lower Lough Erne remained within the statutory operating limits throughout the year, with the exception of a period from 20 November 2009 to 10 December 2009 when it was a maximum of 400mm above the normal maximum. The Upper Lough also remained within the range specified in the Erne Drainage and Development Act with the exception of the period 13 November 2009 to 12 December 2009 when it was a maximum of 1040mm above the normal maximum. These were the highest levels for both Loughs since December 1954 and caused widespread flooding in the Fermanagh area. 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 7 October 2009 and 25 October 2009 and again between 22 December 2009 and 16 January 2010.

### Lough Neagh Levels

The level of Lough Neagh 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 12.60m above Ordnance Datum (OD) Belfast. However as a consequence of a very wet August 2009 and November 2009 the Lough water level rose above the statutory upper limit for a total of 130 days. The highest recorded level for the year occurred on 25th November 2009 and, at 13.498m above OD Belfast, was 898mm above Toome's upper statutory limit.



There were no significant breaches of the lower statutory level recorded during this reporting period.

## 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

The Agency continued to undertake maintenance of water recreation sites under its Service Level Agreement with Department of Culture, Arts and Leisure (DCAL).

## 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.

## 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; and
- 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](http://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 2009 /10*

<b>Standard</b>	<b>Out-turn</b>
To attend 80% of watercourse related flooding incidents within 3 hours.	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.	Achieved
To respond to 98% of Schedule 6 applications within 3 months.	Achieved



## Drainage Council for Northern Ireland

### 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 and fisheries interests and one independent drainage specialist.

Currently there is a vacancy for a tourism representative.

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.riversagency.ni.gov.uk](http://www.riversagency.ni.gov.uk). Information may also be obtained on written request to the Drainage Council Secretariat, c/o Rivers Agency, Hydebank, 4 Hospital Road, Ballydollahgan, Belfast BT8 8JP.

Details of Drainage Council membership are set out in Appendix 2.

## Future Developments

The incoming year presents new challenges to the Agency such as the economic downturn and the potential for additional efficiencies arising from the Budget 2009. The previous planning undertaken by the Agency as part of the Comprehensive Spending Review 2007 process could not have considered the full impact of these factors and these new challenges are therefore not included in the budget settlement that arose from that process. This will mean that we are striving to deliver in an unprecedented and demanding environment.

The Agency introduced legislation to transpose the European Directive on the assessment and management of flood risks (Floods Directive) in 2009/10. Key steps to implement the requirements of this Directive will be taken forward in 2010/11 with assistance from other Government Departments and responsible authorities. The Agency will also take forward the delivery of flood risk management in accordance with “Living with Rivers and the Sea”. In doing so the Agency will 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. 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.





# Remuneration Report

## Remuneration Policy

The remuneration of senior civil servants is approved by the Minister for Finance and Personnel 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 normally comprised of two elements; a base pay uplift and a non-consolidated bonus. Both elements are based on performance. The senior civil service pay award in 2009/10 comprised a base pay uplift only, with individuals' awards differentiated on the basis of performance and position on the relevant pay band. There were no non-consolidated bonus payments to any senior civil servants as part of the 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](http://www.nicscommissioners.org)

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the department.

## Remuneration (Audited)

Officials	2009-10		2008-09	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Mr John C Clarke	60-65	Nil	55-60	Nil
Mr Philip Mehaffey Director of Operations	50-55	Nil	50-55	Nil
Mr Jeff Glass Director of Corporate Services	40-45	Nil	25-30	Nil
Mr Pat Aldridge Director of Engineering	50-55	Nil	15-20	Nil
Mr David Porter Director of Development (9th December 2009)	15-20	Nil	-	-
Miss Wendy Johnston Non Executive Director (25th August 2009)	Salary and allowances paid by the Parent Department in respect of the Agency; this is a non remunerated post.			

### 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 31/3/10 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/10 ***	CETV at 31/3/09	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mr John C Clarke <i>Chief Executive</i>	25-30 plus lump sum of 85-90	0-2.5 plus lump sum of 5-7.5	737	628	60	-
Mr Philip Mehaffey <i>Director of Operations</i>	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5	538	460	22	-
Mr Pat Aldridge <i>Director of Engineering</i>	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 5-7.5	413	326	44	-
Mr Jeff Glass <i>Director of Corporate Services</i>	10-15 plus lump sum of 35-40	0-2.5 plus lump sum of 02-2.5	206	171	15	-
Mr David Porter <i>Director of Corporate Services</i>	5-10 plus lump sum of 35-40	0-2.5 plus lump sum of 2.5-5	90	70	12	-
Miss Wendy Johnston <i>Non Executive Director</i>	Pension contributions are paid by the Parent Department in respect of the Agency; this is a non pensionable post.					

\*\*\*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

## 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](http://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*

**JOHN C. CLARKE**  
**Chief Executive**  
**30th June 2010**



Accounts  
2009-2010





## 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, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Accounts the Agency is required to comply with the Government 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 Government 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.

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. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in "Managing Public Money (Northern Ireland)" issued by the Department of Finance and Personnel.

## Statement on internal control

### Scope of responsibility

As 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 departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (Northern Ireland).

The accountability arrangements within the Agency encompass stewardship, performance and compliance, monthly Board meetings and the Corporate Governance and Audit Committee which meet four times a year, all of which support the role of the Accounting Officer.

### 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 departmental 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 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Key elements of the Agency's system of internal control include:

- The Board chaired by the Chief Executive and comprising Directors and an Independent member;
- Business Review meetings with the Permanent Secretary and Senior Finance Director;
- A Corporate Governance and Audit Committee chaired by an Independent member;
- An Internal Audit service operating in accordance with Government Internal Audit Standards;
- Business Planning and Risk Management frameworks encompassing policies, strategies and procedures manuals; and
- Financial planning and management systems designed to ensure propriety and regularity of expenditure, fraud awareness and prevention and good value for public money.





## Capacity to handle risk

The Agency's approach to risk management is largely objective driven, with our aim and corporate objectives agreed at Ministerial level. These agreed aims and objectives then drive the critical aspects of the Agency's activities. During 2009/10 the Agency further enhanced the risk management process and the Corporate Risk Register is now linked to the Corporate Scorecard. In this way risk management is a key function in managing business performance.

Training continues to be provided across the Agency to further raise fraud awareness.

## The risk and control framework

The Agency's corporate governance arrangements are underpinned by a robust risk management process, which is embedded into the Agency's systems and procedures. A key function within this process is the development of the Agency's appetite to risk. This function is undertaken by the respective directorates with the most appropriate skills and expertise to properly assess the level of risk acceptable to both the respective directorate and the Agency. In circumstances where directorates consider that the level of risk rises beyond the acceptable threshold then that risk is escalated for Board review. In this way the risk appetite is considered and assessed at the most appropriate level within the Agency.

Analysis of and response to risk is key to corporate governance and the Agency Management Board has overall responsibility for the management of risks associated with the delivery of the Agency's functions. During the year the Agency Management Board used a variety of mechanisms to confirm that the Agency's corporate and other risks were being managed effectively. The mechanisms used by Agency Management Board included:

- Reports presented to Agency Management Board;
- Assurances received from the Corporate Governance and Audit Committee; and
- The work undertaken by the Department's Internal Audit Branch

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 2009/10 resulted in a satisfactory overall audit opinion.

The four Executive 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.

### Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department 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 result of my review of the effectiveness of the system of internal control by the Agency Management Board, 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 Corporate Risk Register and associated review processes;
- The work of internal auditors – The Internal Audit review for 2009/10 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 Corporate Governance and 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.

## 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

## Significant Internal Control Issues

The annual assurance statement from Internal Audit for 2009/10 resulted in a satisfactory overall audit opinion. Two areas reported on received limited assurance only (weakness identified in financial management and consultant commission framework). Within financial management Internal Audit raised concerns about the number of open purchase orders on the system. Internal Audit acknowledged that this situation has arisen due to the implementation of the new Account NI system, and that management are currently directing resources to address this issue. In relation to the consultant commission framework Internal Audit concerns related to the submission of consultants tender documentation electronically. The current system in place allows for tenders to be viewed prior to the official opening time. Internal Audit have made recommendations to enhance

controls in these areas and these have been accepted by management and will be implemented in 2010/11. This will subsequently be followed up to provide assurance to me that the weaknesses in internal control have been addressed.

The Agency's system of internal control, as outlined above will continue to operate and we will seek to strengthen these controls as appropriate.



**JOHN C. CLARKE**  
Chief Executive

**30th June 2010**



## 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 31st March 2010 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity 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 Chief Executive and auditor

As explained more fully in the Statement of Agency's and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

## 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.

## Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31st March 2010, and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Chief Executive's Foreword, Directors' Report, the Management Commentary and in the unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.



## Report

I have no observations to make on these financial statements.

*Kieran J Donnelly*

**KJ Donnelly**  
**Comptroller and Auditor General**

Northern Ireland Audit Office  
106 University Street  
Belfast BT7 1EU

**1 July 2010**

The maintenance and the integrity of the Rivers Agency website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes which may have occurred to the financial statements since they were initially presented on the website.

## Operating Cost Statement for the year ended 31 March 2010

				2009/10	2008/09
				£'000	£'000
	NOTE	Staff Costs	Other Costs	Income	
<b>Administration Costs</b>					
Staff costs	4.1	846			783
Other Administrative costs	5		3,209		2,856
Income	7			(123)	(29)
<b>Programme Costs</b>					
Staff costs	4.1	10,473			9,680
Programme costs	6		25,002		23,446
Income	7			(284)	(291)
Total		<u>11,319</u>	<u>28,211</u>	<u>(407)</u>	<u>36,445</u>
<b>Net Operating Cost</b>				<u>39,123</u>	<u>36,445</u>

The net cost of operations arises wholly from continuing operations.





## Statement of Financial Position

As At 31 March 2010

	NOTE	2009/10 £'000	2008/09 £'000	2007/08 £'000
<b>Non-current assets:</b>				
Property, plant and equipment	8	394,791	403,712	419,619
Intangible Assets	9	149	180	95
<b>Total non-current assets</b>		<b>394,940</b>	<b>403,892</b>	<b>419,714</b>
<b>Current Assets:</b>				
Assets classified as held for sale	12	800	850	-
Inventories	13	294	281	301
Trade and other receivables	14	553	571	353
Cash and cash equivalents	15	3	3	2
<b>Total current assets</b>		<b>1,650</b>	<b>1,705</b>	<b>656</b>
<b>Total assets</b>		<b>396,590</b>	<b>405,597</b>	<b>420,370</b>
<b>Current liabilities</b>				
Trade and other payables	16	(3,631)	(2,059)	(2,366)
<b>Total current liabilities</b>		<b>(3,631)</b>	<b>(2,059)</b>	<b>(2,366)</b>
<b>Non-current plus current liabilities</b>		<b>392,959</b>	<b>403,538</b>	<b>418,004</b>
<b>Non-current liabilities</b>				
Provisions	17	(856)	(190)	(222)
<b>Total non-current liabilities</b>		<b>(856)</b>	<b>(190)</b>	<b>(222)</b>
<b>Assets less liabilities</b>		<b>392,103</b>	<b>403,348</b>	<b>417,782</b>
<b>Taxpayers' equity</b>				
General Fund		258,337	260,424	257,507
Revaluation reserve		133,766	142,924	160,275
<b>Total taxpayers' equity</b>		<b>392,103</b>	<b>403,348</b>	<b>417,782</b>

*John C Clarke*

**John C. Clarke, Chief Executive**  
Date: 30th June 2010

## Statement of Cash Flows for the year ended 31 March 2010

Cash flows from operating activities	NOTE	2009/10 £'000	2008/09 £'000
Net operating cost		(39,123)	(36,445)
Cost of capital	5,6	13,973	14,406
Depreciation and amortisation	8,9	6,568	6,205
Notional and other non-cash costs	5	2,117	1,628
Loss on disposal of property, plant and equipment	6	54	(59)
(Increase) / decrease in inventories	13	(13)	20
Decrease/(increase) in trade and other receivables	14	18	(218)
Increase/(decrease) in trade payables	16	1,014	(262)
Use of provisions	17	666	(32)
Permanent diminution	5	-	7
Impairment of property, plant and equipment	6	(50)	-
<b>Net cash outflow from operating activities</b>		<b>(14,776)</b>	<b>(14,750)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(6,738)	(6,006)
Purchase of intangible assets	9	(9)	(129)
Proceeds of disposal of property, plant and equipment		62	122
Proceeds of disposal of intangible assets		-	-
Increase in AICC	8	(43)	(2,211)
Increase/(decrease) in capital creditors	16	558	(45)
<b>Net cash outflow from investing activities</b>		<b>(6,170)</b>	<b>(8,269)</b>
<b>Cash flows from financing activities</b>			
Funding from parent department		20,946	23,020
<b>Net financing</b>		<b>20,946</b>	<b>23,019</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>0</b>	<b>1</b>
<b>Cash and cash equivalents at the beginning of the period</b>	15	<b>3</b>	<b>2</b>
<b>Cash and cash equivalents at the end of the period</b>	15	<b>3</b>	<b>3</b>

The notes on pages 43 to 64 form part of these accounts



## Statement of Changes in Taxpayers Equity for the year ended 31 March 2010

Total Reserves		General Fund £'000	Revaluation Reserve £'000
£'000			
<b>Taxpayers' equity at 1 April 2008</b>	<b>257,507</b>	<b>160,275</b>	<b>417,782</b>
<b>Changes in taxpayers' equity for 2008-09</b>			
Net gain/(loss) on revaluation of property, plant and equipment	-	(17,042)	(17,042)
Net gain/(loss) on revaluation of intangible assets	-	(1)	(1)
Net gain/(loss) on revaluation of investments	-	-	-
Receipt of donated assets	-	-	-
Release of reserves to the operating cost statement	308	(308)	-
Non-cash charges – cost of capital	14,406	-	14,406
Non-cash charges – auditor's remuneration	17	-	17
Non-cash charges – notional costs	1,611	-	1,611
Consolidated fund standing services	-	-	-
Transfers between reserves	-	-	-
Net operating cost for the year	(36,445)	-	(36,445)
<b>Total recognised Income and expense for 2008-09</b>	<b>(20,103)</b>	<b>(17,351)</b>	<b>(37,454)</b>
Funding from parent department	23,020	-	23,020
<b>Balance at 31 March 2009</b>	<b>260,424</b>	<b>142,924</b>	<b>403,348</b>
<b>Balance at 1 April 2009</b>	<b>260,424</b>	<b>142,924</b>	<b>403,348</b>
<b>Changes in taxpayers equity for 2009-10</b>			
Net gain/(loss) on revaluation of property, plant and equipment	-	(9,162)	(9,162)
Net gain/(loss) on revaluation of intangible assets	-	4	4
Net gain/(loss) on revaluation of investments	-	-	-
Receipt of donated assets	-	-	-
Release of reserves to the operating cost statement	-	-	-
Non-cash charges – cost of capital	13,973	-	13,973
Non-cash charges – auditor's remuneration	21	-	21
Non-cash charges – notional costs	2,096	-	2,096
Consolidated fund standing services	-	-	-
Transfers between reserves	-	-	-
Net operating cost for the year	(39,123)	-	(39,123)
Total recognised Income and expense for 2009-10	(23,033)	(9,158)	(32,191)
Funding from parent department	20,946	-	20,946
<b>Balance at 31 March 2010</b>	<b>258,337</b>	<b>133,766</b>	<b>392,103</b>

The notes on pages 43 to 64 form part of these accounts

# Notes to the Agency's Accounts

## Statement of accounting policies

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel Northern Ireland. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Rivers Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Rivers Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

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

### 1.2 Property, plant and equipment

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 non-current asset is £5,000. Other non-current assets have been stated at current cost using indices extracted from a publication of the Office of National Statistics 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 31st 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 paragraph 6.2.8(i) using indices and other appropriate information.

### b. Culverts

The Agency manages a culvert network of 330 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 1st 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 31st 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.

### 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 non-current assets by equal instalments on a straight-line basis over their estimated useful lives, which are as follows:

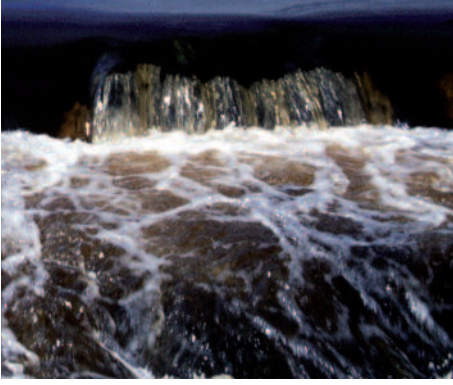
Culvert Infrastructure	120 years
Flood Defences	50 years
Freehold Buildings	10 to 50 years
Vehicles	5 to 10 years
Plant and Machinery	5 to 15 years
Equipment and Tools	3 to 10 years
Information Technology	3 to 7 years

### 1.5 Intangible assets

Purchased computer software licences are capitalised as intangible assets where expenditure of £5,000 or more is incurred. In addition similar licences falling below this threshold, which when grouped exceed the threshold, are also capitalised. The value of the capitalised licences is restated at current value at the balance sheet date in accordance with the movement in the Retail 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 Inventories

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



## 1.7 Research and development expenditure

Research and development expenditure is expensed or capitalised in line with IAS 38. Research expenditure can never be capitalised and development expenditure can only be capitalised under limited circumstances.

## 1.8 Assets classified as held for sale

Assets held for sale are measured at the lower of carrying amount and fair value less direct selling costs.

## 1.9 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.

## 1.10 Taxation

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

## 1.11 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.

## 1.12 Administration and programme expenditure

The Operating Cost Statement is analysed internally between administration and programme Income and expenditure. The classification of expenditure and Income as administration or as programme follows the definition of administration costs set out in Managing Public Money (Northern Ireland).

## 1.13 Capital charge

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, property, plant and equipment and intangible 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.

#### 1.14 Pension costs

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS (NI)) which are described in Note 4.1. The defined benefit scheme is unfunded and non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI).

The Agency is required to meet the additional cost of benefits beyond the normal PCSPS (NI) benefits in respect of employees who retire early. The Agency provides in full for this cost when the early retirement programme has been announced and this is binding on the Agency.

#### 1.15 Employee Benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2010. It is not anticipated that the level of untaken leave will vary significantly from year to year.

#### 1.16 Contingent liabilities

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

### 1.17 Accounting standards, interpretations and amendments to published standards adopted to the year ended 31 March 2010

The Agency has reviewed the standards, interpretations and amendments to published standards that became effective during 2009-10 and which are relevant to its operations. The Agency anticipates that the adoption of these standards will have no material impact on the Rivers Agency's financial position or results of operations.

### 1.18 Accounting standards, interpretations and amendments to published standards not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Agency's accounting periods beginning on or after 1 April 2010, but which the Agency has not adopted early. The Agency does not anticipate that the adoption of these standards will have a material impact on the Agency's accounts in the period of initial application.

## 2. First-time adoption of IFRS

	<b>General fund £'000</b>	<b>Revaluation reserve £'000</b>
Taxpayers' equity at 31 March 2008 under		
UK GAAP	258,381	160,275
Adjustments for:		
IAS 16 Property, plant and equipment	(677)	-
IAS 19 Employee Benefits	(197)	-
	<u>257,507</u>	<u>160,275</u>
Taxpayers equity at 1 April 2008 under IFRS		
Taxpayers' equity at 31 March 2009 under		
UK GAAP	261,484	142,924
Adjustments for:		
IAS 16 Property, plant and equipment	(851)	-
IAS 19 Employee Benefits	(209)	-
	<u>260,424</u>	<u>142,924</u>
Taxpayers equity at 1 April 2009 under IFRS		
Net operating cost for 2008-09 under		
UK GAAP		<b>£'000</b> 36,296
Adjustments for:		
IAS 16 Property, plant and equipment		137
IAS 19 Employee Benefits		12
		<u>36,445</u>
Net operating cost for 2008-09 under IFRS		



### 3. Analysis of Net Operating Cost by Segment

The Agency Management Board is considered to be Chief Operating Decision Maker in the reporting period for the purposes of IFRS 8: Operating Segments. The Board meets on a monthly basis and utilize financial information analysed into the following segments:

Description	£'000
Staff costs	11,319
Other Administrative costs	3,209
Income	(407)
Programme costs	25,002

### 4. Staff numbers and related costs

#### 4.1 Staff Costs

	2009/10 Total £'000	Permanently employed staff £'000	Others £'000	2008/09 Total £'000
Wages and salaries	9,540	9,540	-	9,116
Social security costs	628	628	-	615
Other pension costs	1,489	1,489	-	1,434
<b>Sub Total</b>	<b>11,657</b>	<b>11,657</b>	-	<b>11,165</b>
Less Capitalised Engineers' time	(338)	(338)	-	(702)
	<u>11,319</u>	<u>11,319</u>	<u>-</u>	<u>10,463</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 2009/10, employers' contributions of £1,488,625 were payable to the PCSPS (NI) (2008/09 £1,433,910) 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.

## 4.2 Average number of persons employed

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

	<b>2009/10 Total Number</b>	<b>Permanent Staff</b>	<b>Others</b>	<b>2008/0 Total Number</b>
Directly Employed	384	384	-	390
Other	1	-	1	2
Staff engaged on capital projects	30	30	-	30
	<hr/> 415 <hr/>	<hr/> 414 <hr/>	<hr/> 1 <hr/>	<hr/> 422 <hr/>



## 5. Other Administrative Costs

	2009/10 £'000	2008/09 £'000
Travel and subsistence	424	565
Telephone	97	75
Staff training	121	137
Printing, stationery & advertising	87	32
Accommodation costs	330	327
Hospitality	3	1
Miscellaneous	18	26
Permanent diminution	-	7
Notional costs	2,096	1,611
Audit Fee	21	17
Cost of capital	3	3
Depreciation	9	55
	<b>3,209</b>	<b>2,856</b>

During the year the Agency did not purchase any non-audit services from its auditor, The Northern Ireland Audit Office, or its sub-contractors.

## 6. Programme costs

	NOTE	2009/10 £'000	2008/09 £'000
Supplies, Services and Stores		1,363	966
Plant, vehicle & equipment costs		835	634
Other expenditure		607	558
Other maintenance		767	648
Culvert maintenance		131	83
Loss on disposal of assets		54	(59)
Provision provided for in year	17	666	-
Cost of capital		13,970	14,403
Depreciation		6,559	6,213
Impairment		50	-
		<b>25,002</b>	<b>23,446</b>

## 7. Income

Income comprises monies received in respect of the following:

	2009/10 £'000	2008/09 £'000
Work done for Department of Culture, Arts & Leisure under the terms of a Service Level Agreement	284	124
Work done for other Government Departments	-	122
Sundry income	123	74
	<b>407</b>	<b>320</b>

Net profit from the disposal of non-current assets during the year was £20,646.



## 8. Property, plant and equipment

### Cost or valuation As at 1 April 2009

	Land & Buildings £'000	Infrastructure Assets £'000	Plant and Machinery £'000	Information Technology £'000	Payments on Account and Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>						
As at 1 April 2009	17,037	490,838	8,969	195	4,660	521,699
Additions	41	0	739	12	6,096	6,888
Disposals	0	0	(311)	(147)	(4)	(462)
Revaluations	(1,991)	(9,913)	121	3	0	(11,780)
Transfers	0	6,049	0	0	(6,049)	-
As at 31 March 2010	15,087	486,974	9,518	63	4,703	516,345
<b>Accumulated Depreciation</b>						
As at 1 April 2009	1,245	110,835	5,780	127	0	117,987
Charged in year	427	5,153	937	9	0	6,526
Disposals	0	0	(267)	(92)	0	(359)
Revaluations	(137)	(2,519)	56	0	0	(2,600)
As at 31 March 2010	1,535	113,469	6,506	44	0	121,554
<b>Net Book Value</b>						
As at 31 March 2010	13,552	373,505	3,012	19	4,703	394,791
As at 1 April 2009	15,792	380,003	3,189	68	4,660	403,712

## 8. Property, plant and equipment

### Cost or valuation As at 1 April 2008

	<b>Land &amp; Buildings £'000</b>	<b>Infrastructure Assets £'000</b>	<b>Plant and Machinery £'000</b>	<b>Information Technology £'000</b>	<b>Payments on Account and Assets Construction £'000</b>	<b>Under Total £'000</b>
<b>Cost or Valuation</b>						
As at 1 April 2008	19,062	505,779	8,643	201	2,449	536,134
Additions	261	4,638	497	0	2,837	8,233
Disposals	0	0	(502)	(12)	0	(514)
Revaluations	(1,386)	(20,180)	331	(19)	0	(21,254)
Reclassifications	(900)	601	0	25	(626)	(900)
As at 31 March 2009	17,037	490,838	8,969	195	4,660	521,699
<b>Accumulated Depreciation</b>						
As at 1 April 2008	886	110,330	5,194	105	0	116,515
Charged in year	449	4,856	823	34	0	6,162
Disposals	0	0	(486)	(12)	0	(498)
Revaluations	(90)	(4,351)	249		0	(4,192)
As at 31 March 2009	1,245	110,835	5,780	127	0	117,987
<b>Net Book Value</b>						
As at 31 March 2009	15,792	380,003	3,189	68	4,660	403,712
As at 1 April 2008	18,176	395,449	3,449	96	2,449	419,619





### 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. Includes assets reclassified as being held for sale.

### 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 2010 has been applied to the culvert valuation for the purpose of these accounts.

## 9. Intangible assets

The Agency's intangible assets comprise purchased software licences.

	<b>Total £'000</b>
<b>Cost or Valuation</b>	
At 1 April 2009	297
Additions	9
Disposals	(9)
Revaluations	4
At 31 March 2010	<u>301</u>
<b>Amortisation</b>	
At 1 April 2009	117
Charge for year	42
Disposals	(7)
At 31 March 2010	<u>152</u>
<b>NBV @ 31/3/10</b>	<u><b>149</b></u>
<b>NBV @ 31/3/09</b>	<u><b>180</b></u>
<b>Cost or Valuation</b>	
At 1 April 2008	169
Additions	129
Revaluations	(1)
At 31 March 2009	<u>297</u>
<b>Amortisation</b>	
At 1 April 2008	74
Charge for year	43
At 31 March 2009	<u>117</u>
<b>NBV @ 31/3/09</b>	<u><b>180</b></u>
<b>NBV @ 31/3/08</b>	<u><b>95</b></u>



## 10. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Agency has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 Financial Instruments: Recognition and Measurement trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

The Agency assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past due beyond 361 days are generally not recoverable.

The Agency measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Operating Cost Statement and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was

recognised, the previously recognised loss is reversed by adjusting the allowance.

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

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

## 11. Impairments

The Agency has not applied any cost through the Operating cost statement during the period or charged any cost to the revaluation reserves.

## 12. Assets classified as held for sale

Asset classified as held for sale is 4.27 acres of land deemed surplus to requirements. The disposal is subject to disposal on the open market should there be no interested parties resulting from the public sector trawl process. The timing of transfer or sale is expected to be complete during the next financial year at residual book value.

## 13. Inventories

	<b>2009/10</b>	<b>2008/09</b>	<b>1st April 08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Inventories	294	281	301



## 14. Trade receivables and other current assets

Amounts falling due within one year:

	2009/10 £'000	2008/09 £'000	1st April 08 £'000
VAT	311	421	247
Trade receivables	155	124	95
Other receivables	3	26	11
Prepayments and accrued income	84	-	-
	<u>553</u>	<u>571</u>	<u>353</u>

Included within trade receivables is £45,919 (2008/09: £25,446) that is due from other central government bodies.

## 15. Cash and cash equivalents

	2009/10 £'000	2008/09 £'000	1st April 08 £'000
Balance at 1 April	3	2	2
Net change in cash and cash equivalent balances	-	1	-
Balance at 31 March	<u>3</u>	<u>3</u>	<u>2</u>
The following balances at 31 March were held at:			
Commercial banks and cash in hand	3	3	2
Balance at 31 March	<u>3</u>	<u>3</u>	<u>2</u>

## 16. Trade payables and other current liabilities

Amounts falling due within one year:

	2009/10 £'000	2008/09 £'000	1st April 08 £'000
VAT			
Other taxation and social security	-	81	33
Trade payables	267	99	12
Other payables	25	247	163
Capital payables	1,960	1,402	1,447
Accruals and deferred income	1,379	230	711
	<u>3,631</u>	<u>2,059</u>	<u>2,366</u>

Included within accruals and deferred income is £110,000 (2008/09: £ Nil) that is due to other central government bodies.

## 17. Provisions for liabilities and charges – litigation costs

	2009/10 £'000	2008/09 £'000	1st April 08 £'000
Balance at 1 April	190	222	116
Provided in the year	666	-	142
Provisions not required written back	-	(20)	(22)
Provisions utilised in the year	-	(12)	(14)
Balance at 31 March	<u>856</u>	<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.

### Equal pay -

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. 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 IAS 37. The ministerial statements have created an obligation on the part of the NICS to comply with equal pay legislation. During the financial year the timing and values of payments have been calculated and made public knowledge. Consequently, the reliability of timing and obligations has not been agreed to date and a provision of £638,000 represents the Agency's departmental allocation.

## 18. Capital commitments

	2009/10 £'000	2008/09 £'000	1st April 08 £'000
Contracted capital commitments at 31 March 2010 not otherwise included in these accounts			
Property, plant and equipment	604	1,605	3,610

## 19. Commitments under leases

The Agency did not enter into or hold any finance or operating leases during the reporting period (2009: £ Nil).

## 20. Commitments under PFI

The Agency did not enter into or hold any PFI contracts during the reporting period (2009: £ Nil).

## 21. Other Financial Commitments

The Agency did not enter into or hold any other financial commitments during the reporting period (2009: £ Nil).

## 22. 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.

## 23. Losses and special payments

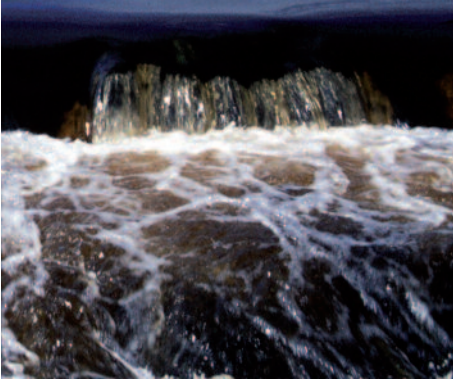
Losses statement:

There were no cases of theft during the year (2009: one case totalling £3,500).

Special payments:

There were no special payments during the year (2009: none).





## 24. 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.

## 25. Third Party Assets

The Agency does not hold any third party assets and does not have any assets being held by other parties.

## 26. Subsequent events

There were no subsequent events, as defined by IAS 10 between the date of signing by the Chief Executive and the date of submission to the Northern Ireland Assembly, requiring disclosure or adjustment in the financial statements.



## Appendices





# Appendix I

## Key Objectives and Performance Targets

## Progress

### 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. | Achieved |
| 1.2 Restructure flood risk management delivery (PSA Target).                                                                                  | Achieved |
| 1.3 Identify and implement lessons learned from the August 2008 floods.                                                                       | Achieved |

### 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).   | Achieved     |
| 2.2 Publish the Strategic Surface Water Map for Northern Ireland.                                 | Not Achieved |
| 2.3 Undertake the Preliminary Flood Risk Assessment (PSA Target).                                 | Achieved     |
| 2.4 Complete flood mapping pilot study and commence flood mapping programme (PSA Target).         | Achieved     |
| 2.5 Prepare a detailed programme for the development of Flood Risk Management Plans (PSA Target). | Achieved     |

## Appendix I (continued)

### Key Objectives and Performance Targets Progress

#### 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). | Achieved |
| 3.2 Improve drainage infrastructure to cater for development of 40 hectares of land.                                                                              | Achieved |
| 3.3 Respond to 98% of Schedule 6 applications within 3 months.                                                                                                    | Achieved |
| 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.  | Achieved |

#### Key Objective 4:

#### **To maintain flood defence and drainage infrastructure in a satisfactory condition**

- |                                                                                                                              |              |
|------------------------------------------------------------------------------------------------------------------------------|--------------|
| 4.1 Develop a fluvial asset management plan.                                                                                 | Achieved     |
| 4.2 Complete structural repairs to 1.46 km of the designated culvert network where collapse is likely or imminent            | Achieved     |
| 4.3 Inspect & maintain as required, 98% of all designated urban open watercourses in accordance with the Maintenance Manual. | Achieved     |
| 4.4 Inspect & maintain as required, 98% of all designated culvert inlet grilles in accordance with the Maintenance Manual    | Not Achieved |
| 4.5 Maintain a minimum of 442 designated rural watercourses as part of the Agency's 6 year scheduled programme               | Achieved     |



## Appendix I (continued)

### Key Objectives and Performance Targets

### Progress

#### Key Objective 5:

##### To operate to resource limits

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

#### Key Objective 6:

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

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

#### 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 | Not Achieved |
| 7.2 | Respond to 80% of planning application consultations within 21 working days of receipt. | Achieved     |
| 7.3 | Establish an Agency communication strategy.                                             | Achieved     |

## Appendix 2

### Membership of the Drainage Council for Northern Ireland

Name of Member	Interest Represented
Mr. Gerald Crawford (Chairman)	Fisheries
Alderman Hubert Nicholl (Vice-Chairman)	Ballymena Borough Council
Alderman Roy Beggs	Larne Borough Council
Councillor Sean Clarke	Cookstown District Council
Councillor Michael Gillespie	Dungannon and South Tyrone Borough Council
Councillor Alan Graham	North Down Borough Council
Councillor Oliver Hughes	Magherafelt District Council
Councillor William King, MBE	Coleraine Borough Council
Councillor Jim McBriar	Ards Borough Council
Councillor Gerry McHugh MLA	Fermanagh District Council
Councillor Allan Rainey	Omagh District Council
Mr. Tom Clarke	DOE Planning Service
Mr. Robert Cummings	Agriculture
Ms R J Dobbin	Conservation
Mr. Trevor Hinds	Industry
Dr. Harold Johnston	Drainage Specialist
Vacant	Tourism
Mr. John C Clarke	Rivers Agency



## Appendix 3

### Agency Offices

#### **Agency Headquarters**

Hydebank  
4 Hospital Road  
Ballydollaghan  
BELFAST BT8 8JP

Tel: 028 9025 3355

Fax: 028 9025 3455

#### **Western Region**

Regional Office  
Woodside Avenue  
Gortin Road  
Lisnamallard  
OMAGH BT79 7BS

Tel: 028 8225 4900

Fax: 028 8225 4901

#### **Coleraine Office**

37 Castleroe Road  
Castleroe  
COLERAINE BT51 3RL

Tel: 028 7034 2357

Fax: 028 7032 0628

#### **Fermanagh Office**

Riversdale  
Ballinamallard  
Tullylone  
ENNISKILLEN BT94 2NA

Tel: 028 6638 8529

Fax: 028 6638 8972

#### **Eastern Region**

Regional Office  
Ravarnet House  
Altona Road  
Largymore  
LISBURN BT27 5QB

Tel: 028 9260 6100

Fax: 028 9260 6111

#### **Armagh Office**

44 Seagoe Industrial Estate  
Seagoe Lower  
CRAIGAVON BT63 5QE

Tel: 028 3839 9111

Fax: 028 3839 9113

#### **Plant Unit**

44 Seagoe Industrial Estate  
Seagoe Lower  
CRAIGAVON BT63 5QE

Tel: 028 3839 9100

Fax: 028 3839 9112

## Appendix 4

### Agency Management Board

<b>Chief Executive Mr John C. Clarke</b>			
<b>Director of Engineering</b>	<b>Director of Operations</b>	<b>Director of Development</b>	<b>Director of Corporate Services</b>
<b>Mr. P Aldridge</b>	<b>Mr. P Mehaffey</b>	<b>Mr. D Porter</b>	<b>Mr. J Glass</b>
Programme of capital works; and Design Construction procurement; Hydrometrics; Asset Management; and Engineering Policy Professional development	Operational management of the Eastern Region; Operational management of the Western Region; Operations Support Unit; Health and Safety; Environment; and Emergency planning	Implementation of the EU Floods Directive; Mapping and Modeling; Strategic Planning; and Planning Advisory.	Finance; Corporate Support and training; Policy; IT; and Communications



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