



Annual Report
and Accounts
2011-2012



www.riversagencycni.gov.uk



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

Rivers Agency
Annual Report and Accounts
For the year ended 31 March 2012

*Laid before the Northern Ireland Assembly
under section 11(3) (c) of the Government Resources
and Accounts Act (Northern Ireland) 2001
by the Department of Agriculture and Rural Development
on
3rd July 2012*

Annual Report 2011-2012



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Chief Executive's Foreword

I am pleased to present the Rivers Agency's ("the Agency") Report and Accounts for the year ended 31 March 2012. 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 2011/12 reducing flooding risk and minimising the damage caused by flooding continued to be priority issues for the Agency. Resources were devoted to the efficient management of our infrastructure assets and the delivery of cost beneficial flood alleviation schemes.

The EU Directive on the assessment and management of flood risk (2007/60/EC) more commonly known as the Floods Directive was transposed into Northern Ireland Regulation in November 2009 and is known as 'The Water Environment (Floods Directive) (Northern Ireland) Regulations 2009'.

Within the Directive there are 3 delivery milestones:

- Preliminary Flood Risk Assessment (PFRA) – December 2011 (achieved);
- Flood Hazard and Risk Maps – December 2013; and
- Flood Risk Management Plans – December 2015.

A report on the PRFA was published on the Departmental website in December 2011. The PFRA considers flooding from all of the main flood sources which have been determined to be rivers, the sea, surface water runoff and impounded water bodies such as dams and reservoirs.

During 2011/12 the Agency achieved 15 of the 18 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 play a key role in providing information and advice to Department of Environment, Planning NI on the drainage and flood protection aspects of Development Plans and planning applications in line with the Planning Policy Statement 15 - Planning and Flood Risk. The Agency is actively involved in supporting Planning NI with a review of Planning Policy Statement 15 to bring it into line with the Floods Directive and to update policies related to all sources of flooding.

In February 2012 the Minister appointed ten members to fill vacancies on the reconstituted Drainage Council for Northern Ireland. I would like to take this opportunity to express my thanks to the out-going members for their commitment to the Drainage Council which 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.



PHILIP MEHAFFEY

Acting Chief Executive

27th June 2012



Directors' Report

Introduction

The Agency presents its Annual Report and Accounts for the financial year ended 31 March 2012.

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 1.13 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
David Porter	Director of Development
Jeff Glass	Director of Corporate Services
Wendy Johnston	Non Executive Director
Shaun Donnelly	Non Executive Director (appointed 20th June 2011)

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 2011/12 resulted in a notional audit fee of £12,475k which is included in the administration costs in the Statement of Comprehensive Net Expenditure. 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 2010/11 to allow payments to be made within 10 days of receipt. The Agency was able to facilitate 80.76% (71.31% in 2010/11) of payments during 2011/12.

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 93.75% (90.3% in 2010/11) were paid within this standard. In this context it is relevant to note that the Agency does not itself pay suppliers directly, but postings are made through Account NI.

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 11 "Requests for Information", falling within the terms of this legislation, were received within the period of this report (22 in 2010/11).

Health & Safety

In carrying out works the Agency strictly adheres to all Health and Safety legislation and endeavours to create a safe working environment both for staff and in areas accessible to the public. The Agency continues to adopt a pro-active role on health and safety issues and continually reviews and update procedures. Ongoing and continuous training of staff remains a key element in reducing accident rates.

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, news sheets for Industrial staff, regular management meetings and through the Agency's and DARD's Internet/Intranet sites. All staff receive copies of the departmental staff magazine 'DARD BIZZ' 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. It should be noted that the figures do not take account of any amendments and/or additions made to absence records after the date of each month's extract.

Table 1 Sickness Absence in 2011/12

Staff	Average days lost per member of staff	Agency Target
Non-Industrial	6.8 (7.6 in 2010/11)	9.6 days
Industrial	8.3 (10.9 in 2010/11)	12.0 days

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.

Philip Mehaffey

Acting Chief Executive 27th June 2012

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 400 staff at 31 March 2012 (415.5 at 31 March 2011) 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 two independent Non Executive Directors 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 2010/11

The Agency uses Account NI, the shared service financial accounting system which was introduced to support the production of accruals and resource accounts for all Northern Ireland Government Departments and their Agencies. The Agency does not have an independent accounting system of its own.

The Agency carried out its budget management and monitoring regime on an accruals basis during the year.

The Agency's administration and running costs budget (Admin Cost Limit) was £11.805m for 2011/12 (£11.6 million for 2010/2011). The budget for the Agency's programme of capital and maintenance works was £9.518m for 2011/12 (£8.74 million for 2010/11).

Income has increased from £409k in 2010/11 to £428k in 2011/12.

The Net Operating Cost has increased from £24,116k in 2010/11 to £25,376k in 2011/12. Staff costs have decreased from £11,279k in 2010/11 to £10,850k in 2011/12. Other administration costs have increased by 7% (from £3,108k in 2010/11 to £3,346k in 2011/12). Programme costs have increased from £10,138k in 2010/11 to £11,608k in 2011/12. The value of the Agency's non current assets increased from £528m to £554m over the year. This can be attributed to a £23m increase in the value of networking assets and a £3m increase in the value of assets under construction.

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 two independent Non Executive Members. The Board meets on a regular basis and is chaired by the Chief Executive who is also the Agency Accounting Officer. Board agendas, papers and minutes are held on Tower Records Information Management (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. During the period April 2011 – March 2012 the Audit Committee was chaired by Stephen Mc Murray who is independent of the Agency. The other members of the Audit 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 Audit Committee.

Under the terms of a Service Level Agreement (SLA), DARD Internal Audit Branch provided an annual report and opinion for 2011/12 to the Chief Executive as Agency Accounting Officer. The annual report and opinion in respect of the 2011/12 business year provided an overall satisfactory opinion 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's 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 2011/12.

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 the Northern Ireland Assembly.

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 2011/12

The Agency had 18 targets in 2011/12 including 3 Departmental Corporate Balanced Scorecard targets. Internal Audit validated that the Agency achieved 15 of the 18 targets (Appendix 1) set by the Minister for the 2011/12 business year. The Corporate Balanced Scorecard targets are outlined in Table 2.

Table 2 Rivers Agency 2011/12 Corporate Balanced Scorecard Targets

Corporate Balanced Scorecard Targets	Progress
Obtain Ministerial approval for the draft Reservoirs Bill.	Achieved
Complete at least 40% of the maps and commence 2 Flood Risk Management Plans (FRMPs) as the year 3 actions in a 6 year plan to implement the EU Floods Directive by 2015.	Achieved
Subject to the availability of resources, over the period 2011-15 construct infrastructure to offer enhanced flood protection to 1,700 properties of which 64 will be delivered in 2011-12.	Not Achieved

Review of Activity in 2011/12

Flood Alleviation

While investment in flood alleviation has reduced the risk of flooding to people and property, a significant element of risk remains. This risk has materialised in recent years demonstrating the very real cost of flooding to society and highlighting the need for flood alleviation schemes to protect people and property. The Agency delivers an ongoing programme of flood alleviation schemes which seek to maximise the benefit to people and property from available resources. In delivering flood alleviation the risk of flooding to new and existing development is also taken into account.



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

The Agency plays a key role in providing information and advice to DOE Planning NI on the drainage and flood risk aspects of Development Plans and planning applications in line with the Planning Policy Statement 15 - Planning and Flood Risk. The Agency is actively involved in supporting DOE Planning NI with a review of Planning Policy Statement 15 to bring it into line with the Floods Directive and to update policies related to all sources of flooding.

Water Level Measuring

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.

Asset Management

During 2011/12 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.

EU Floods Directive

The EU Directive on the assessment and management of flood risk (2007/60/EC) more commonly known as the Floods Directive was transposed into Northern Ireland Regulation in November 2009 and is known as ‘The Water Environment (Floods Directive) (Northern Ireland) Regulations 2009’.

Within the Directive there are 3 delivery milestones:

- Preliminary Flood Risk Assessment (PFRA) – December 2011 (achieved);
- Flood Hazard and Risk Maps – December 2013; and
- Flood Risk Management Plans – December 2015.

A report on the PRFA was published on the Departmental website in December 2011. The PFRA considers flooding from all of the main flood sources which have been determined to be rivers, the sea, surface water runoff and impounded water bodies such as dams and reservoirs.

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 for 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 2010/11, there was still a significant number of requests for assistance made directly to Rivers Agency or through the Flooding Incident Line.

Following the extensive flooding, which occurred mainly in the west of the province in October 2011, the DARD Minister asked Assembly Private Secretary, Pat Doherty MP, MLA to carry out a review into the operational performance of the Rivers Agency during the events.

In December 2011 the Review into the Operational Performance of Rivers Agency was published making the following 7 recommendations:

- Capacity and funding within the Rivers Agency needs to be progressively increased;
- Local Councils to agree to play a part in the emergency response to flooding;
- Rivers Agency should explore the willingness of Community Groups to be part of the organised flood response;
- Sandbag reserves to be stored over a wider number of locations, preferably close to identified flooding 'hot spots';
- Sandbag reserves should be increased over time;
- The Minister should receive an early briefing, in future, as soon as it is decided to take pre-emptive action to prepare for a possible flood; and
- Alternative means of telephone communication to the IPT telephony is included in the Agency's Emergency Plan, as a back up.

The Agency has welcomed the recommendations and is actively engaged in implementing them.

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 were 4 reportable accidents in 2011/12.

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. The Upper Lough also remained within the range specified in the Erne Drainage and Development Act. The sluice gates at Portora are used to ensure that sufficient water is retained in the Upper Lough to provide adequate depths in the navigable channels.

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. There were no significant breaches of the upper or 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.dardni.gov.uk/riversagency

The Agency's performance against key measurable standards of customer care is shown in Table 3.

Table 3 *Out-turn Against Charter Standards 2011/12**

Standard	Out-turn
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

*The 4 Charter Standards targets above differ from the targets set out in Appendix 1.

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.

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.dardni.gov.uk/riversagency. 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 at 31 March 2012 are set out in Appendix 2.

Future Developments

The incoming year presents new challenges to the Agency such as the economic downturn and additional efficiencies arising from the Budget 2010. 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 EU Directive on the assessment and management of flood risk (2007/60/EC) more commonly known as the Floods Directive was transposed into Northern Ireland Regulation in November 2009 and is known as 'The Water Environment (Floods Directive) (Northern Ireland) Regulations 2009'.

Within the Directive there are 3 delivery milestones:

- Preliminary Flood Risk Assessment (PFRA) – December 2011 (achieved);
- Flood Hazard and Risk Maps – December 2013; and
- Flood Risk Management Plans – December 2015.

For 2012/13 the Agency intends to produce at least 60% of the Flood Hazard and Risk Maps. During 2012/13 Flood Risk Management Plans will continue to be developed.

The Agency is progressing legislation to introduce regulation of reservoir safety. This need was identified in the policy framework document “Living with Rivers and the Sea”. The recently completed Preliminary Flood Risk Assessment as required by the EU Floods Directive has quantified the impact and confirmed the need for this legislation.

The policy that underpins the legislation has been informed by a series of stakeholder meetings that took place in 2011. In 2012 these policies will be subject to public consultation. It is intended to have this legislation on the statute book towards the end of 2013.

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 continues 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.

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 set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010/11 and 2011/12 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint. The freeze on pay in 2010/11 and 2011/12 also applies to Permanent Secretaries.

The pay system in place for senior civil servants in the Northern Ireland Civil Service is currently under review.

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

Salary and pension entitlements

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

Remuneration (Audited)

Officials	2011-12			2010-11		
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to (nearest £100)
Mr John C Clarke <i>Chief Executive</i>	60-65	Nil	Nil	60-65	Nil	Nil
Mr Philip Mehaffey <i>Director of Operations</i>	55-60	Nil	Nil	50-55	Nil	Nil
Mr Jeff Glass <i>Director of Corporate Services</i>	45-50	Nil	Nil	40-45	Nil	Nil
Mr Pat Aldridge <i>Director of Engineering</i>	55-60	Nil	Nil	55-60	Nil	Nil
Mr David Porter <i>Director of Development</i>	50-55	Nil	Nil	45-50	Nil	Nil
Miss Wendy Johnston <i>Non Executive Director</i>	Salary and allowances paid by the Parent Department in respect of the Agency; this is a non remunerated post.			Salary and allowances paid by the Parent Department in respect of the Agency; this is a non remunerated post.		
Mr. Shaun Donnelly <i>Non Executive Director</i>	Salary and allowances paid by the Parent Department in respect of the Agency; this is a non remunerated post					
Band of Highest Paid Director's Total Remuneration	60 - 65			60 – 65		
Median Total Remuneration	£21,127			£20,361		
Ratio	3.0			3.1		



Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director, whether or not the Accounting Officer or Chief Executive, in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Rivers Agency in the financial year 2011-12 was £60k-65k (2010-11, £60k-65k). This was 3.0 times (2010-11, 3.1) the median remuneration of the workforce, which was £21,127 (2010-11, £20,361).

In 2011-12, Nil (2010-11, Nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £12,487 to £62,601 (2010-11 £14,981 - £62,601).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Benefits in kind

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

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2011-12 relate to performance in 2011-12 and the comparative bonuses reported for 2010-11 relate to the performance in 2010-11. There were no bonuses paid in either 2010-11 or 2011-12.

Pension Benefits (Audited)

Pension Entitlements

Officials	Accrued pension at age 60 as at 31/3/12 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/12	CETV at 31/3/11 ***	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>	30-35 plus lump sum of 90-95	(0-2.5) plus lump sum of (0-2.5)	695	690	(20)	-
Mr Philip Mehaffey <i>Director of Operations</i>	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 0-2.5	588	526	17	-
Mr Jeff Glass <i>Director of Corporate Services</i>	10-15 plus lump sum of 40-45	0-2.5 plus lump sum of 0-2.5	235	208	9	-
Mr Pat Aldridge <i>Director of Engineering</i>	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	452	403	14	-
Mr David Porter <i>Director of Development</i>	5-10 plus lump sum of 25-30	0-2.5 plus lump sum of 0-2.5	116	98	9	-
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.					
Mr. Shaun Donnelly <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 actuarial factors used to calculate CETVs were changed in 2011/12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.



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. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). 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 a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2012, public service pensions will be increased by 5.2% with effect from 9 April.

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.dfpni.gov.uk/civilservicepensions-ni

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.

The actuarial factors that are used in the CETV calculation were changed during 2011, due to changes in demographic assumptions. This means that the CETV in this year's report for 31/03/11 will not be the same as the corresponding figure shown in last year's report.



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.

Compensation for loss of office

There were no compensation payments made to senior staff for loss of office in 2010/11 or 2011/12.

Philip Mehaffey

Acting Chief Executive

27th June 2012





Statement of the Agency' 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 Accounting Officer is required to comply with the Government Financial Reporting Manual 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 of the Department of Agriculture and Rural Development has designated the Chief Executive of the Rivers Agency as the Accounting Officer of 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, regular Board meetings and the Corporate Governance and Audit Committee which met three times in 2011/12, 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 2012 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

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

- The Board chaired by the Chief Executive and comprising Directors and two Independent members;
- 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 2011/12 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;
- Minutes of meetings held by 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 report and opinion from Internal Audit for 2011/12 resulted in an overall satisfactory 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 will each acknowledge 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 Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the 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 2011/12 provided a satisfactory Audit opinion in relation to the systems of internal control. My management team have accepted the Internal Audit recommendations and are addressing the areas for improvement;
- The Audit Committee ensures that appropriate action is taken to address internal and external findings raised throughout the year;
- Corporate Governance and Audit Committee Annual Report for 2011/12;
- Support Statements prepared by each of the Directors within the Agency; and
- Comments made by the NIAO in their Report to those Charged with Governance and other reports.
- The Statement of Compliance with the Commissioner for Public Appointments for Northern Ireland Code of Practice for Ministerial Appointments to Public Bodies – The application form, information pack and press release used in the recruitment of members to the Drainage Council did not meet the standard required by the Code of Practice. Systems have been put in place to ensure future compliance.
- Following a report by the Ombudsman the Agency made a payment of £3,000 to a Landowner. My Management Team has taken on board the findings in the report by the Ombudsman.

Significant Internal Control Issues

The annual report and opinion from Internal Audit for 2011/12 resulted in an overall satisfactory audit opinion. However a stocktaking review of Riversdale store identified a number of areas of concern. In addition a draft corporate review of procurement within DARD identified some issues in relation to the Agency. Internal Audit have made recommendations to enhance controls in both these areas and these have been accepted by management and will be addressed during 2012/13. All recommendations made by Internal Audit and NIAO will 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.

A handwritten signature in dark ink, reading "Philip Mehaffey". The signature is written in a cursive style with a large initial 'P'.

Philip Mehaffey

Acting Chief Executive

27th June 2012



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

I certify that I have audited the financial statements of the Rivers Agency for the year ended 31 March 2012 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statement of Comprehensive Net Expenditure, 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 Chief Executive's Responsibilities, the Chief Executive as Accounting Officer 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 examine, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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 31 March 2012 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 Executives Foreword, Directors Report, Management Commentary and 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 and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- 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.

KJ Donnelly
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

2nd July 2012

Statement of Comprehensive Net Expenditure for the year ended 31 March 2012

	NOTE	£'000 Staff Costs	2011/12 £'000 Other Costs	£'000 Income	2010/11 £'000
Administration Costs					
Staff costs	3.1	873			1,100
Other Administrative costs	4		3,346		3,108
Operating Income	6			(37)	(64)
Programme Costs					
Staff costs	3.1	9,977			10,179
Programme costs	5		11,608		10,138
Income	6			(391)	(345)
Totals		10,850	14,954	(428)	24,116
Net Operating Cost				25,376	24,116
The net cost of operations arises wholly from continuing operations.					
Other Comprehensive Expenditure					
			2011/12 £'000		2010/11 £'000
Net Operating Cost b/f			25,376		24,116
Net gain/(loss) on revaluation of Property, Plant and Equipment			27,796		133,341
Net gain/(loss) on revaluation of Intangibles			7		1
Net gain/(loss) on revaluation of available for sales financial assets			-		-
Total Comprehensive Expenditure for the year ended 31 March 2012			(2,427)		(109,226)



Statement of Financial Position

As at 31 March 2012

	NOTE	2011/12 £'000	Restated 2010/11 £'000
Non-current assets:			
Property, plant and equipment	7	553,692	527,743
Intangible Assets	8	42	21
Total non-current assets		553,734	527,764
Current Assets:			
Assets classified as held for sale	11	-	-
Inventories	12	438	407
Trade and other receivables	13	288	449
Cash and cash equivalents	14	3	3
Total current assets		729	859
Total assets		554,463	528,623
Current liabilities			
Trade and other payables	15	(2,302)	(2,442)
Total current liabilities		(2,302)	(2,442)
Non-current assets plus/less net current assets/liabilities		552,161	526,181
Non-current liabilities			
Provisions	16	(449)	(292)
Total non-current liabilities		(449)	(292)
Assets less liabilities		551,712	525,889
Taxpayers' equity			
General Fund		257,075	258,860
Revaluation reserve		294,637	267,029
Total taxpayers' equity		551,712	525,889

Philip Mehaffey, Chief Executive
Date: 27th June 2012

Statement of Cash Flows

for the year ended 31 March 2012

Cash flows from operating activities	NOTE	2011/12 £'000	Restated 2010/11 £'000
Net operating cost		(25,376)	(24,116)
Depreciation	7,8	8,004	6,492
Notional and other non-cash costs	4	2,285	2,132
Loss on disposal of property, plant and equipment	5	111	(24)
(Increase) / decrease in inventories	12	(31)	(113)
(Increase) / decrease in trade and other receivables	13	161	104
Increase/(decrease) in trade payables	15	(127)	0
Use of provisions	16	157	(564)
Impairment of fixed assets	5	(25)	1,007
Net cash outflow from operating activities		(14,841)	(15,082)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(3,680)	(4,090)
Purchase of intangibles assets	8	(30)	(2)
Proceeds of disposal of property, plant and equipment		90	25
(Increase) / decrease in AICC	7	(2,601)	(2,090)
Increase/(decrease) in capital creditors	15	(19)	(1,189)
Net cash outflow from investing activities		(6,240)	(7,346)
Cash flows from financing activities			
Funding from parent department		21,081	22,428
Net financing		21,081	22,428
Net increase/(decrease) in cash and cash equivalents in the period		-	-
Cash and cash equivalents at the beginning of the period	14	3	3
Cash and cash equivalents at the end of the period	14	3	3



Statement of Changes in Taxpayers Equity for the year ended 31 march 2012

	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance as at 1 April 2010	258,337	133,766	392,103
Changes in taxpayers' equity for 2010-11			
Net gain/(loss) on revaluation of property, plant and equipment	-	133,341	133,341
Net gain/(loss) on revaluation of intangible assets	-	1	1
Non Cash Charges			
Auditor's remuneration	18	-	18
Other Notional Costs	2,114	-	2,114
Transfers between reserves	79	(79)	-
Comprehensive Net Expenditure	(24,116)	-	(24,116)
Total recognised income and expense for 2010-11	(21,905)	133,263	111,358
Funding From parent Department	22,428	-	22,428
Balance as at 31 March 2011	258,860	267,029	525,889
Balance as at 1 April 2011	258,860	267,029	525,889
Changes in taxpayers' equity for 2011-12			
Net gain/(loss) on revaluation of property, plant and equipment	-	27,796	27,796
Net gain/(loss) on revaluation of intangible assets	-	7	7
Non Cash Charges			
Auditor's remuneration	12	-	12
Other Notional Costs	2,273	-	2,273
Inter departmental transfer of assets for non consideration	36	-	36
Transfers between reserves	195	(195)	-
CFER's due to Consolidated Fund	(6)	-	(6)
Comprehensive Net Expenditure	(25,376)	-	(25,376)
Total recognised income and expense for 2011-12	(22,866)	27,608	4,742
Funding From parent Department	21,081	-	21,081
Balance as at 31 March 2012	257,075	294,637	551,712

The notes on pages 45 to 65 form part of these accounts

Notes to the Agency's Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2011-12 *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 Land and Property Services (LPS) 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 LPS at 1 April 2010. Buildings that are of a specialised nature, if ever sold on the open market, are valued at depreciated replacement cost. The minimum level of capitalisation of a tangible fixed asset is £5,000. Other tangible assets have been stated at current cost using indices extracted from a publication of The Stationery Office Limited entitled 'MM17 – Price Index Numbers for Current Cost Accounting'.

1.3 Networking assets

a. Flood defence

Expenditure on all flood defence assets is capitalised and depreciated over the useful economical 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 2012 a revaluation of the flood defence assets was carried out. This gave a new valuation for the flood defence assets



at 31 March 2012. The modern day replacement value (MDRV) of the flood defence assets is calculated from an In-House developed model using the CESMM3 carbon and price book 2011 to more accurately reflect “Modern Day” construction and procurement practices. The rates derived within the cost models are applied to the network statistics, which are contained within the Agencies Networking Asset Inventory Database. Each year the rates within the model will be updated to take account of the latest edition of CESMM carbon and price book and any additions and condition surveys that take place.

b. Culverts

The Agency manages a culvert network of 384 kilometres, in which there are over 7,000 culvert reaches, i.e. lengths of culverts between manholes. The depths at which culverts are laid vary between 1 metre and 12 metres.

In the financial year to 31st March 2012 a revaluation of the culvert network was carried out. This gave a new valuation for the culvert network at 31 March 2012. The modern day replacement value (MDRV) of the culvert network is calculated from an In-House developed model using the CESMM3 carbon and price book 2011 to more accurately reflect “Modern Day” construction and procurement practices. The rates derived within the cost models are applied to the network statistics, which are contained within the Agencies Networking Asset Inventory Database. Each year the rates within the model will be updated to take account of the latest edition of CESMM carbon and price book and any additions and condition surveys that take place.

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 Statement of Comprehensive Net Expenditure 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 based upon opening balance sheet values and calculated on an opening balance sheet value basis to write off the valuation of freehold buildings and other tangible 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
Computer Equipment	3 to 7 years

1.5 Intangible assets

Purchased computer software licences are capitalised as intangible non-current 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. Amortisation is calculated based upon opening balance sheet values.

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.



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 receivables and trade payables, 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 Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

1.12 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed 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 by Department of Finance and Personnel Northern Ireland.

1.13 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 3.2. 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.

1.14 Contingent liabilities

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

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

These comprise:

- Items over £100,000 that do not arise in the normal course of business and which are reported to 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.

1.15 Accounting standards, interpretations and amendments to published standards adopted to the year ended 31 March 2011

The Agency has reviewed the standards, interpretations and amendments to published standards that became effective during 2011-12 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.

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards have an effective date of January 2013, but have not yet been EU adopted. The application of these IFRS changes is subject to further review by Treasury and the other Relevant Authorities before due process consultation.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office National Statistics control criteria, as designated by Treasury. A review of the NI financial process is currently under discussion with the Executive, which will bring NI departments under the same adaptation. Should this



go ahead, the impact on departments is expected to focus around the disclosure requirements under IFRS 12. The impact on the consolidation boundary of NDPB's and trading funds will be subject to review, in particular, where control could be determined to exist due to exposure to variable returns (IFRS 10), and where joint arrangements need reassessing.

1.16 Impending application of newly issued accounting standards not yet effective

The Agency provides disclosure that it has not yet applied a new accounting standard and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the Agency's financial statements.

1.17 Prior Period Adjustment

The Agency capitalised £110k of information technology expenditure in 2008-09 as Intangible Assets. Upon review of IAS 16 and IAS 38, this expenditure has been re-stated under Property, Plant and Equipment; Information Technology. As per IAS 8, the Statement of Financial position, Property Plant and Equipment and Intangible Asset note have been re-stated. There is no effect on prior period outturn.

2. Statement of Operating Costs by Operating 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 regular basis and utilises financial information analysed into the following segments:

Description	£'000
Staff costs	10,850
Other Administrative costs	3,346
Income	(428)
Programme costs	11,608
Total	25,376

3. Staff numbers and related costs

3.1 Staff Costs comprise:

	Total £'000	2011/12 Permanently employed staff £'000	Others £'000	2010/11 Total £'000
Wages and salaries	9,639	9,606	33	10,243
Social Security Costs	686	686	-	676
Other Pension Costs	1,728	1,728	-	1,760
Sub Total	12,053	12,020	33	12,679
Less Capitalised Engineers' time	(1,203)	(1,203)	-	(1,400)
Total net costs	10,850	10,817	33	11,279

The Principal Civil Service Pension Scheme (Northern Ireland),“(PCSPS (NI))”, is an unfunded multi-employer 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 2007 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2011/12, employers' contributions of £1,727,855.68 were payable to the PCSPS (NI) (2010/11 £1,714,526) at one of four rates in the range 18 to 25 per cent of pensionable pay based on salary bands. The scheme's Actuary reviews employers contributions every four years following a full scheme valuation. From 2012-13 the rates will remain in the range 18% to 25% per cent. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can 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 three 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, 0.8% of pensionable pay, 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 (2010-11: £Nil). Contributions prepaid at that date were £Nil (2010-11: Nil).

2 individuals (2010-11: 8) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £466.31 (2010-11: £6,532.72).

3.2 Average number of persons employed

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

	2011/12			2010/11
	Total	Permanent Staff	Others	Total
Directly employed	369	369	-	385
Other	1	-	1	1
Staff engaged on capital projects	30	30	-	30
	<u>400</u>	<u>399</u>	<u>1</u>	<u>416</u>

3.3 Reporting of Civil Service and other compensation schemes - exit packages

There were Nil redundancy or early departure costs paid by the Agency in 2011-12 or 2010-11. In 2011-12, one member of staff was dismissed and received a compensation payment.

Agency				
I	Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
2	<£10,000	0	0	0
3	£10,000 - £25,000	0	1	1
4	£25,000 - £50,000	0	0	0
5	£50,000 - £100,000	0	0	0
6	£100,000 - £150,000	0	0	0
7	£150,000 - £200,000	0	0	0
8	Total number of exit packages	0	1	1
9	Total cost /£	0	24,413	24,413

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.



4. Other Administrative Costs

	2011/12 £'000	2010/11 £'000
Travel & subsistence	325	305
Telephone	100	90
Staff training	113	88
Printing, stationery & advertising	57	58
Accommodation costs	426	387
Hospitality	5	3
Miscellaneous	27	38
Permanent diminution	-	-
Notional costs	2,273	2,114
Audit fee	12	18
Depreciation	8	7
Total	3,346	3,108

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

5. Programme costs

	2011/12 £'000	2010/11 £'000
Supplies, Services and Stores	1,268	542
Plant, Vehicle & Equipment Costs	1,064	917
Other expenditure	392	477
Other maintenance	216	552
Culvert maintenance	161	182
Loss /(Profit) on disposal of property, plant and equipment	111	(24)
Provisions provided for in year	425	-
Depreciation	7,996	6,485
Impairment of fixed assets	(25)	1,007
Total	11,608	10,138

6. Income

Income comprises monies received in respect of the following:

	2011/12 £'000	2010/11 £'000
Dept. of Culture, Arts & Leisure	391	345
Sundry income	37	64
	428	409
Profit/Loss on disposal of property plant and equipment - receipt	90	0



7. Property, plant and equipment

2011/12	Land £'000	Buildings £'000	Networking Assets £'000	Plant and Machinery £'000	Information Technology £'000	Payments on Account Assets Under Construction £'000	Total £'000
Re-stated Cost or Valuation							
As at 1 April 2011	1,504	10,611	624,199	10,387	178	6,793	653,672
Additions	-	4	-	519	3	5,755	6,281
Disposals	(111)	(93)	-	(36)	(25)	-	(265)
Impairments	-	25	-	5	(1)	-	29
Revaluations	-	270	27,494	121	(2)	-	27,883
Reclassifications	-	-	1,991	-	1,163	(3,154)	-
Transfers	-	-	-	(24)	-	-	(24)
As at 31 March 2012	1,393	10,817	653,684	10,972	1,316	9,394	687,576
Accumulated Depreciation							
As at 1 April 2011	-	-	118,852	7,027	50	-	125,929
Charged in year	-	323	6,894	763	8	-	7,988
Disposals	-	(2)	-	(36)	(26)	-	(64)
Impairments	-	1	-	4	(1)	-	4
Revaluations	-	8	-	80	(1)	-	87
Transfers	-	-	-	(60)	-	-	(60)
As at 31 March 2012	-	330	125,746	7,778	30	-	133,884
Carrying Amount at 31 March 2012							
	1,393	10,487	527,938	3,194	1,286	9,394	553,692
Re-stated Carrying Amount at 31 March 2011							
	1,504	10,611	505,347	3,360	128	6,793	527,743

2010/11	Land £'000	Buildings £'000	Networking Assets £'000	Plant and Machinery £'000	Information Technology £'000	Payments on Account Assets Under Construction £'000	Total £'000
Re-stated Cost or Valuation							
As at 1 April 2010	2,189	12,898	486,974	9,518	173	4,703	516,455
Additions	-	36	-	941	3	5,200	6,180
Disposals	-	-	-	(238)	(1)	-	(239)
Impairments	(103)	(422)	-	5	-	-	(520)
Revaluations	(582)	(2,184)	134,398	161	3	-	131,796
Transfers	-	283	2,827	-	-	(3,110)	-
As at 31 March 2011	1,504	10,611	624,199	10,387	178	6,793	653,672
Accumulated Depreciation							
As at 1 April 2010	-	1,535	113,469	6,506	44	-	121,554
Charged in year	-	317	5,383	764	7	-	6,471
Disposals	-	-	-	(237)	(1)	-	(238)
Impairments	-	(265)	-	(48)	-	-	(313)
Revaluations	-	(1,587)	-	42	-	-	(1,545)
As at 31 March 2011	-	-	118,852	7,027	50	-	125,929
Re-stated Carrying Amount at 31 March 2011							
	1,504	10,611	505,347	3,360	128	6,793	527,743
Re-stated Carrying Amount at 31 March 2010							
	2,189	11,363	373,505	3,012	129	4,703	394,901

Note 1: - Capitalisation of Engineers' Time - Culverts and flood defence asset additions include engineers' salary costs which have been capitalised.

Note 2: - Transfers - Relates to assets transferred in or out of the Agency, to or from another part of the Department of Agriculture and Rural Development.

Note 3: - Reclassification of Assets - The reclassifications relate to assets transferred from Assets under Construction to additions to Culverts and Flood Defence Assets.

Note 4: - Revaluation of Networking Assets - A revaluation of the Culvert Network and Flood Defences was carried out by in-house staff using an industry standard recognised methodology. The date of the valuation was 31 March 2012.



8. Intangible assets

The Agency's intangible assets comprises purchased software licences.

2011/12	Re-stated Total £'000
Cost or Valuation	
As at 1 April 2011	189
Additions	30
Revaluations	9
Disposals	(26)
As at 31 March 2012	202
Amortisation	
As at 1 April 2011	168
Charged In Year	16
Revaluations	2
Disposals	(26)
As at 31 March 2012	160
Carrying amount at 31 March 2012	<u>42</u>
Carrying amount at 31 March 2011	<u>21</u>
2010/11	
Re-stated Total £'000	
Cost or Valuation	
As at 1 April 2010	191
Additions	2
Revaluations	3
Disposals	(7)
As at 31 March 2011	189
Amortisation	
As at 1 April 2010	152
Charged In Year	21
Revaluations	2
Disposals	(7)
As at 31 March 2011	168
Carrying amount at 31 March 2011	<u>21</u>
Carrying amount at 31 March 2010	<u>39</u>

9. Financial Instruments

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

10. Impairments

The Agency has applied £(0.025m) through the Statement of Comprehensive Net Expenditure during the period (2010-11 £1.007m).

11. Assets held for sale

Currently there are no assets held for sale.

12. Inventories

	2011/12 £'000	2010/11 £'000
Inventories	438	407



13. Trade receivables and other current assets

Amounts falling due within one year:

	2011/12 £'000	2010/11 £'000
VAT	127	266
Trade receivables	21	51
Deposits and advances	-	-
Other receivables	(1)	3
Prepayments and accrued income	141	129
	<u>288</u>	<u>449</u>

Included within trade receivables is £17,815 (2010-11: £31,062) that is due from other central government bodies.

13.1 Intra-Government Balances

Amounts falling due within one year:

	2011/12 £'000	2010/11 £'000
Balances with Other Central Government Bodies	14	31
Balances with Bodies External to Government	274	418
	<u>288</u>	<u>449</u>
Balance as at 31 March 2012	<u>288</u>	<u>449</u>

14. Cash and cash equivalents

	2011/12 £'000	2010/11 £'000
Balance at 1 April 2011	3	3
Net change in cash balance	-	-
Balance as at 31 March 2012	<u>3</u>	<u>3</u>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	<u>3</u>	<u>3</u>

15. Trade Payables and other Liabilities

Amounts falling due within one year:

	2011/12 £'000	2010/11 £'000
Other taxation and social security	-	-
Trade payables	118	116
Fixed Asset Accruals	752	771
Accruals	1,421	1,554
Deferred income	4	-
Receipts due to consolidated fund	6	-
Other payables	<u>1</u>	<u>1</u>
	<u>2,302</u>	<u>2,442</u>

Included within accruals and deferred income is £NIL (2010/11: £NIL) that is due to other central government bodies.



15.1 Intra-Government Balances

Amounts falling due within one year:

	2011/12 £'000	2010/11 £'000
Balances with Other Central Government Bodies	6	-
Balances with Bodies External to Government	2,296	2,442
Balance as at 31 March 2012	2,302	2,442

16. Provisions for liabilities and charges

	2011/12 £'000	2010/11 £'000
Balance at 1 April 2011	292	856
Provided in the year	450	-
Provisions not required written back	(278)	(30)
Provisions utilised in the year	(15)	(534)
Balance as at 31 March 2012	449	292

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.

17. Capital commitments

	2011/12 £'000	2010/11 £'000
Contracted capital commitments at 31 March 2011 not otherwise included in the accounts		
Property, plant and equipment	7,751	8,007

18. Commitments under leases

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

19. Commitments under PFI and other service concession arrangements contracts

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

20. Other Financial Commitments

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

21. Contingent Liabilities disclosed under IAS 37

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 the contingent liabilities, but considers that the cost should not exceed £20,000 (2010/11 < £20,000).



22. Losses and special payments

		2011/12		2010/11
	Number of Cases	£	Number of Cases	£
Stores and Plant Losses	9	27,379	4	754
Fruitless Payments	2	1,050	1	358
Ex Gratia	1	3,000	-	-
Total	12	31,429	5	1,112

23. 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.

Forest Service is also an Executive Agency within the Department and also regarded as a related party. During the year, the Agency has had no material transactions with Forest Service.

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

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

24. Third Party Assets

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

25. Events after the Reporting Period

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

The accounts were authorised for issue on the same day the C&AG signs his audit report.



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 Obtain Ministerial approval for the draft Reservoirs Bill. Achieved

Key Objective 2:

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

2.1 Complete at least 40% of the maps and commence 2 Flood Risk Management Plans (FRMP's) as the year 3 actions in a 6 year plan to implement the EU Floods Directive by 2015. Achieved

Key Objective 3:

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

3.1 Subject to the availability of resources over the period 2011-15 construct infrastructure to offer enhanced flood protection to 1,700 properties of which 64 will be delivered in 2011-12. Not Achieved

3.2 Improve drainage infrastructure to cater for development of at least 159 hectares of land. Not Achieved

3.3 Respond to 98% of Schedule 6 applications within 3 months of receipt. 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



Appendix I (continued)

Key Objectives and Performance Targets

Progress

3.5 Test the Agency's major incident plan

Achieved

Key Objective 4:

To maintain flood defence and drainage infrastructure in a satisfactory condition

4.1 Complete structural repairs to 1.399 km of the designated culvert network where collapse is likely or imminent.

Achieved

4.2 Inspect & maintain as required, 98% of all designated urban open watercourses in accordance with the Maintenance Manual.

Achieved

4.3 Inspect & maintain as required, 98% of all designated culvert inlet grilles in accordance with the Maintenance Manual.

Achieved

4.4 Maintain a minimum of 443 designated rural watercourses as part of the Agency's 6 year scheduled programme.

Achieved

4.5 Categorise main open watercourse maintenance on a risk basis.

Achieved

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

Appendix I (continued)

Key Objectives and Performance Targets Progress

Key Objective 6:

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

- | | | |
|-----|--|----------|
| 6.1 | Deliver more than a 65% 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 all staff to comply proportionately with the Departmental absenteeism target of 8.5 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 |



Appendix 2

Membership of the Drainage Council for Northern Ireland

Name of Member	Interest Represented
Dr. Harold Johnston (Chair)	Drainage Specialist
Councillor William King, MBE (Vice-Chair)	Coleraine Borough Council
Alderman Roy Beggs	Larne Borough Council
Councillor Sean Clarke	Cookstown District Council
Councillor Brian Hanvey	Castlereagh Borough Council
Councillor Olive Mercer	Banbridge District Council
Councillor Connaire McGreevy	Newry and Mourne District Council
Councillor Allan Rainey	Omagh District Council
Councillor Willis Robinson	Dungannon and South Tyrone Borough Council
Councillor Bernice Swift	Fermanagh District Council
Councillor Roy Thompson	Antrim Borough Council
Ms. Rosemary Dobbin	Conservation
Mr. Trevor Hinds	Industry
Mr. Brendan Kerr	Fishery
Ms. Bernie Lafferty	Tourism
Mr. Andrew Wilson	Agriculture
Ms. Mary MacIntyre	DOE Planning NI
Rivers Agency Chief Executive	Rivers Agency

Appendix 3

Agency Offices

Agency Headquarters

Hydebank
4 Hospital Road
Ballydollahan
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

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

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ISBN 978 | 84807 319 7

DMS 12.13.071

