

ENVIRONMENTAL PROTECTION AGENCY

ANNUAL REPORT and ACCOUNTS

2008



Environmental Protection Agency

The Environmental Protection Agency (EPA) is a statutory body responsible for protecting the environment in Ireland. We regulate and police activities that might otherwise cause pollution. We ensure there is solid information on environmental trends so that necessary actions are taken. Our priorities are protecting the Irish environment and ensuring that development is sustainable.

The EPA is an independent public body established in July 1993 under the Environmental Protection Agency Act, 1992. Its sponsor in Government is the Department of the Environment, Heritage and Local Government.

OUR RESPONSIBILITIES

LICENSING

We license the following to ensure that their emissions do not endanger human health or harm the environment:

- waste facilities (e.g., landfills, incinerators, waste transfer stations);
- large scale industrial activities (e.g., pharmaceutical manufacturing, cement manufacturing, power plants);
- intensive agriculture;
- the contained use and controlled release of Genetically Modified Organisms (GMOs);
- large petrol storage facilities;
- Waste Water Discharges.

NATIONAL ENVIRONMENTAL ENFORCEMENT

- Conducting over 2,000 audits and inspections of EPA licensed facilities every year.
- Overseeing local authorities' environmental protection responsibilities in the areas of – air, noise, waste, waste-water and water quality.
- Working with local authorities and the Gardaí to stamp out illegal waste activity by co-ordinating a national enforcement network, targeting offenders, conducting investigations and overseeing remediation.
- Prosecuting those who flout environmental law and damage the environment as a result of their actions.

MONITORING, ANALYSING AND REPORTING ON THE ENVIRONMENT

- Monitoring air quality and the quality of rivers, lakes, tidal waters and ground waters; measuring water levels and river flows.

- Independent reporting to inform decision making by national and local government.

REGULATING IRELAND'S GREENHOUSE GAS EMISSIONS

- Quantifying Ireland's emissions of greenhouse gases in the context of our Kyoto commitments.
- Implementing the Emissions Trading Directive, involving over 100 companies who are major generators of carbon dioxide in Ireland.

ENVIRONMENTAL RESEARCH AND DEVELOPMENT

- Co-ordinating research on environmental issues (including air and water quality, climate change, biodiversity, environmental technologies).

STRATEGIC ENVIRONMENTAL ASSESSMENT

- Assessing the impact of plans and programmes on the Irish environment (such as waste management and development plans).

ENVIRONMENTAL PLANNING, EDUCATION AND GUIDANCE

- Providing guidance to the public and to industry on various environmental topics (including licence applications, waste prevention and environmental regulations).
- Generating greater environmental awareness (through environmental television programmes and primary and secondary schools' resource packs).

PROACTIVE WASTE MANAGEMENT

- Promoting waste prevention and minimisation projects through the co-ordination of the National Waste Prevention Programme, including input into the implementation of Producer Responsibility Initiatives.
- Enforcing Regulations such as Waste Electrical and Electronic Equipment (WEEE) and Restriction of Hazardous Substances (RoHS) and substances that deplete the ozone layer.
- Developing a National Hazardous Waste Management Plan to prevent and manage hazardous waste.

MANAGEMENT AND STRUCTURE OF THE EPA

The organisation is managed by a full time Board, consisting of a Director General and four Directors. The work of the EPA is carried out across four offices:

- Office of Climate, Licensing and Resource Use
- Office of Environmental Enforcement
- Office of Environmental Assessment
- Office of Communications and Corporate Services

The EPA is assisted by an Advisory Committee of twelve members who meet several times a year to discuss issues of concern and offer advice to the Board.

EPA ANNUAL REPORT AND ACCOUNTS 2008

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DIRECTOR GENERAL'S STATEMENT



DIRECTOR GENERAL'S STATEMENT

Welcome to the 2008 Annual Report and Accounts for the Environmental Protection Agency. This report provides details of the functions that were carried out throughout the year, in addition to the financial statements.

2008 was a very busy and challenging year for the EPA. At the start of the year, there was little indication that the world was facing an economic crisis on the scale witnessed by the end of the year. Yet environmental challenges alongside those financial challenges both for Ireland and for the planet remain. We still have to face up to and deal with climate change; our waters and habitats still need to be restored where damaged, and protected where in good condition; all sectors of the economy still need to reduce their impact on the environment and we still have to comply with the ever-growing number of environmental laws and agreements. These are all challenges that we must continue to face and deal with despite the worsening economic situation we find ourselves in.

I am hopeful, though, that we can meet these challenges and that there are also significant economic opportunities for Ireland in becoming a low carbon and greener economy. Ireland's environment is a key strategic asset for the country and we must protect, manage and invest in it to secure a healthy society and a strong economy into the future. The EPA has an important role to play in ensuring that the protection and improvement of Ireland's environment remains centre stage and I look forward to leading the EPA through these more challenging times.

The EPA has set out its long-term vision for Ireland's environment in its corporate strategy *2020Vision*. This vision sets out goals for Ireland's environment under the headings of limiting and adapting to climate change, clean air, protected water resources, protected soil and biodiversity, sustainable use of resources and integration and enforcement. The work of the EPA is fully aligned to this vision. These are challenging goals and the EPA is now engaging with many other organisations and individuals in finding ways to

move us along in the right direction. During 2009, and in future years, building alliances and networks with other groups and organisations will become increasingly important given the wide range of actors involved in environmental protection, and the EPA will play its part in facilitating the development and operation of such alliances and networks.

The new economic situation also calls for public sector organisations to become highly efficient in their use of scarce resources. Put simply, we have to be able to do more with less and I am committed to continuing to ensure that the EPA is an organisation that gives good value for money. I am also committed to ensuring that the EPA continues to be an organisation with a strong focus on public service and one that prides itself on the delivery of a top quality service to its many stakeholders.

IRELAND'S ENVIRONMENT 2008

In October 2008, the EPA published its 'state of the environment' report, *Ireland's Environment 2008*. This report, the flagship report from the EPA, is a comprehensive, wide-ranging evidence-based assessment of Ireland's natural environment. The report highlights the scale of the challenges Ireland faces and shows that the environment is an asset under threat. The report identifies the four main environmental challenges for Ireland to address in the coming years. These are:

1. Limiting and adapting to climate change;
2. Reversing environmental degradation - particularly in relation to water pollution and the conservation status of habitats;
3. Mainstreaming environmental considerations across all sectors of the economy, and
4. Complying with environmental legislation and agreements.

This was the fourth 'state of the environment' report published by the EPA since its first such report in 1996. The value of regular reporting of this kind is that it allows us to chart trends in

environmental quality over time and to take stock of the challenges facing us in maintaining a good quality environment. These reports have covered a period of unprecedented economic growth in Ireland and it is reassuring to be able to report that, despite the many problems that we have and the many pressures inflicted on the environment, for the most part Ireland's environment is generally of good quality. However, there is no room for complacency and we must continue to work hard at protecting our environment where it is in good condition and reversing environmental degradation where that has occurred, particularly in relation to water pollution and habitats. There is a need for on-going investment in environmental infrastructure including waste water treatment, drinking water treatment, river basin management and waste management as Ireland has been playing catch-up in these areas. In more straitened economic circumstances it becomes even more important to ensure that investment goes where it is most needed; for waste water treatment, for example, this means prioritising investment in areas where the risk of pollution is highest. 'State of the environment' reporting assists the State to make investment decisions based on sound scientific evidence.

ENVIRONMENTAL RESEARCH & INNOVATION

Developments in science, research and innovation play a valuable role in environmental protection. Good quality research can provide the foundation for credible decision making, while technology and innovation can provide valuable pioneering solutions for environmental problems. The complexity of existing and emerging environmental issues, and the range of causal factors, means that modern environmental policies must be underpinned by the type of knowledge that can be delivered through a systematic programme of environmental research. The EPA's research strategy (STRIVE) is focused on the provision of world-class scientific knowledge to protect and improve the natural environment.

During 2008, a range of high profile research reports was published, providing input to policy development and support to the implementation of EU legislation in Ireland. The EPA also held a major national conference which showcased the depth and breadth of environmental research and innovation that has been funded by the EPA over the past number of years. In addition, the STRIVE programme made awards for new research projects to address key environmental priorities in waste and resource management, environment and health, sustainable development and in environmental technologies. It also continued its programme to build environmental research capacity in Ireland by providing grants for new PhDs, Masters and post-doctoral fellowships. 2008 also saw the completion of a number of research projects on environmental technologies, a priority area for the EPA research programme in recent years. These projects feed directly into the national roadmap for environmental technologies and underpin the Smart Green Economy. The EPA also published the results from its industry-focused Cleaner Greener Production Programme, which promotes greater eco-efficiency in businesses in Ireland. The results showed positive benefits for the environment with reductions in waste and waste water arising and in energy use, coupled with significant economic saving for the participating organisations, highlighting how environmental protection and economic development can go hand-in-hand.

As part of its research programme, the EPA has also been working with the Economic and Social Research Institute (ESRI) and Teagasc on the development of a new way of forecasting how economic and social developments will affect the environment. The first results of this project, called the ISus project (Irish Sustainable Development Model), were presented in *Ireland's Environment 2008* and the ESRI's Medium Term Review 2008-2015. The model allows us to predict the impact of future economic and social developments on the production of waste and the generation of potentially polluting substances such as acidifying gases and

greenhouse gases. It also allows us to model issues such as the likely impact on the environment of an increase in landfill taxation. While one can never be certain about predicting the future, this new tool will help guide us in making informed decisions about what is best for the future of Ireland's environment. We intend to continue this pioneering work with the ESRI and see this as a very concrete way of mainstreaming environmental considerations across all sectors of the economy.

CLIMATE CHANGE

Climate change remains the single biggest challenge facing humanity and Ireland faces very difficult challenges in the years ahead. The challenge is two-fold: to cut greenhouse gas emissions and to protect ourselves against the inevitable consequences of climate change. To cut greenhouse gas emissions we must radically reduce our dependence on fossil fuels and radically improve energy efficiency and conservation. Given Ireland's unusual dependence on fossil fuels as an energy source for electricity, heat and transport, and our poor record in energy efficiency and conservation, particularly in the domestic sector, this is no easy task and will take time to achieve. All sectors of the economy in Ireland must make the necessary adjustments that will result in incremental reductions in carbon emissions and start moving Ireland towards a low carbon future.

We must also start to plan for climate changes that are now likely to happen even if we manage large-scale reductions in carbon emissions. Through EPA-funded research, we are now able to anticipate what Ireland might look like with a climate change induced increase in temperature. We appear to be moving to a situation where the existing regional variations between the west and the east of the country will become accentuated with more rainfall in the west and less rainfall in the east. Coupled with potential rises in sea level and more frequent occurrences of what we now consider to be weather extremes, water and coastal management are going to be big issues for the future. This means that planning authorities need to bring climate change centre

stage when preparing development plans so both carbon reduction and climate adaptation strategies can be given full consideration. Reliable information and good quality research will also be vital when it comes to drawing up these plans.

The EPA will continue to play its part in dealing with climate change by providing reliable information on greenhouse gas emissions, both current and future, and continuing to implement the emissions trading scheme. The EPA will also continue to coordinate and fund research into climate change, to provide support to the Irish government at national and international level and to raise awareness about the issues facing Ireland. It is absolutely essential that we have good quality information and research to underpin decisions made in the pursuit of a low carbon future and that the public become more engaged and involved in the process.

WATER MANAGEMENT & PROTECTION

2008 was a significant year for water protection and management for the EPA. The EPA continued to deliver on its commitments under the Water Framework Directive, which is the key driver for water protection and management over the medium term. 2008 was our first full year with powers of supervision over the production of drinking water by public authorities, and the year when we started licensing sewage discharges. These are two very significant measures, which in time will lead to improved water protection and management in Ireland, improved water quality and a consistent and well-protected supply of good quality drinking water. The introduction of licensing for waste water treatment discharges is particularly welcome, as they were the last major unregulated point discharges into the aquatic environment.

There is an unacceptable level of non-compliance both with drinking water standards and with waste water treatment standards. This has major consequences for both people's lives when they are deprived of good quality drinking water and for the quality of our rivers, lakes, estuaries and groundwaters when they

are contaminated by inadequately treated sewage. The EPA fully intends to use its new powers under the legislation to continue to drive improvements in the treatment and provision of drinking water and sewage treatment. These improvements, though, will not happen overnight and in many cases are dependent on investment in new and existing facilities, which is taking place through the Department of the Environment, Heritage and Local Government's water services investment programme.

LICENSING AND ENFORCEMENT

2008 has also been a busy year for both licensing and enforcement. In the licensing area, 52 final decisions were made on licence applications, including the granting of a waste licence to Dublin City Council for an incinerator following an Oral Hearing. An Oral Hearing was also held in relation to a proposed new landfill in Fingal, showing that the provision of large waste infrastructure facilities continue to be controversial with the public. A final decision is expected in 2009. The EPA also commenced the licensing of urban waste water discharges during 2008 with 10 licences issued. During 2008, the EPA's Office of Environmental Enforcement continued to use its enforcement powers both to enforce EPA licences and to bring about improved and more consistent enforcement by local authorities. The EPA took 20 prosecutions at District Court level during 2008 and three files were prepared for the Director of Public Prosecutions.

Recent global events have highlighted the importance of appropriate regulation. Environmental licensing and enforcement and the achievement of good environmental status are viewed by some as an unnecessary regulatory burden. However, such regulation is necessary if we want to have a high quality environment. The successes of the EPA's licensing systems, with the vast majority of licensees largely compliant with their licences and not a source of complaint or nuisance to those that live or work close to them, is a testament to this. The EPA is acutely aware of the difficulties some of its licensees will face in 2009 and will

work with them and their representative organisations to ensure that environmental protection continues to be provided for in a cost-effective manner. We will also continue to use a risk-based approach to enforcement, which means that the EPA will focus its enforcement efforts where the risk to the environment is greatest and we will continue to ensure that persistent offenders are brought before the Courts to account for their actions.

WASTE MANAGEMENT AND THE SUSTAINABLE USE OF RESOURCES

During 2008 the EPA published the second *National Hazardous Waste Management Plan*. The Plan makes 29 recommendations that, when implemented, will reduce the generation of hazardous waste, ensure that all hazardous waste is collected and managed appropriately, increase Ireland's self-sufficiency in hazardous waste management, and deal with the legacy and contamination of past practices involving hazardous materials. The EPA will take the lead in implementing a large number of the Plan's recommendations as well as monitoring the implementation of the overall plan.

The EPA also highlighted the difficulties facing Ireland in relation to meeting the targets for diversion of biodegradable municipal waste from landfill and set out a number of options for dealing with the issue. This will be a major issue for Ireland in the coming years. Our dependence on landfill as the primary route for disposal of municipal waste must be reduced. Alternative infrastructure for dealing with biodegradable waste is badly needed.

In relation to waste prevention, strong progress was made on implementing the National Waste Prevention Programme. The Local Authority Prevention Demonstration Programme, which is now operating in fourteen local authority areas, continued with a national conference being held in February to highlight the prevention results achieved. Practical and useful outputs are now being generated through this programme such as the booklet on waste prevention on farms published by Monaghan County Council.

A Green Business Initiative called Greenbusiness.ie was also launched in 2008 with web-based audit tools and free confidential on-site audits being made available to all businesses. This free business advisory service represents an innovative approach to waste prevention and resource efficiency in Ireland. Greenbusiness.ie is aimed primarily at small and medium sized enterprises, public bodies and other organisations. The Green Home Programme with An Taisce continued to grow strongly during 2008 with 9,000 new households being targeted. Waste prevention and resource efficiency are important objectives for every sector in society as there are economic benefits in addition to environmental gains to be made.

CORPORATE ISSUES

2008 saw the EPA undergo a significant change in terms of staff numbers with an allocation of fifty additional posts to enable it to carry out significant new functions and responsibilities. The EPA's Human Resources Unit completed 35 recruitment campaigns in 2008. The full staff complement at year-end was 340.

The EPA is committed to staff development and training, and in 2008 it continued to implement its Staff Development Programme, which enables participants to recognise and develop the core behavioural competencies necessary to achieve their potential within current and future roles. A Diversity and Disability Awareness programme was introduced for all staff in 2008 and the EPA also continued to support staff pursuing further education in their own time.

Once again, in 2008, the EPA continued to conduct internal audits under the stewardship of the Internal Audit Committee. The Committee was formed under the Code of Practice for the Governance of State Bodies, and it held four meetings in 2008. Four internal audits were conducted throughout the year in the areas of Information Systems, Incident Management, Licensing Activities, and Fixed Assets, Capital Expenditure & Petty Cash. An Internal Audit Plan covering the period 2009 - 2010 was approved

by the Internal Audit Committee and by the EPA Board. Audits scheduled for 2009 include a review of internal audit, value for money, travel and subsistence, and the review of the use of consultants in the EPA.

Finally, I want to pay a special tribute to Dr. Padraic Larkin who retired as a Director of the EPA in April 2008, having served with the EPA since its foundation in 1993 and who worked tirelessly on environmental protection issues. I want to welcome Mr. Micheál Ó Cinnéide who joined the Board of the EPA in August 2008.

I would also like to thank all the staff of the EPA, my fellow Directors, the EPA Advisory Committee, the EPA Internal Audit Committee, the GMO Advisory Committee, the National Allocation Advisory Group, the National Waste Prevention Committee, the Enforcement Network Steering Committee and the myriad of other groups and individuals who have advised and assisted us, for their support and commitment during the year and for their dedication to protecting the environment. Particular thanks are due to the Minister for the Environment, Heritage and Local Government for his support for the EPA in 2008 and to the many officials in his Department with whom we work very closely.

Mary Kelly

Mary Kelly

Director General, EPA





MISSION, VISION, VALUES, GOALS



OUR MISSION IS:

To protect and improve the natural environment for present and future generations, taking into account the environmental, social and economic principles of sustainable development.

OUR VISION IS TO BE:

- ▼ A powerful agent for change, both in attitudes to the environment and in actions on environmental protection;
- ▼ An organisation that works to place environmental issues at the heart of international, national and local decision-making processes;
- ▼ A credible and respected organisation, speaking out courageously for the protection of the environment;
- ▼ A world-class organisation in which people are proud to work.

OUR VALUES ARE:

- ▼ Integrity, independence and professionalism;
- ▼ Service to our stakeholders;
- ▼ Value for money;
- ▼ Respect and support for colleagues;
- ▼ Openness to learning.

OUR GOALS ARE:

Goals have been set in *2020Vision* under the headings of limiting and adapting to climate change, clean air, protected water resources, protected soil and biodiversity, sustainable use of resources and integration and enforcement. The over-arching organisational goal is to be a high-performance organisation by having competent and committed people, being customer focused and organisationally efficient and being a champion for the environment.

Limiting & Adapting to Climate Change – Ireland will achieve major reductions in greenhouse gas emissions and will be prepared for the unavoidable impact of climate change.

Clean Air – Our air will be healthy and clean. Ireland's emissions to the atmosphere will meet all international and national targets.

Protected Water Resources – Our surface water and groundwater will not be depleted and will be of excellent quality, meeting all national and international standards.

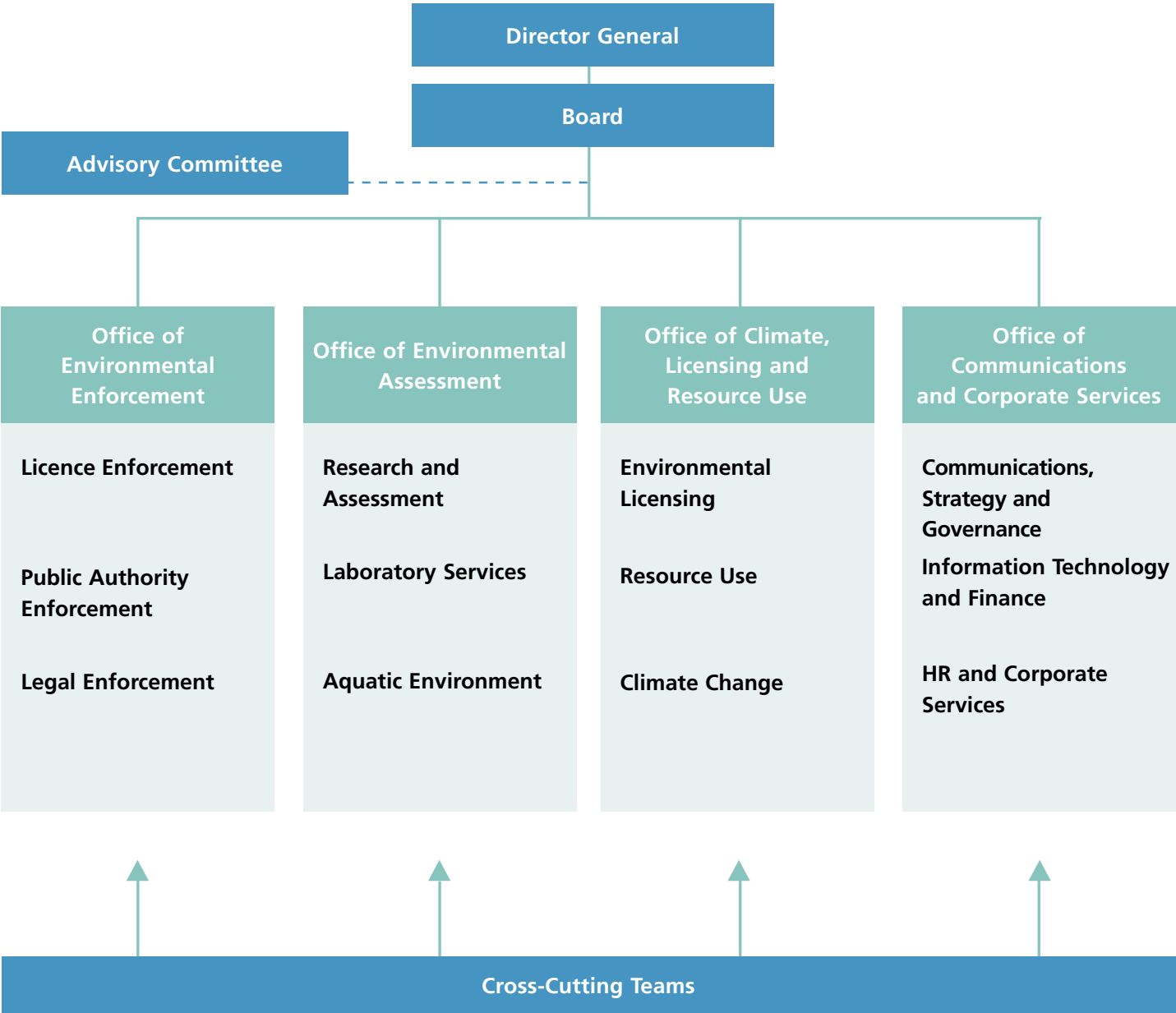
Protected Soil & Biodiversity – The soil of Ireland will be protected from contamination and loss and will support dependent plants and animals. Our biodiversity will be protected and managed for future generations to enjoy.

Sustainable Use of Resources – The overall goal is a more efficient use of resources (water, energy and materials). Waste will be prevented and minimised, with the balance safely collected, recycled or recovered. Final disposal will be completed in a way that does not harm the environment.

Integration & Enforcement – Environmental considerations will be at the heart of policy-making and decision-making. Responsible environmental behaviour will be the norm across all sectors of society and those who flout environmental laws will be held to account.

Building a High Performance Organisation – Developing the people and organisational resources to underpin our strategy is a continuing requirement. We want to build on our reputation and ensure that we are seen as an organisation with strengths in four key areas: Competent/Committed People; Environmental Champion; Customer Focused and Organisationally Efficient'.

EPA ORGANISATIONAL STRUCTURE



BOARD OF DIRECTORS



left to right

Dr Mary Kelly

Dr Padraic Larkin

Mr Larry Stapleton

Ms Laura Burke

Mr Dara Lynott

Mr Micheál Ó'Cinnéide

Director General

Deputy Director General and Director, Office of Climate, Licensing and Resource Use (to April 2008)

Deputy Director General (from April 2008), Director, Office of Environmental Assessment

Director, Office of Communications and Corporate Services (to August 2008), Office of Climate, Licensing and Resource Use (from August 2008)

Director, Office of Environmental Enforcement

Director, Office of Communications and Corporate Services (from August 2008)



ADVISORY COMMITTEE

The EPA is assisted by an Advisory Committee of twelve members who meet to discuss issues of concern and offer advice to the Board. The Advisory Committee in 2008 comprised of:

Chair: Dr Mary Kelly	<i>(ex-officio)</i>
Ms Katherine Walshe	<i>Cork Co. Council (nominated by IEI)</i>
Ms Jeanne Meldon	<i>Planning consultant (nominated by Failte Ireland)</i>
Ms Marion Byron	<i>Pharmaceutical Ireland (nominated by IBEC)</i>
Mr Donal Harte	<i>Farmer (nominated by ICMSA)</i>
Ms Carmel Dawson	<i>Chairperson of An Grianan (nominated by ICA)</i>
Mr Willie Callaghan	<i>Kildare Co. Councillor (nominated by AMAI)</i>
Dr John Sweeney	<i>NUI Maynooth (nominated by RIA)</i>
Ms Irene Sweeney	<i>Community representative, Arklow</i>
Mr John Buckley	<i>Community representative, Killarney</i>
Mr John Dillon	<i>Outgoing President of IFA</i>
Mr Sean Byrne	<i>Wicklow Uplands Council</i>

SECTION 1 OPERATIONS REVIEW



The EPA has a wide range of functions and duties to protect the environment. It is responsible for licensing and control of large scale industrial facilities, waste facilities and urban waste water treatment plants, supervising the supply of drinking water by public water suppliers, public authority environmental supervision, auditing and enforcement, environmental monitoring, analysis and reporting, co-ordinating national environmental research, implementing the EU Emissions Trading Directive, enforcing the Waste Electrical and Electronic Equipment legislation, coordinating the National Waste Prevention Programme and the implementation of the EU Ozone Depleting Regulations in Ireland.

In addition, the EPA has a key role in the implementation of a number of EU Directives, including the Air Framework, Strategic Environmental Assessment and Water Framework Directives. The EPA also coordinates activity on soils and biodiversity and is involved in a wide range of activities at EU and international level.

Between them, the Office of Climate, Licensing and Resource Use, the Office of Environmental Enforcement and the Office of Environmental Assessment carry out the functions listed above to enable the EPA to deliver on its mandate. The specific functions and responsibilities of each of these offices and their activities in 2008 are described further in this section.

These Offices are supported in their work by the Office of Communications and Corporate Services. Further details on the activities of this Office are provided in Section 2 of this report.



OFFICE OF CLIMATE, LICENSING AND RESOURCE USE

The Office of Climate, Licensing and Resource Use has a broad remit, which includes licensing large-scale industrial and waste facilities, and wastewater discharges by the Licensing Unit. The Climate Change Unit is responsible for regulating and reporting on Ireland's greenhouse gas emissions administering the Emissions Trading Scheme, and co-ordinating climate change research. The Resource Unit is responsible for promoting the sustainable use of resources by implementing the National Waste Prevention Programme, publishing the *National Waste Report*, promoting the *National Hazardous Waste Management Plan* and by enforcing a wide range of Producer Responsibility regulations. The Office is also responsible for permitting large petrol storage facilities and granting consents for genetically modified organisms.

LICENSING UNIT

Integrated Pollution Prevention and Control (IPPC) Licensing

The IPPC licensing system emphasises waste prevention with the aim of reducing emissions to air, water and land, reducing waste overall and using energy efficiently. Large-scale or complex industrial processes with significant polluting potential require an IPPC licence.

In 2008:

- ▼ Forty IPPC licences were granted while 11 licence applications (piggeries) were rejected. Where licence applications were rejected it was because the applicants failed to submit details of lands involved in the recovery of slurry, despite numerous requests from the EPA. In these circumstances, the EPA considered that the applications failed to comply with the requirements of the Licensing Regulations. In addition, 44 Proposed Decisions were issued. Technical amendments were made to 33 licences in accordance with the licensing regulations. Technical amendments provide for the amendment of conditions in a licence to bring it into conformity with the requirements of the IPPC Directive or to facilitate the operation of the licence.
- ▼ An application for a Judicial Review of an IPPC licence granted by the Agency to Shell E & P Ireland Limited, (Reg. No. P00738-1) was struck out by the High Court in May 2008.

- ▼ In the High Court case - AHP Manufacturing t/a Wyeth Ireland V DPP, EPA and the Attorney General - the High Court refused the applicants leave to challenge the conditions of their licence.
- ▼ A total of 18 IPPC Sector *Best Available Techniques* (BAT) Notes have now been published.

Waste Licensing

The Waste Management Act, 1996, gives the EPA responsibility for the licensing of all significant waste recovery and disposal facilities managed by local authorities and private operators. Stringent conditions are placed on the operation of facilities under the waste licensing process to ensure potential environmental impacts are strictly controlled.

Throughout 2008, the EPA granted new or revised licences for three landfills, two waste transfer stations, two materials recovery facilities, three integrated waste management facilities and two hazardous waste facilities. Fourteen Proposed Decisions and eleven Technical Amendments were issued. In February 2008, the EPA held an Oral Hearing on Fingal County Council’s application for a proposed landfill at Nevitt, Lusk, County Dublin.

The EPA also held an Oral Hearing on Dublin City Council’s application for a proposed incinerator at Poolbeg Peninsula, Dublin in April 2008. Having considered the application and Oral Hearing report, the EPA issued its decision to grant a licence on 1st December 2008. A guidance note on the pre-treatment of municipal waste has been developed for licensees to assist with achieving full compliance with the Landfill Directive. This guidance has been published for public consultation and the final document is due to be published in June 2009.

Table 1:
Licensing Activities in 2008

	IPPC Licences	Waste Licences	Waste Water Licences	GMO Consents	VOC Licences	Certificates of Registration
Applications received	52	20	147	32	1	152
Proposed Decisions	44	14	N/A	N/A	1	N/A
Objections received	37	12	21	N/A	0	N/A
Final Decisions	40	12	10	34	1	149

Waste Water Discharge Licensing

One hundred and forty seven waste water licence applications were received in 2008, bringing the total number of applications received to date to 207. Ten Final Decisions issued in 2008.

The final group of applications are due to be submitted to the EPA in June 2009. The licensing process applies to agglomerations greater than 500 p.e (population equivalent) while a certification process, which commences on 22nd June 2009, applies to all agglomerations below that threshold. The deadline for submitting certification documentation for less than 500 p.e. is 22nd December 2009.

Certificates Of Registration

The EPA uses Certificates of Registration to regulate low risk local authority waste recovery facilities. In 2008, the EPA issued 149 Certificates of Registration.

Genetically Modified Organisms (GMO)

The EPA is the competent authority in Ireland for the implementation of the GMO Regulations on the contained use, the deliberate release into the environment and the transboundary movement of GMOs.

By the end of 2008 there were 307 entries on the register of GMO users in Ireland. Approximately 98 per cent of these relate to contained use. The majority of these are third level research laboratories, classified primarily as being of low risk. Thirty four consents were granted for the contained use of GMOs in 2008, and GMO site inspections were carried out at 18 registered premises, where a total of 106 registered users were inspected throughout these premises.

Volatile Organic Compounds

The purpose of the Environmental Protection Agency Act, 1992 (Control of Volatile Organic Compound Emissions resulting from the Storage of Petrol and its Distribution) Regulations, 1997 is to control volatile organic compound emissions resulting from petrol storage and distribution terminals. The EPA uses a permitting process to regulate these activities. In 2008 the EPA issued one VOC Permit.

Technical Guidance

The EPA produces technical guidance on a variety of topics to support environmental best practice as well as licensing and enforcement activities. In 2008, 18 IPPC *Best Available Techniques* Guidance documents were published in hardcopy and are available on the EPA website www.epa.ie.

Access to Licensing Documentation

The EPA's website provides access to Volatile Organic Compounds permit applications, Waste Water Discharge licence applications, Waste licence applications and IPPC licence applications. The availability of all licensing documentation on the web, including application forms, maps and correspondence, provides easy public access to licensing files as well as meeting key requirements of the EU Directive on Access to Information on the Environment (Aarhus Directive). In addition, any person can make a submission or objection online in relation to any IPPC or Waste Licence application.

CLIMATE CHANGE UNIT

Emissions Trading

The EPA is responsible for implementing the emissions trading scheme for greenhouse gases (GHG) in Ireland. The scheme applies to large producers of GHGs - such as the cement and power generation industries as well as other large users of fossil fuels.

At the end of 2008, 106 installations covered by the emissions trading scheme in Ireland held valid permits requiring them to monitor and report emissions and surrender allowances in accordance with the Regulations.

A National Emissions Trading Registry, which ensures the accurate accounting of the issue, transfer, cancellation and surrender of emission allowances within the Emissions Trading Scheme is accessible to stakeholders at www.etr.ie.

In 2008 all operators once again surrendered the required amount of allowances by April 30 to match their verified emissions ensuring that Ireland was 100 per cent compliant with the scheme. As Registry Operator, the EPA successfully retired Ireland's 2007 allowances, as required by the Directive, on 30 June 2008.

On March 4th, the EPA approved the Final Allocation Decision on Ireland's second *National Allocation Plan*. This decision finalises the allocations of greenhouse gas (GHG) emission allowances which will be made under the Emissions Trading Directive to Ireland's major GHG emitters for the Kyoto period 2008 - 2012. This was finalised by the EPA, following extensive consultation and having received approval from the EU Commission. In October 2008, Ireland, along with the other 26 EU Member States, connected to the United Nations' ITL¹ Registry system, thus completing the transition to a global Emissions Trading System.

National Emissions Inventories

In 2008, the EPA submitted data regarding Ireland's annual greenhouse gas emissions to the EU and to the United Nations Framework Convention on Climate Change. During the year the national inventory for 2006 was finalised, while a preliminary inventory for 2007 was published in October for the carbon budget which, is since published.

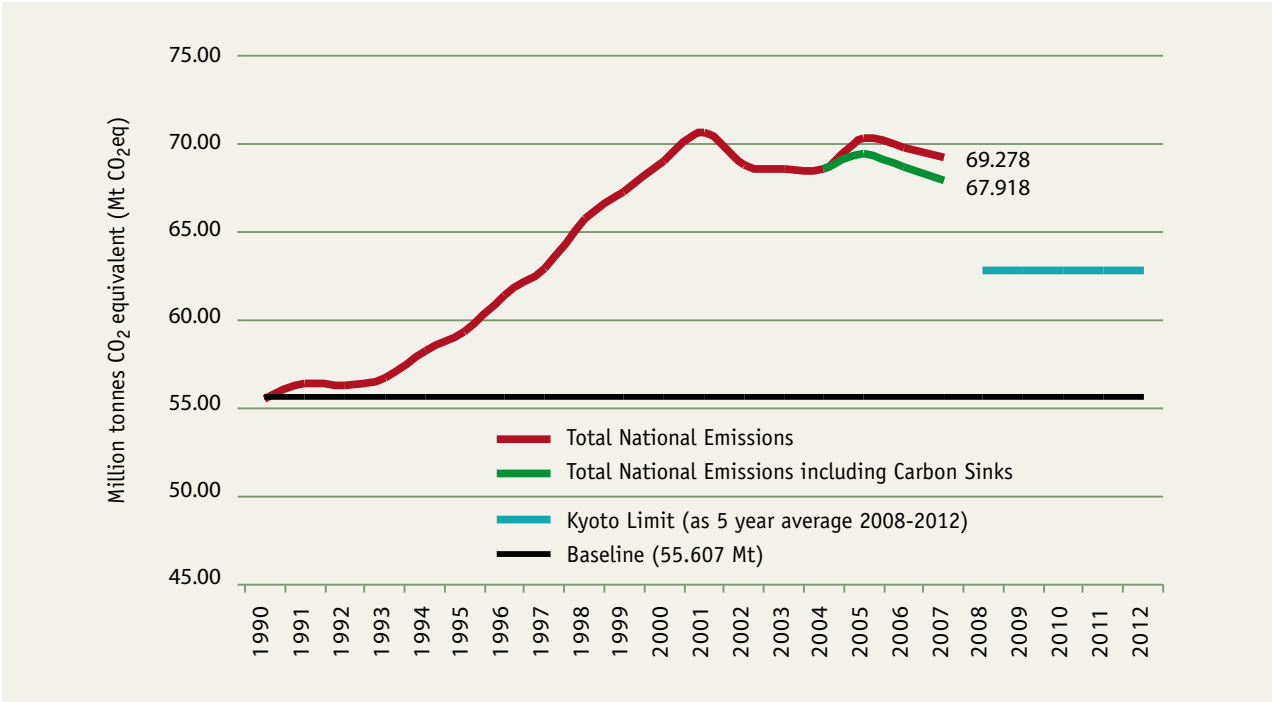
¹ The international Transaction Log (ITL) is administered by the United Nations Framework Convention on Climate Change. Each country's Emission Trading Registry operates through a link established with the ITL. The ITL verifies registry transactions, in real time, to ensure they are consistent with rules agreed under the Kyoto Protocol. The ITL requires registries to terminate transactions they propose that are found to infringe upon the Kyoto rules.

During 2008, the EPA also determined Ireland's 'assigned amount' under the Kyoto Protocol, which is the total allowable emissions in the period 2008 - 2012. Ireland's assigned amount is 314.18 million tonnes of CO₂ equivalent (mt CO₂eq) calculated from base year emissions of 55.6 mt and the allowable increase of 13 per cent. This corresponds to an average Kyoto limit of 62.8 mt annually for the five years. When account is taken of permitted forest sinks, Ireland's net GHG emissions in 2007 were 67.9 mt CO₂eq (see Figure 1).

Other Kyoto Protocol 'Mechanisms'

The Kyoto Protocol established three flexible mechanisms to assist parties in reducing the overall costs of achieving their commitments on GHG emissions. International Emissions Trading provides for developed countries to acquire Kyoto Protocol units (tonnes of CO₂ equivalent) from other developed countries and use them towards meeting their targets.

Figure 1:
Distance to Ireland's Kyoto Target



The Kyoto Protocol also allows for emission reductions to be carried out in projects implemented abroad through the Clean Development Mechanism and Joint Implementation. The EPA is the statutory body with responsibility for issuing letters of approval for Irish participants in these projects. These project-based mechanisms allow parties to the Kyoto Protocol to implement emission reduction projects in other countries in exchange for credits that can be used towards achieving the Kyoto target. In the National Climate Change Strategy (2007) the use of these international mechanisms has been identified as having a role to play in enabling Ireland to meet its commitments under the Kyoto Protocol target.

Emissions Projections

Emissions projections provide a forecast of future emissions and are a valuable analytical tool to predict how Ireland will comply with its Kyoto obligation and to inform Ireland's position in the post-Kyoto negotiations. In the *National Climate Change Strategy* (NCCS) (Department of Environment, Heritage & Local Government, 2007), the EPA was designated with responsibility for developing annual national emission projections for GHGs for all key sectors of the economy, in collaboration with relevant State and other bodies.

Producing GHG emission projections annually allows the most recent environmental and other policy developments to be taken into account, as well as updates to key assumptions (such as revisions to anticipated economic growth). The first of these emission projections was published in September 2008.

These projections gave a picture of Ireland's ability, at that time, to meet international targets with respect to greenhouse gas emissions, and highlighted an ongoing challenge for Ireland in meeting its obligations under both the Kyoto Protocol targets and under the proposed EU 2020 targets. The recent economic downturn has had an impact on these figures and the EPA is continually reviewing the projections in light of these changes.

Air & Climate Science

Science has been one of the main drivers of international actions on issues such as climate change and transboundary air pollution at global and regional levels. The overall aim is to provide support for policy development in Ireland in the context of developments at EU and UN levels.

During 2008 the EPA:

- ▼ Continued to maintain a strong presence in international activities on air and climate science;
- ▼ Continued interactions on the future work and development of the IPCC (International Panel on Climate Change) and represented Ireland at the selection of the new leaders of the IPCC Working Groups, membership of IPCC Bureau and other groups;
- ▼ Contributed to the work of the EU Science Expert group on climate change in finalisation of an updated analysis of the EU climate protection target in light of the findings of the IPCC 4th Assessment Report;
- ▼ Acted as member of the Irish delegation to UNFCCC meetings and contributed to the UNFCCC processes;
- ▼ Represented Ireland at meetings of the Global Monitoring for Environment and Security (GMES) Advisory Council; and
- ▼ Accepted an invitation to be a member of the EMEP Bureau, which advanced work in support of implementation on the Convention of Long Range Transport of Air Pollution.

Communications and Customer Service Initiatives

The completion in 2008 of the EPA's first public lecture series on climate change served as a very important awareness raising activity to promote the understanding of climate change facts and issues. On average, over 500 people attended each of the seven lectures, all of which are now available for viewing on the EPA website. The first of a new set of occasional climate change lectures was held in November 2008, and further lectures will be held in 2009.

Tailored information on climate change impacts was distributed to all local and regional newspapers, to coincide with the broadcasting of the EPA climate change lecture series on the website.

The Climate Change Research Co-ordination Committee, which was established to bring together all of the funding agencies and departments with an interest in climate change research, met a number of times in 2008. The main aim of the committee is to encourage co-operation on a national framework for climate change research and a timeframe for delivery of key priorities under that programme.

RESOURCE USE UNIT

National Waste Prevention Programme (NWPP)

The aim of the National Waste Prevention Programme is to explore practical ways to deliver waste prevention and minimisation. It seeks to integrate a range of initiatives addressing awareness-raising, technical and financial assistance, training and incentive mechanisms. The programme is being implemented via projects such as greenbusiness.ie; the Local Authority Prevention Demonstration Programme; Packaging prevention (led by Repak and supported by the EPA); Green Homes (led by An Taisce) and implementation of product compliance Directives including restriction of hazardous substances in electrical equipment, packaging, batteries and vehicles.

In 2008, the fourth annual report for the programme was published. The National Waste Prevention Committee appointed by the Minister for the Environment, Heritage & Local Government, which includes members from governmental, non-governmental, business, farming and sectoral interest groups, continued to provide valuable strategic advice on all of the National Waste Prevention Programme projects. For further information see the NWPP website at www.nwpp.ie.

The Local Authority Prevention Demonstration Programme (LAPD), which promotes waste prevention through fourteen local authorities, is now showing how waste can be prevented in a wide variety of participating businesses, organisations and sectors. Its findings are providing the template for similar waste prevention projects nationwide.

One such example was the publication of a farm waste prevention guide. A national LAPD conference was held in February 2008 to highlight the prevention opportunities developed and a prevention training programme was launched.

A Green Business Initiative (Greenbusiness.ie) commenced with online resource and water audit tools, backed up by confidential free expert advisors and a helpline.

Building on the EPA Cleaner Greener Production Programme project, a Green Hospitality Award scheme was launched, and by year-end over 190 hotels were participating in this prevention programme.

The Packaging Prevention Programme continued in 2008 in conjunction with Repak (the packaging waste compliance body), which is implementing a variety of prevention projects. A supply chain study was completed, a certified packaging prevention training programme commenced and new packaging prevention case studies were developed for the website www.preventandsave.ie.

The Green Home Programme awards were held in May, with 2,500 households participating. For the next phase of the programme, the EPA and An Taisce are seeking to recruit a further 9,000 households to engage in waste prevention, energy and water savings, as well as composting and recycling.

The EPA has integrated the sustainable management of domestic, commercial or industrial consumption of water and energy, as well as hazardous/non-hazardous material and biodegradable resources into all National Waste Prevention Programme projects.

Producer Responsibility Initiatives

Waste Electrical & Electronic Equipment (WEEE) and Battery Regulations

The EPA has continued to engage with obligated organisations within the sector to improve levels of compliance. Over 174 inspections were completed at retailer level and 13 audits were completed on obligated producers. In most cases, this engagement resulted in compliance being achieved without recourse to further enforcement action. Two successful District Court cases were taken, however, against non-compliant producer businesses. Enforcement of domestic obligations on foreign-based distance sellers is a particularly difficult challenge. In this case, High Court actions were initiated against two businesses in foreign jurisdictions (UK and Germany) to force compliance in relation to distance selling obligations.

Similar approaches to enforcement were commenced in relation to the new Batteries Regulations, which commenced in September 2008. Engagement with sectoral players has commenced and guidance has been developed. A webpage (www.batteries-enforcement.ie) has been set up to facilitate the provision of guidance to this specific stakeholder audience.

Packaging Regulations

A project was completed to identify producers potentially obligated under new regulations to either join Repak or self-comply. The findings were distributed at a workshop to relevant stakeholders and local authorities for use in their enforcement work. The essential requirements in relation to restricted hazardous substances in packaging are being addressed by the development of testing protocols.

Reduction of Hazardous Components

Other regulations in relation to restricting hazardous components in products include the Restriction of Hazardous Substances (RoHS) and the Deco-paints (product) Regulations. Enforcement of these regulations resulted in products being purchased at retail level for

testing in accredited laboratories. Where non-compliances were detected, the EPA contacted producers to ascertain when the product was placed on the market. Where non-compliant products were found to have been placed on the market after the due date, the distributors voluntarily removed them from stock. There are ongoing communications to alert both the supply chain actors and other Member States to these products. Work also commenced on the new Batteries and End-of-Life Vehicles Regulations in this regard.

Solvents and Deco-Paint (Vehicle Refinishers) Regulations

The EPA has engaged extensively with the vehicle refinishing sector to assure effective implementation of the new regulations which came into effect in March 2008. The regulations require all vehicle refinishing businesses to be inspected by an Accredited Inspection Contractor (AIC) and to register with their local authority. New binding national guidance was published following approval by the Minister for the Environment, Heritage and Local Government in accordance with the regulations. Inspections by Accredited Inspection Contractors have commenced. A nationwide radio and trade magazine advertising campaign was conducted by the EPA to raise awareness of the requirements of these regulations.

Where local authorities have significant roles in Producer Responsibility Initiatives enforcement, for example with solvents, vehicle refinishing, packaging, WEEE or Batteries, their capacity has been developed directly through the EPA Environmental Enforcement Network.

National Hazardous Waste Management Plan

A revised *National Hazardous Waste Management Plan* and *Strategic Environmental Assessment (SEA) Statement* was published, following full public consultation, in 2008. The plan sets out the facts about hazardous waste arisings and current management practices. Recommendations are made in relation to enhancing hazardous waste prevention, improving collection rates as well as enhanced self-sufficiency in environmentally sound treatment and disposal. The EPA will take the lead in implementing,

or influencing others to implement, a large number of the plan’s recommendations as well as monitoring the overall implementation of the plan in consultation with the National Waste Prevention Committee.

National Waste Reporting

Early in 2008, the *National Waste Report* for arisings in 2006 was published, which noted a significant increase in the landfilling of waste. Significant challenges remain if Ireland is to meet the requirements of the Landfill Directive to restrict the quantity of biodegradable waste going to disposal. Recycling, however, increased significantly. Compilation of information on 2007 waste arisings was largely completed in 2008 ready for publication in early 2009.

Ozone Depleting Substances, Polychlorinated Bi-phenyls And Persistent Organic Pollutants

The EPA is leading the implementation and enforcement of the regulations concerning Ozone Depleting Substances (ODS), Polychlorinated Bi-phenyls (PCBs) and Persistent Organic Pollutants (POPs). Control of the use of these substances and waste generated from these environmentally harmful substances is important for the protection of air, waters and land. Information and guidance has been developed and disseminated on an on-going basis by a variety of means including seminars and the EPA webpages. Inspections and, in some cases, further enforcement actions have been undertaken. A nation-wide survey and management plan for PCBs was completed in 2008 and an inventory for POPs is nearing completion. Following on from this inventory work the development of a draft *National Implementation Plan* for POPs has commenced.

Inspections

Table 2 presents an overview of inspection work carried out by the Office of Climate, Licensing and Resource Use during 2008.

Table 2:
OCLR Inspections 2008

Inspection Type	2008
License application and review inspections	200
GMO facility inspections	18
Emission Trading inspections	13
Waste Electrical and Electronic Equipment inspections	187
Decorative Paints inspections	109
Restriction of Hazardous Substances inspections	39
PCBs / POPs inspections	28
Ozone Depleting Substances inspections	17



OFFICE OF ENVIRONMENTAL ENFORCEMENT

The Office of Environmental Enforcement is responsible for the enforcement of EPA licences issued for waste, industrial and other activities. It also exercises a supervisory role in relation to the environmental protection activities of local authorities. This ranges from providing advice and guidance, through to auditing performance, and, where necessary, issuing legally binding Directions.

LICENCE ENFORCEMENT

Licences granted by the EPA provide for the control and enforcement of specified activities and the protection of all environmental media in one document. The enforcement work of the EPA's Office of Environmental Enforcement (OEE) includes the auditing and inspection of licensed sites to assess compliance and environmental performance, the sampling and assessment of emissions, and the provision of guidance and information on best practice.

The investigation of complaints and incidents, and the direction and supervision of corrective actions accounts for a significant part of enforcement of licensed sites. Facilities continually showing significant non-compliance with relevant legislation or presenting a serious risk to the environment are targeted for legal action.

Details on all Waste and IPPC licences can be viewed on the EPA website.

In 2008:

- ▼ EPA inspectors conducted 124 audits and 652 inspections of licensed IPPC and Waste facilities;
- ▼ One hundred and fourteen compliance meetings were conducted with senior management of licensed facilities;
- ▼ Licensed facilities were monitored 971 times for air, water and noise emissions;
- ▼ Six hundred and sixteen non-compliance notices were served;

- ▼ The main non-compliance issues encountered related to odour impact, waste management, containment and exceedences of emission limits at facilities;
- ▼ The number of complaints made to the EPA in relation to IPPC facilities and Waste facilities numbered 424 and 1,462 respectively;
- ▼ Ten IPPC facilities accounted for 70 per cent of all licensed industry complaints. The majority of complaints related to odour; and
- ▼ Eighty eight per cent of all Waste complaints received related to ten facilities. The most common cause of complaint was odour.

During 2008, extensive odour assessments, landfill gas management and landfill operational practice have been a priority for the EPA in addressing significant complaints about odour from EPA licensed landfills. While improvements have been made at a number of sites, the EPA has issued legal notices on landfill operators and undertaken further enforcement by prosecution.

A major investigation involving the Gardai and EPA enforcement officers was conducted into the operation of a number of waste facilities in the Dublin and Kildare areas. This investigation began late in 2008 and will continue into 2009.

Following an extensive assessment of the timber treatment sector in 2007 these licensees have been advised of corrective action best practice recommendations. Targeted inspections carried out in 2008 to assess implementation and compliance will be followed by enforcement action where necessary to ensure protection of surface water and ground water.

Inspections

Table 3 presents a summary of the inspection work conducted by or on behalf of the EPA during 2008, broken down by category of inspection.

Table 3:
EPA Audits and Inspections 2008

Inspection Type	2008
IPPC Enforcement inspections	432
IPPC Enforcement audits	65
Waste Enforcement inspections	220
Waste Enforcement audits	59
IPPC monitoring visits	656
Waste monitoring visits	187
Landfill Gas Monitoring	47
IPPC compliance meetings	78
Waste compliance meetings	36
Local Authority audits	88
Section 63 investigation inspections	26

LEGAL ENFORCEMENT

Enforcement tools available to the EPA include site inspections, notices of non-compliance, section notices and prosecution. Legal action pursued by the EPA in 2008 included the following:

- ▼ Twenty cases were prosecuted in the District Courts, 17 of which were against licensees, two were relating to WEEE Regulations and one relating to Drinking Water Regulations. Convictions were handed down in 14 of these cases with the Probation Act being applied in the other six. Fines and costs of €150,953 were awarded to the EPA.
- ▼ Charges were brought against licensees in numerous sectors. Licensees in the piggery sector, however, were prosecuted most frequently. The first prosecution under the Drinking Water Regulations was taken in April 2008. Other charges related to breaches of WEEE regulations, breaches of emission limit values, failure to install infrastructure, failure to retain records on site,

exceeding annual waste tonnage limits (transfer stations) and failure to submit information or notify the EPA of incidents as required under licence conditions.

- ▼ Three cases were refused jurisdiction before the District Courts. Detailed investigations were carried out on these and other cases, resulting in the submission of three files to the Office of the Director of Public Prosecutions.

A study on the use of administrative sanctions for environmental offences in other comparable countries and assessment of their possible use in Ireland was finalised during the year. The study involved the review of such sanctions in the US, UK, Germany and Australia. The study will be published in 2009.

Legal action taken by the EPA led to commitments by individual licensees of up to €850,000 to pay for remedial measures, such as improving waste water treatment plants and carrying out a range of environmental improvement works on site.

PUBLIC AUTHORITY ENFORCEMENT

Supervision of Public Authorities

The EPA exercises a supervisory role in relation to the environmental protection activities of local authorities.

In 2008, eighty eight audits of local authorities were carried out on a range of areas, including 79 drinking water audits, five integrated complaint resolution audits, two bathing water audits and two audits of seriously polluted river sites. Two hundred and fifty three investigations were carried out, on foot of complaints made to the EPA or based on incidents identified by the EPA, in relation to activities that were the responsibility of local authorities. The majority of these complaints related to either waste management or water management issues, with the remainder relating to issues such as odour, noise and planning. As a result of these investigations, 28 Advice and Recommendation Notices were issued to local authorities.

Table 4 provides a summary of Pubic Authority Enforcement Activities in 2008

Table 4:
Public Authority Enforcement Activities in 2008

Activity	Number
Audits	88
Investigations conducted	253
Advice and Recommendation Notices	28
Proposed Directions served	1
Directions served	45

Environmental Enforcement Network

The EPA co-ordinates a National Environmental Enforcement Network. The Network harnesses the collective resources, expertise and investigative capacity available nationally to tackle environmental crime.

The Network uses a number of approaches including:

- ▼ Co-ordinating inspection and enforcement activities;
- ▼ Developing expertise in the investigation of environmental crime;
- ▼ Promoting best practice through guidance and training; and
- ▼ Providing a mechanism for feedback to policy makers.

The Network is well established and brings together more than 1,000 staff from over 50 organisations. The EPA provides a secretariat to the Network, and coordinates the various working groups. Some of the Network’s activities are listed Table 5.

The *modus operandi* of the Network involves the EPA in consultation with the County and City Managers Association (CCMA) and the Department of Environment, Heritage and Local Government (DoEHLG) determining the priorities, and then gathering together to deal with specific enforcement issues such as cryptosporidium or landspreading of waste water treatment

plant sludge. Depending on the problem this may result in direct enforcement actions involving several agencies, or the building of capacity through the preparation of guidance and delivering of training to the wider Network. Members work across the themes of water, waste and air.

Table 5:
Environmental Enforcement Network Activities 2008

Network Related Events	
Enforcement Management Network Workshops (RMCEI & Complaints)	2
Steering Committee Meetings	3
Conferences (Water, Enforcement)	2
Unauthorised Waste Coordination Group Meetings	2
Water Networks Meetings	4
Air Network Meetings	2
IMPEL events	6

RMCEI = Recommended Minimum Criteria for Environmental Inspections.

IMPEL = European Union Network for the Implementation and Enforcement of Environmental Law.

Unauthorised Waste Activities

Tackling unauthorised waste activity remains a key priority for the EPA's Office of Environmental Enforcement. During 2008 this involved intensive engagement with members of the Environmental Enforcement Network. The Office of Environmental Enforcement continues to work with colleagues in Northern Ireland to address cross-border illegal waste issues. During 2008 this work focused on assisting the relevant competent authorities in dealing with Transfrontier Shipment repatriation requests.

The 24 hour illegal dumping line, 1850 365 121, was continued during 2008. Organisations involved are the EPA, local authorities and An Garda Síochána. In 2008, a total of 1,110 calls were received and passed on to local authorities for investigation.

Following the publishing of the *Code of Practice: Environmental Risk Assessment for Unregulated Waste Disposal Sites*, and the carrying out of associated training, the EPA developed an electronic tool during 2008 to assist local authorities in carrying out these assessments. This has been tested with local authorities and will be rolled out with the Local Government Computer Services Board in 2009.

The investigation of local authority statutory performance in respect of waste was regionalised during 2008. Complaints are now dealt with locally by the enforcement teams based in the five EPA regional inspectorates in Wexford, Dublin, Cork, Kilkenny and Castlebar. This is a more efficient way of dealing with the matter and provides for improved customer service.

Guidance with respect to the new Waste Collection Permit and Waste Facility Permit and Registration Regulations was produced by the EPA and training provided to local authority staff responsible for enforcing the regulations. A central, publicly accessible, electronic database for the storage of all waste authorisations issued by local authorities under the Regulations was also established and is available on the EPA website.

The Office of Environmental Enforcement began a review of landfill conditioning plans in 2008. The purpose of this work is to assess whether EPA licences provide for compliance with the Landfill Directive. All active landfills have been assessed and site-specific recommendations made to amend licences. Position papers were generated on the issues of waste gypsum and baled tyres, resulting in the issuing of guidance on management of these waste streams through the Enforcement Network.

Drinking Water Quality

Since March 2007 the EPA is the supervisory authority for public water supplies. Public water suppliers (local authorities) are required to notify the EPA of breaches of drinking water standards and to comply with any directions given by the EPA. Local authorities have similar powers in relation to private water supplies (i.e. group water schemes). The Health Service Executive was also given a statutory

role in relation to the protection of human health and must be consulted both by the local authority and by the EPA where there is a potential risk to human health arising from a problem with a drinking water supply.

During 2008, the EPA served 45 Directions on local authorities about drinking water issues, including a Direction to 34 local authorities in relation to preparing action programmes, installing monitoring equipment and improving treatment. The EPA has focused its efforts during 2008 on identifying the areas of greatest risk to both the security and safety of drinking water supplies in Ireland and the steps that need to be taken to minimise these risks.

Over 300 public water supplies were not considered to be sufficiently secure for the continuous provision of clean and wholesome drinking water, and tackling this problem was a priority issue for the EPA in 2008. The EPA published a remedial action list identifying these supplies and is actively pursuing the improvement of these supplies with the local authorities and the Department of the Environment, Heritage & Local Government.

During 2008, the EPA received 281 notifications of the failure to meet the drinking water standards and carried out 79 audits of water treatment plants. The EPA also met each local authority to outline the requirements of the drinking water regulations and this work, together with the publication of the remedial action list, has acted as a catalyst for funding to be allocated to priority drinking water supplies in order to improve the safety and security of identified drinking water supplies.

The first prosecution under the Drinking Water Regulations was also taken by the EPA during 2008. This case related to the failure by Galway County Council to comply with a Direction.

Following exceedences of lead in drinking water supplies, the EPA responded by investigating exceedences, issuing Directions, meeting with local authorities, and the EPA is currently in consultation with other stakeholders on developing national policies and guidance

for addressing the issue of old lead pipes that are still used for the distribution of drinking water. The EPA has also advised all local authorities that they must carry out lead surveys of their water distribution systems to determine the extent of lead piping in use.

Urban Waste Water

The Waste Water Discharge (Authorisation) Regulations 2007 requires the EPA to regulate the discharges of waste water from villages, towns and cities. All discharges from sewerage systems owned, managed and operated by local authorities will require a waste water discharge authorisation or certificate from the EPA, to be enforced by the EPA. Ten licences were issued during 2008.

During 2008, the EPA continued to use its supervisory powers over local authorities to drive improvements in the operation and management of waste water treatment plants. The EPA issued 13 statutory notices to local authorities during 2008, in relation to waste water issues. These notices were issued under Section 63 of the EPA Acts 1992 and 2003, following audits carried out by the EPA or for the investigation of environmental complaints. Actions included the investigation of complaints about odours from treatment plants, investigation of discharges to waters and follow up on bathing waters that failed the mandatory standards. One Proposed Direction was issued to Galway County Council in relation to inadequate wastewater treatment.

Environmental Legacy Issues

Ireland, in common with most developed countries, is dealing with environmental legacy issues such as old landfill sites, abandoned mine sites and contaminated land.

The scale and severity of these issues in Ireland is however, significantly smaller than other industrialised countries because of Ireland's relatively late arrival into the industrial age. Currently there is no national inventory of contaminated sites in Ireland though there are a number of national initiatives underway to deal with various types of contamination and updates on these initiatives are provided in the following paragraphs.

▼ *Old waste sites*

In 2007, the EPA published a Code of Practice that provided a framework for local authorities to identify and assess old waste sites. During 2008, local authorities started to apply this Code of Practice in their functional areas and to identify old waste sites. These sites will be risk assessed and a risk ranking assigned. To assist local authorities in carrying out these assessments the EPA has developed an online risk assessment tool. The EPA is in consultation with the Local Government Computer Services Board with a view to rolling out the online risk assessment tool during 2009.

▼ *Abandoned Mines Project*

In February 2006, the EPA and the Department of Communications, Energy and Natural Resources (Geological Survey of Ireland and Exploration and Mining Division) embarked on a joint project to carry out detailed site investigations at priority historic mine sites, to assess their potential risk to human health and safety and the wider environment and to make recommendations in relation to the future management of these sites. International experts in geostability and risk assessment are advising on the project. Over 100 metal and coal mine sites have been investigated and detailed geochemical analysis and geostability assessment have been undertaken. The project is now close to completion and a final report will be published in 2009.

▼ *Contaminated Land*

During 2008 an important piece of work was conducted as part of Ireland's implementation of the Water Framework Directive which added significantly to the knowledge and understanding of contaminated land issues in Ireland. The Water Framework Directive requires that a risk assessment be undertaken of anthropogenic (man-made) pressures on groundwater from both diffuse and point sources, including quarries, contaminated land and landfill sites. Groundwater bodies are categorised as being either of 'good' status or 'poor' status. This work will assist in prioritising contaminated sites for future work/remediation.

One of the main potential environmental impacts of land contamination is the risk of groundwater contamination. Measures will be required at contaminated land sites where the contamination from the site is contributing to the groundwater body being at poor status. Poor status groundwater bodies will require measures to bring them back to good status prior to the Water Framework Directive deadline of 2015. Where a contaminated site has been identified as being 'at risk' causing contamination, but the extent and magnitude is not significant enough to put the groundwater body at 'poor' status, varying degrees of measures and monitoring will be required.

On December 16th, 2008 the EC (Environmental Liability) Regulations 2008, S.I. No. 547 of 2008 regulations were made for the purpose of giving full effect to the EU Environmental Liability Directive. The Regulations will come into effect on 1st April 2009. The EPA will be the competent body for the purposes of these Regulations.

OFFICE OF ENVIRONMENTAL ASSESSMENT

The Office of Environmental Assessment co-ordinates and undertakes ambient monitoring of air and water including chemical, biological and hydrometric monitoring of lakes, rivers and estuaries and the qualitative and quantitative monitoring of groundwater. It supports the EPA's licensing and enforcement functions through monitoring of emissions and the provision of various laboratory related services. It also provides sampling and laboratory assistance to local authorities.

The Office has responsibility for a further range of functions including: co-coordinating a national environmental research programme; developing and using assessment tools such as Geographic Information Systems (GIS); producing regular reports on environmental quality and publishing periodic State of the Environment and Indicator Reports. In addition, the Office implements key aspects of the EU Air Framework Directive and its Daughter Directives, the EU Water Framework Directive, and environmental aspects of REACH. This EPA Office operates as Ireland's National Focal Point for the European Environment Agency (EEA), oversees Strategic Environmental Assessment and coordinates EPA activity on soils and biodiversity.

IRELAND'S ENVIRONMENT 2008

In October 2008, the EPA published its fourth 'state of the environment' report, *Ireland's Environment 2008*. This report, the flagship report from the EPA, is a comprehensive, wide-ranging evidence-based assessment of Ireland's natural environment. The report highlights the scale of the challenges Ireland faces and shows that the environment is an asset under threat. The report identifies the four main environmental challenges for Ireland to address in the coming years. These are:

- ▼ Limiting and adapting to climate change;
- ▼ Reversing environmental degradation - particularly in relation to water pollution and the conservation status of habitats;
- ▼ Mainstreaming environmental considerations across all sectors of the economy; and
- ▼ Complying with environmental legislation and agreements.

It contains many recommendations about what needs to be done to address the many challenges identified.

RESEARCH AND ASSESSMENT

Environmental Research

In 2008 the STRIVE programme made awards for 30 projects, corresponding to a budget commitment of approximately €11 million. The project awards were for the following:

- ▼ Eight projects in Waste & Resource Management;
- ▼ Nine projects in Environmental Technologies;
- ▼ Nine projects in Environment & Health; and
- ▼ Four projects in Sustainable Development and Environmental Socio-Economics.

Scholarships were awarded for 16 PhDs and 12 Masters and there were six post-Doctoral fellowships representing a commitment from the EPA of approximately €4 million up to 2010. Four Masters Scholarships were upgraded to PhD status.

The year also marked the completion of the 33rd PhD under the direct Scholarship Scheme since the programme started in 2001.

In all, 33 research reports were published in 2008 including two on markets for environmental technologies that feed directly into the *National Environmental Technology Action Plan*.

Strategic Environmental Assessment (SEA) Directive

The objective of the SEA Directive is to provide for a high level of protection of the environment and to promote sustainable development. Key activities in 2008 included significant progress in developing effective systems and procedures for improving the SEA process and for promoting best practice in SEA.

These include:

- ▼ Ongoing testing and development of an automatic GIS search and reporting tool and a SEA process checklist;

- ▼ Issuing of the SEA checklist for consultation during 2008 to guide best practice in SEA and the preparation of a generic SEA pack to assist plan/programme makers through the SEA process;
- ▼ The automation of the SEA GIS search tool and the preparation of *Draft Best Practice Guidelines on the Application of GIS in SEA*, which is in the advanced stages of completion and will be formally circulated in 2009;
- ▼ Holding of an SEA and appropriate assessment workshop with key plan/programme makers and decision makers; and
- ▼ Further promotion of SEA best practice with the following sectors - fisheries, energy, forestry, water, telecommunications and tourism.

In 2008 one hundred and sixteen SEA screening notifications were received and sixty two SEA scoping notifications for new SEAs commenced. Thirty-eight submissions were made on draft plans/programmes and environmental reports.

Key SEAs completed by public bodies in Ireland during 2008 included the Review of the *National Hazardous Waste Management Plan*, the Irish Seafood Operational Programme and the Greater Dublin Strategic Drainage Strategy. In addition, four flood risk assessment and management studies are currently underway.

Bathing Water Quality

The Bathing Water Quality Report 2007 was released in May 2008. The report found that the overall quality of Ireland's bathing waters remains high, with 97 per cent of designated bathing sites meeting the EU Mandatory standards. Only 80 per cent of the bathing areas, however, complied with the stricter EU Guide values, a decrease of 10 per cent over the previous season. This was due, in general, to the higher than usual rainfall that occurred during the 2007 bathing season, which would have the effect of, among other things, causing increased discharges that would impact on bathing areas.

In the context of the new Bathing Water Regulations 2008, the EPA continued to encourage local authorities to identify additional bathing areas in the coming years. Details of the quality of Ireland's bathing water are available at Map 1.

Map 1:
Bathing Water Map Of Ireland 2007



Environmental Noise Mapping

The Environmental Noise Regulations, which came into effect in April 2006, designated the EPA as the National Authority for the purposes of the Regulations. The EPA’s role includes supervisory, advisory and co-ordination functions in relation to both noise mapping and action planning, as well as reporting requirements for the purpose of the Environmental Noise Directive relating to the assessment and management of environmental noise.

Following on from the production of noise maps by local authorities in 2007, the relevant local authorities were required to prepare noise action plans during 2008. The EPA assisted the local authorities in the preparation of these plans through the production of a guidance document, co-ordinating workshops and providing comments and feedback on individual plans. Ireland also fulfilled its reporting obligations on time by reporting to the European Commission those entities that will be required to be mapped in the second round of noise mapping in 2012. In addition, Ireland was the first country to report the specified data on action plans to

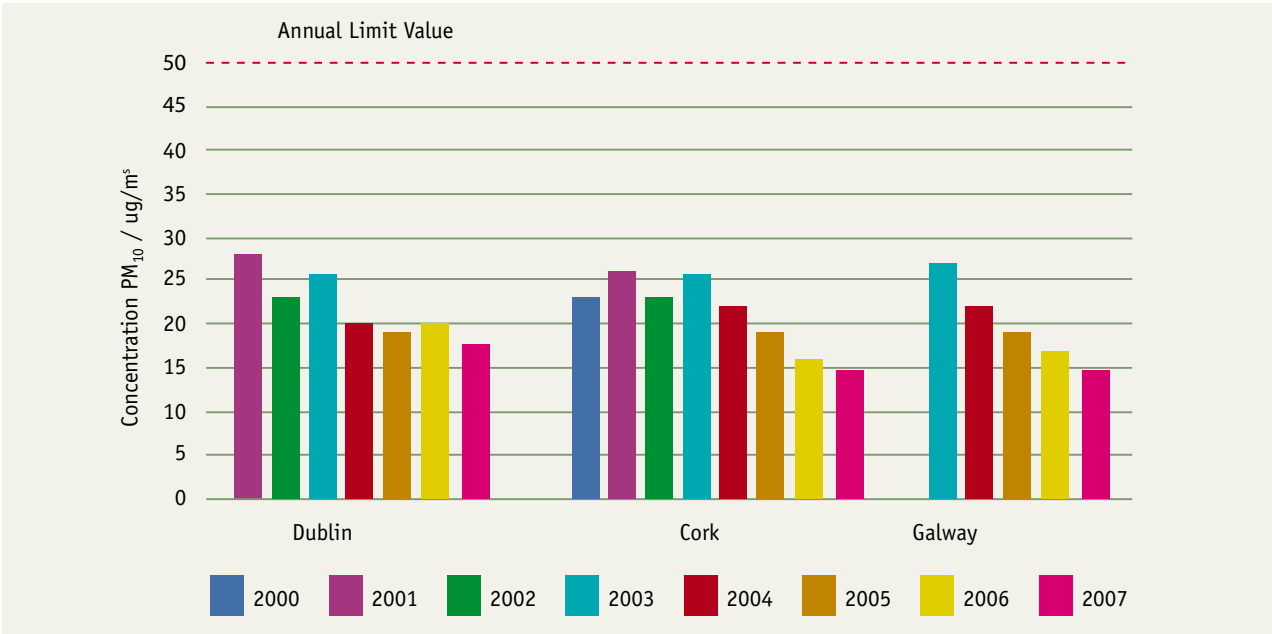
the European Commission by the mid January 2009 deadline.

Air Quality

In 2008 the report *Air Quality in Ireland in 2007 - Key Indicators of Ambient Air Quality* was published and provided an overview of ambient air quality trends based on monitoring data from 26 stations. The report found that:

- ▼ Air quality was good at monitoring stations throughout the country, meeting all EU standards;
- ▼ Levels of nitrogen dioxide and particulate matter (PM₁₀) due to traffic are potentially of concern in urban centres, should further increases occur;
- ▼ Levels of particulate matter (PM₁₀) were higher in smaller towns (but still in compliance with the standards) most likely due to continued use of bituminous coal. The graph in Figure 2 illustrates trends in PM₁₀ concentrations in Dublin, Cork and Galway between 2000 and 2007 illustrating an overall downward trend.

Figure 2:
Annual Average PM₁₀ Concentrations in Dublin, Cork and Galway between 2000-2007



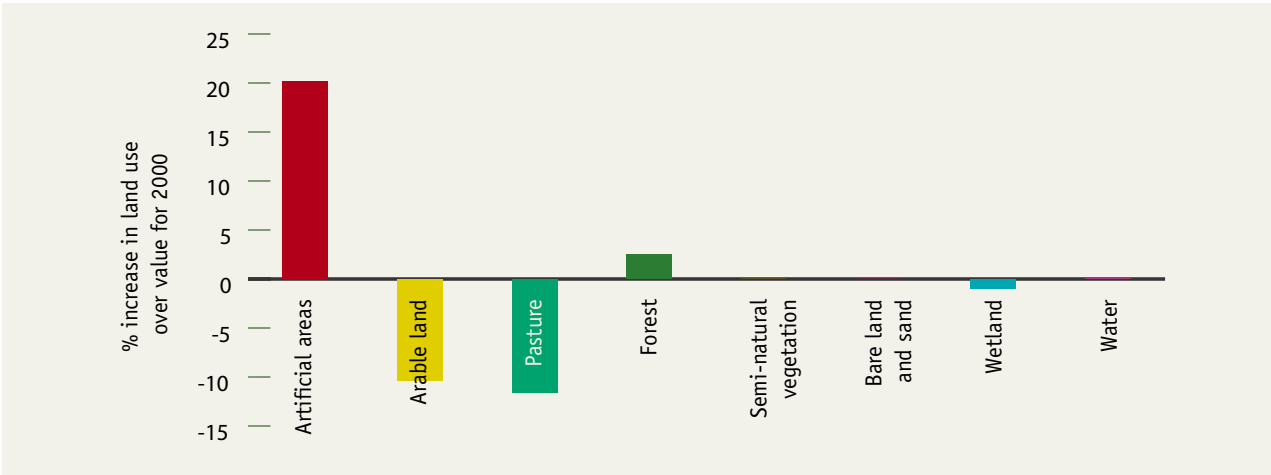
Land Cover - Corine

Information about land cover and land usage is improving every year through the application and development of satellite and photographic imagery that allows for the presentation of complex information in map and picture format. During 2008 the EPA completed an update to the land cover/land use map of Ireland, as part of the European Corine Land Cover initiative, in which the European Environment Agency co-ordinates land cover mapping of most of Europe. This update will be made available in 2009 through the EPA's ENVision map-based interface to environmental data on the EPA website. This will mean that there will be land cover maps for the years 2000 and 2006, which will allow us to study changes in land use and land cover during that period. The types of changes being seen are illustrated in Figure 3, which shows a significant increase in land used for residential, industrial and commercial purposes ('artificial' areas) in the Greater Dublin area and comparative reductions in arable land and pasture land.

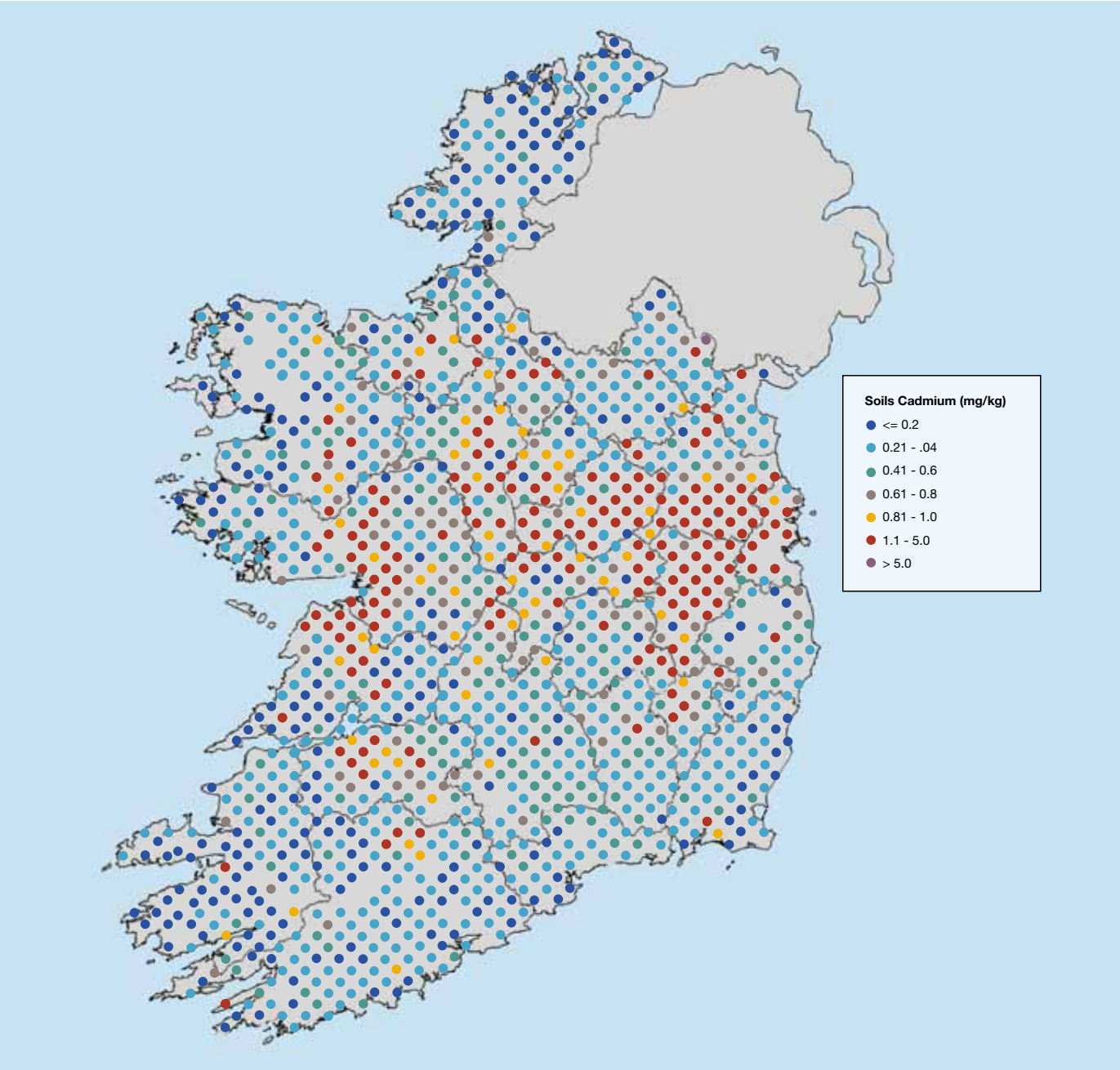
National Soils Database

Work was completed on the National Soils Database and Archive in 2008. Datapoint and spatial distribution maps have been produced for 45 elements including major nutrients such as phosphorus, potassium and magnesium, essential trace elements such as cobalt, copper and selenium, and other elements of interest (due to their potential toxicity) such as cadmium, arsenic, lead, nickel and mercury. This provides Ireland with a robust and structured baseline of soil geochemical properties relevant to environmental, agricultural and public health related pressures which can be used to assess trends in measured parameters over time and to quantify the soil's response to environmental pressures. Maps 2 and 3 are examples of the two types of maps produced, and all of this information is now accessible on the EPA website.

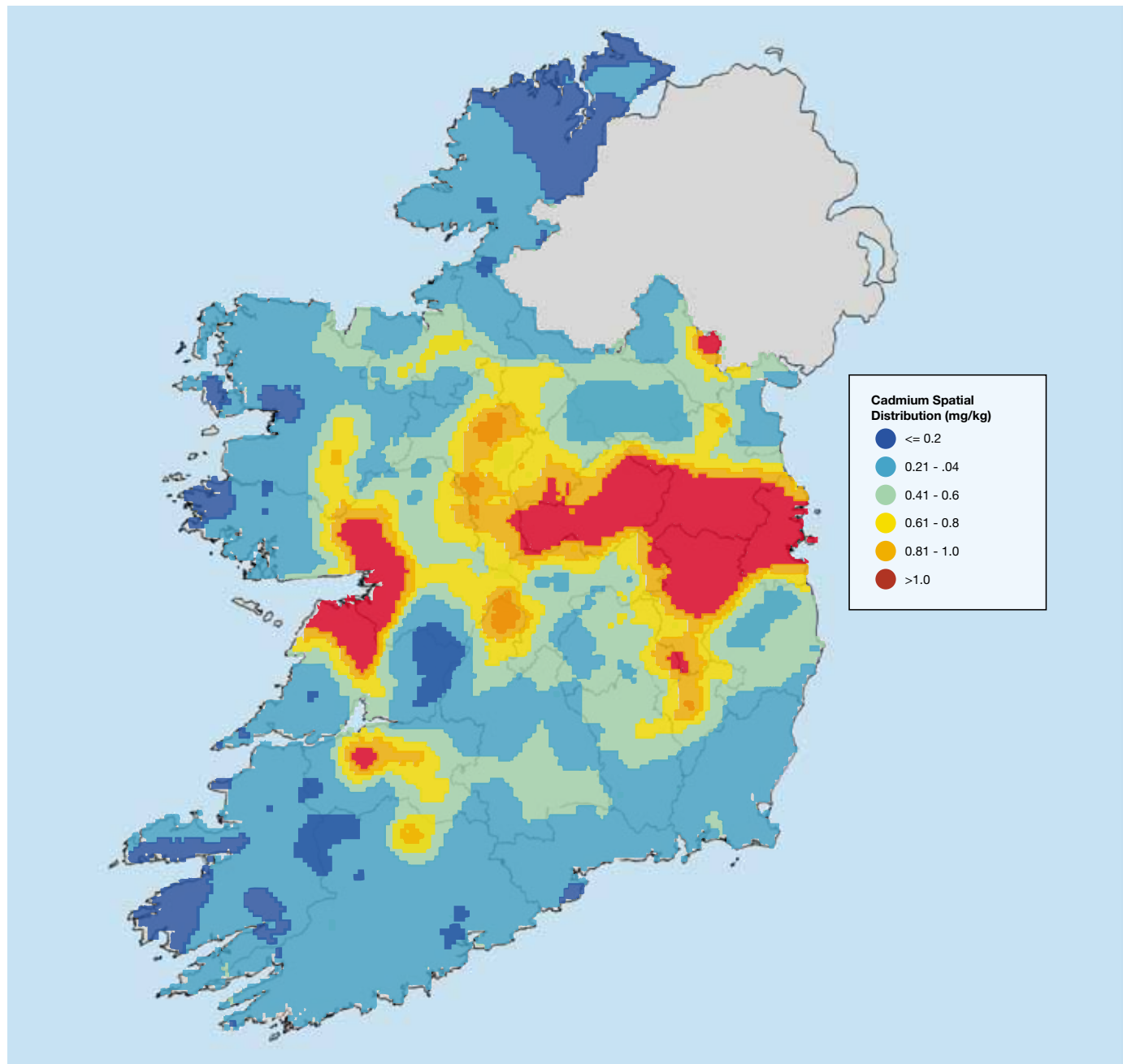
Figure 3:
Percentage Land Cover Changes in the Greater Dublin Area between 2000 and 2006 (Source: Data, JrC/UII; Analysis, EPA)



Map 2:
Datapoint Map for Concentration of Cadmium in Irish Soils (Source: National Soils Database) Soil Cadmium



Map 3:
Spatial Distribution map for Cadmium in Irish Soils (Source: National Soils Database, 2007)



Biodiversity

The large biodiversity project AgBiota was completed in 2008 and is due for publication in 2009. This project has identified suitable bio-indicators for the environmental impacts of agriculture and will assist in the national target to halt, and reverse, the decline in biodiversity within our wider countryside. A related project on the value of parasites as bio-indicators was published in March 2008.

A large-scale four year research project, SIMBIOSIS, was started in 2008. This will quantify impacts of key sectoral activities (in particular: cultivation of bioenergy crops, road landscaping and aquaculture) on genetic species and landscape biodiversity and the ecosystem services they provide, including pollination, biological pest control, carbon sequestration and resistance to alien species invasion.

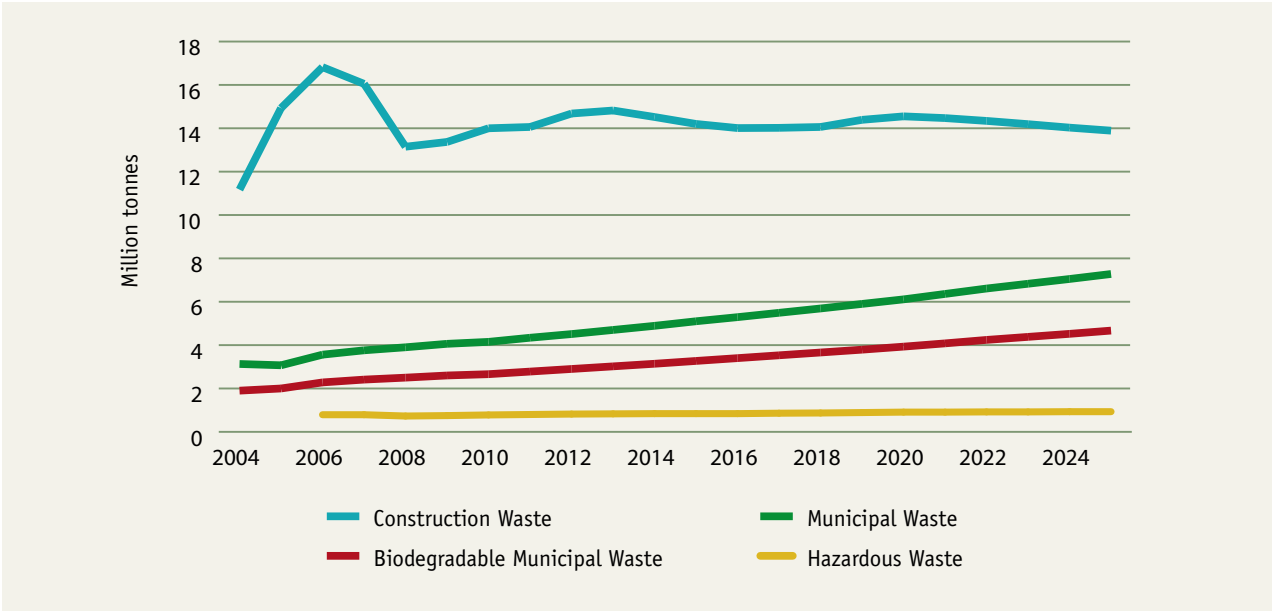
The five-year research project BIOFOREST, co-funded with COFORD, concluded in late 2007. The outputs from this project have been used in the development of FEPS (the forest environment protection scheme) and are seen as an essential contribution towards Ireland meeting its obligations under the Convention on Biological Diversity.

The Agency continued to provide assistance to the National Biodiversity Data centre and cooperated with the National Parks and Wildlife Service on renewing the National Platform for Biodiversity research.

Irish Sustainable Development Model (ISus)

The Economic and Social Research Institute (ESRI) is undertaking a three year EPA-funded research project to model how the evolution of activity across the economy and society effects waste generation and emissions of potential pollutants. The project commenced in 2006 and the model developed is called the Irish Sustainable Development Model or ISus for short. The ISus model utilises a wide range of economic and environmental data including the ESRI's own macroeconomic projections and is capable of scenario analysis to highlight the environmental implications of various measures in order to better inform decisions that affect the environment. Preliminary results were presented in Ireland's Environment 2008. Figure 4, for example, illustrates how the ISus model was used to develop waste projections.

Figure 4:
Waste Projections: Business-as-Usual Scenario (Source: ISus)



European Environment Agency

EIONET (European Information and Observation Network) is a partnership network of the European Environment Agency (EEA) and its member and participating countries. It consists of almost 900 experts from 37 countries in over 300 national environment agencies and other bodies dealing with environmental information.

National Focal Points (NFPs) are the primary links/contacts between the EEA and the national EIONET partners. The EPA in its role as NFP for Ireland continued to coordinate environmental information exchange with the EEA and to maintain and develop the national network and facilitate and coordinate contacts, requests and deliveries between national and EU level.

Geographical Information Systems (GIS)

The GIS Unit continued its commitment to providing better access to data, which started through the development of ENVision, the interactive map based facility for the general public, in 2007, by focusing on development of WebGIS sites to automate and streamline specific functions, either within the EPA or as a service to be provided to other stakeholders.

These projects were aimed at using automated methods to reduce the time taken to access and process the data required for certain tasks.

The first in this suite of tools is the Assimilative Capacity Model system, to assist in calculating safe emission levels for waste water. The second is the Strategic Environmental Assessment WebGIS which acts as a one-stop shop for creating SEA reports. The Landfill Risk Assessment WebGIS, is the third tool which is a supporting tool to accompany the *EPA Code of Practice for Unregulated Landfills*.

All three projects are in implementation phases and the products will be available to EPA and local authority staff.

The EPA continues to make water quality information on rivers, lakes, estuaries, groundwater and bathing areas available to the public on the EPA website through ENVision.

The EPA HydroNet, launched in June 2008, has significantly improved the provision of hydrological data to the public and other interested users via the internet. The site provides easy access to summary hydrometric data (e.g. riverflow) at local authority hydrometric stations throughout the Republic of Ireland.

AQUATIC ENVIRONMENT

Water Framework Directive

The Water Framework Directive represents the most significant development in the field of EU water policy to date. The Directive provides an overarching framework and programme to deliver long-term protection of water. It aims at protecting existing high and good status water, preventing further deterioration of water quality and restoring all degraded ground and surface waters to good status.

In 2008, the EPA made recommendations to the Minister for the Environment, Heritage and Local Government on physico-chemical and chemical standards for surface waters, to be included in Regulations. The Water Framework Directive Monitoring Programme tasks, assigned to the EPA for 2008, were successfully completed. In particular, the EPA issued interim status assessments for surface and groundwaters to the River Basin District Authorities for the purpose of objective setting in the River Basin District management plans.

Water Quality

The Water Quality in Ireland 2004 - 2006 Report on the Aquatic Environment was published in November 2008 and provides detailed information regarding water quality in Ireland for that period.

The main findings of the Report showed:

- ▼ 71.4 per cent of river channel length (see Figure 5) and 92 per cent of lake surface area examined were of satisfactory water quality, a slight improvement on previous years;

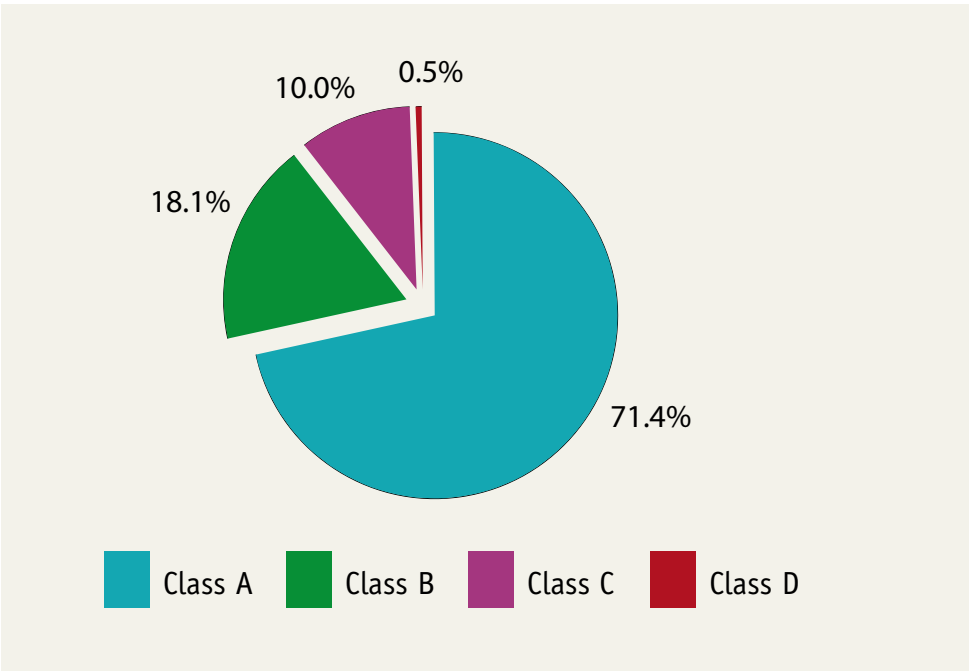
- ▼ 78 per cent of the estuarine/coastal water bodies examined were classified as being unpolluted or in an intermediate condition;
- ▼ 25 per cent of all groundwater samples and almost six of every ten groundwater sampling locations were contaminated by faecal coliforms, while nitrate concentrations exceeded the annual mean nitrate threshold concentration at almost 10 per cent of sampling locations;
- ▼ the overall quality of bathing waters in Ireland remains very good; and
- ▼ the number of fish kills recorded in the three-year period was 122, representing an improvement over the previous three year period, but is still at an unacceptably high level.

Hydrometric Programme

The objectives of the Hydrometric Programme are to produce good quality, relevant data on flows and water levels in order to support the design of major infrastructure, for example, water supply abstractions, as well as undertaking monitoring in support of environmental goals such as those of the Water Framework Directive (WFD).

The WFD underlines the need to understand the interactions between surface water and groundwater. The installation of over 50 new monitoring wells and over 20 weirs on springs in 2008 has added substantially to the number and quality of groundwater monitoring points. The status of the 757 groundwater bodies, delineated as part of the implementation of the WFD, was

Figure 5:
River Quality 2004-2006: Percentage channel length in each quality class



determined. Emphasis was placed on improving the quality of hydrometric data and the safety of hydrometric stations, with the assistance of local authorities. Progress in these areas will continue in 2009.

The predicted impacts of climate change in Ireland, as elsewhere, point to changing rainfall patterns with consequent implications for water resources and the availability of water supplies; this underlines the continuing need for hydrometric monitoring including rivers, lakes and groundwater. Dissemination of hydrometric data was greatly enhanced by the launch of the Hydronet web facility as noted above.

LABORATORY SERVICES

In 2008, approximately 24,600 samples, a 5% increase over 2007, were taken and analysed for a range of chemical and, where appropriate, microbiological parameters. This involved a total of approximately 350,000 analytical measurements. The samples were taken from rivers, lakes, groundwaters, tidal waters, landfill leachates, effluents and air emissions. The work was undertaken as part of national monitoring programmes including the Water Framework Directive (WFD) Surveillance and Operational programmes, in support of environmental enforcement, and for regional programmes on behalf of local authorities in the south-east, west and north-east.

The increase in samples was partially attributable to the first full year's monitoring for both the WFD Surveillance of rivers and lakes and the Operational monitoring of transitional waters. New equipment, purchased during 2007 for this work, was used in all laboratories. Surveillance sampling and Organics analysis was again outsourced as in 2007.

In preparation for licencing of Urban Wastewaters, 5 new staff were recruited and trained across the service. Services to the Office of Environmental Enforcement increased in the areas of landfill gas measurement and laboratory audits.

Intercalibration Programme

The total number of laboratories participating in the EPA's intercalibration programme, increased by 2 to 126 in 2008. These include local authority and contract laboratories, other laboratories supplying data to the EPA and also the EPA's five regional laboratories. The register of laboratories, provided for under Section 66 of the EPA Act, 1992, was updated in May 2008 and is available for inspection at the EPA Headquarters and at www.epa.ie.

Air Monitoring Network

All air monitoring results from across the country are available, using a map-based interface, on the EPA web site. Map 4 shows the locations of current monitoring sites (green dots) and towns where assessment reports have been prepared (blue dots). New monitoring sites for 2008 included Clonskeagh and Knocklyon in Dublin, and Letterkenny in Co. Donegal.

Map 4:
Locations of Air Monitoring Sites



SECTION 2 BUILDING A HIGH PERFORMANCE ORGANISATION

As well as identifying environmental goals *2020Vision* also identifies our EPA organisational goal as Building a High Performance Organisation. Since its inception the EPA has continually developed and adapted to meet changing priorities, driven primarily by the needs and expectations of our stakeholders. In delivering the vision and goals outlined earlier, we will continue to develop our organisation and look for ways to improve. Our overarching goal continues to be the development of a world-class organisation, working smartly and efficiently, building effective partnerships and, most importantly, delivering positive environmental outcomes. We want to build on our reputation and ensure that we are seen as an organisation that has strengths in the following four key areas:

Competent/Committed People – Expert group, committed to environmental protection, relentlessly executing our action plans.

Environmental Champion – Strong, independent voice focusing on the immediate issues and beyond.

Customer-focused – Listening and responding quickly, anticipating stakeholder needs, high-quality service delivery.

Organisationally Efficient – Value-for-money service with zero duplication, smart ways of working and a highly flexible organisation.



OFFICE OF COMMUNICATIONS AND CORPORATE SERVICES

The Office of Communications and Corporate Services ensures, among other things, that the EPA conducts its business activities in an efficient manner, conforming to best business practice and also that it communicates effectively with its stakeholders and the general public. The Office is responsible for Finance, Communications, Corporate Governance, Information Technology, Human Resources, Training and Organisational services.

CORPORATE GOVERNANCE

The EPA is committed to maintaining the highest standards of corporate governance and embedding the culture of good governance in all Offices and business units. As part of the ongoing implementation of the *Code of Practice for the Governance of State Bodies*, the EPA continued to conduct internal audits under the stewardship of the Internal Audit Committee. The Internal Audit Committee held four meetings in 2008. An Internal Audit Plan covering the period 2009-2010 was developed in 2008 and agreed by the Internal Audit Committee and by the EPA Board. During 2008 the EPA also established a role for monitoring its compliance with corporate legislation within the Corporate Governance area.

QUALITY CUSTOMER SERVICE (QCS)

The 2008 QCS Action Plan identified the EPA's strategic customer service goals. The key objectives in the 2008 QCS Plan were as follows:

- ▼ Enhancing Service Delivery;
- ▼ Building Trust with Communities and Stakeholders;
- ▼ Development of Guidance;
- ▼ Improving Internal Customer Service; and
- ▼ Measuring Customer Service Performance.

Each Office identified specific actions under each of these objectives. Progress on the implementation of the Plan was reported on a quarterly basis to the Board of the EPA. Significant QCS achievements during 2008 included the launch of a Hydronet

website which provides real time flow data for stations around the country. Improvements were also made to the licence search facility and the accessibility of the EPA website. A number of BAT Guidance notes were also published in 2008.

The EPA's Customer Charter is available on the EPA website.

COMMUNICATIONS

The EPA media relations office handled approximately 700 media enquiries in 2008.

A series of articles was developed and distributed on a monthly basis to regional media. These articles featured information on a variety of EPA issues and the information was tailored to suit each county or region. Topics included drinking water quality and drinking water filters, bathing water quality, climate change, backyard and fireplace burning, the EPA/An Taisce Green Home programme, green business, and seasonal tips at Christmas.

The EPA *Annual Highlights* document, which provides information on the key undertakings of the EPA during the previous year, was published and distributed in February 2008 and two editions of *EPANews*, the corporate newsletter, were distributed to subscribers during the year.

The EPA sponsored the fourth annual *Environment Ireland* conference in September. Over 300 representatives from the Irish business community and public sector attended. The conference provides a forum to discuss significant developments in environmental policy in Ireland. The theme for 2008 was 'Achieving a Sustainable Ireland'. Held at a time when Ireland's economy was facing difficult challenges, the conference addressed a number of key policy issues including sustainable development; climate change; environmental regulation; clean technologies; waste management; water resources and environmental policy.

EPA staff engaged with stakeholders at a range of national and local events during the year, including the BT Young Scientist

Exhibition; the National Ploughing Championships in Kilkenny; the Greener Ireland Expo at the RDS and Farmfest '08 in Athenry.

The EPA completed the seven-part climate change lecture series, and followed up with the first occasional lecture in October, 2008. The seven-part series explored key aspects of climate change ranging from predictions and impacts, to its economic and political consequences. Each lecture attracted a large audience, proving that climate change is an issue of great importance to all sectors of society. These lectures are available as video broadcasts on the EPA website. Making the lectures available on the internet raises awareness about this important topic.

An Taisce, in partnership with the EPA's National Waste Prevention Programme, officially launched the *Green Home* initiative in May, 2008. The aim of the *Green Home* programme is to raise environmental awareness and support positive and sustainable environmental actions amongst householders and community groups. The programme covers topics such as waste prevention, energy conservation, water usage and transport. Now in its third phase, the programme is running in fifty communities, with forty-one schools and approximately 6,700 households taking part, and online registrations continue at www.greenhome.ie.

EPA WEBSITE

Improvements were made to the EPA website to improve the overall accessibility of the site to people with disabilities. A new facility (called an RSS feed) was also introduced to alert interested parties to new content on the website. Users of the website can sign up for this facility if they wish to be informed when a new press release is added to the site.

EDUCATION

The EPA has developed educational resources for teachers of primary and secondary level. These have been circulated to every school in the country and continue to be distributed on request.

The EPA continued to sponsor and contribute to the *EcoEye* TV series in 2008. A sixth series was broadcast on RTE 1 in early Spring. Each programme was viewed by an average of 400,000 people. A seventh *EcoEye* series was in development during the year for broadcast in the first quarter of 2009.

The EPA also sponsored a programme on climate change in the second of the science series, *The Investigators*. This programme highlighted some of the outstanding work being undertaken by Irish scientific researchers. Broadcast in a late night slot on RTE 1 the average number of viewers for each programme was 176,000.

The EPA again sponsored a lesson on climate change in *Science and Technology in Action*, a multimedia resource for second level schools.

INTERNAL COMMUNICATIONS AND PARTNERSHIP

As a growing organisation with a broad geographical coverage, internal communications continues to play an important role in EPA operations. A series of staff workshops were held during 2008

as part of the implementation of the internal communications strategy. This strategy aims to continue to develop the EPA as a high performance organisation with a strong focus on recruiting and retaining the best people, being a champion for the environment, being results-driven and customer-focused and being organisationally efficient.

The EPA partnership committee, *Meitheal*, continues to play an important role in monitoring and improving internal communications within the EPA.

The EPA has had a Partnership Committee (*Meitheal*) in place since 1999. The Partnership Committee is composed of management, union and staff representatives and ensures a participative approach to resolving issues and challenges as they arise.

Each year, *Meitheal* prepares an action plan under the headings: promoting partnership, promoting the greening of the EPA, health and safety, performance management, quality customer service, organisation and staff development, human resources management



Meitheal Committee 2008.

and information exchange. The work of *Meitheal* is mainly conducted through sub-groups. *Meitheal* also considers and agrees progress reports on *Towards 2016*.

During 2008, *Meitheal* continued to play a significant role in the ongoing development of the Performance Management and Development System for staff, the coordination of Health and Safety initiatives, Greening the EPA and the preparation of a progress report on the *Towards 2016 Action Plan*. The sub-group on organisation and staff development continued to work on the preparation and implementation of staff development programmes.

During 2008, the EPA also accepted an invitation from the National Centre for Partnership and Productivity to take part in a national campaign to promote partnership in the work-place.

HUMAN RESOURCES

Following the assignment of a range of new responsibilities, the EPA received sanction for the appointment of 50 new staff across various disciplines, bringing the total staff complement to 340. A total of 35 recruitment competitions were completed in 2008. All new and consequential appointments were made in 2008.

One hundred and sixty five staff are located at EPA Headquarters in Wexford and the remaining staff are located in Regional Inspectorates and Offices throughout the country.

STAFF DEVELOPMENT AND TRAINING

The EPA has a very significant commitment to staff development and training. This commitment is reflected in regularly meeting or exceeding the Public Sector target of 4% of payroll spend on Training and Development. Direct expenditure on training in the year amounted to over €720,000.

During the year, staff members participated in a programme of 246 training courses, workshops, conferences and seminars at home and abroad, amounting to a total of 1,959 training days, giving an average of 6 days training per person. The EPA continued to implement the Staff Development Programme, which is coordinated by a subgroup of *Meitheal*, the EPA Partnership Committee. The objective of this programme is to enable participants to recognise and develop the core behavioural competencies necessary to achieve their potential within current and future roles and to equip EPA staff with the skills and competencies needed to work in a modern customer-focused and target-driven environment. A Diversity and Disability Awareness programme was introduced for all staff. A new People Management programme was initiated at the latter end of the year and the EPA also continued its commitment to further education by supporting staff pursuing relevant courses of study in their own time.

INFORMATION TECHNOLOGY SERVICES

In 2008, the EPA's Information Technology services were focused on supporting the implementation of new environmental regulations, and supporting the long-term goal of continually improving the collection, assessment and provision of information, to all stakeholders.

A new IT system has been developed and implemented to manage the collection and dissemination of information regarding Ireland's pollutant emissions and waste transfers. The EPA is collecting this information from its licensed facilities for onward transmission to the European Commission for the Pollutant Release and Transfer Register (PRTR) in June 2009, as per EU regulations. These inventories of pollution from industrial sites and other sources are expected to exert a significant downward pressure on levels of pollution.

A number of systems were implemented to support the EPA's role in enforcing new regulations. The main activities were:

- ▼ The development and implementation of an IT system to assist with the EPA's enforcement of the Waste Electrical and Electronic Equipment (WEEE) Directive and Regulations; and
- ▼ The development and implementation of an IT system for tracking, managing and enforcing drinking water notifications from public authorities.

Enhancements have also been made to the EPA's internal systems to improve the efficiency of the EPA's internal processes and the dissemination of information amongst EPA staff. This has led to efficiencies in terms of invoicing enforcement changes and the availability of drinking water and river water information.

SAFETY, HEALTH AND WELFARE

The EPA is committed to ensuring the safety, health and welfare of its staff through strict adherence to Health and Safety Standards and through the provision of appropriate training, safety awareness programmes and personal protective equipment. The EPA's excellent safety record was maintained with no serious accidents occurring at work during 2008. Emphasis continued in 2008 on heightening awareness of safety, health and welfare matters, through the provision of an extensive safety-training programme including the completion of a health screening programme for all staff.

The process of auditing and risk assessment of EPA activities continued with the completion of an audit of the biological fieldwork programme by an external auditor. The audit found that overall, risks have been adequately addressed, any safety-related requests are quickly satisfied by the EPA and a "safety first" attitude was common to all the staff interviewed. Given the varied outdoor nature of the work, due care and training are the most important controls required and in place.

A significant programme of work was carried out in 2008 to improve accessibility to EPA premises and services for people with disabilities.

INTERNAL ENVIRONMENTAL MANAGEMENT

The EPA began the process of formally reviewing its environmental impacts in 2007 with the intention of implementing improved environmental management systems. An Initial Environmental Review was carried out to review the EPA's environmental performance based on existing management and operational procedures and practices.

In 2008 an Environmental Management Programme (EMP) was put in place to address the significant aspects identified in the Register of Environmental Aspects. The EPA Green Team worked on implementing the EMP throughout the year and all objectives and targets progressed as scheduled.

A range of initiatives implemented by the EPA during the year included the following:

- ▼ Wood pellet heating system installed in Inniscarra, Cork;
- ▼ All EPA sites using electricity from renewable sources;
- ▼ Full segregated waste management systems at all locations;
- ▼ Video conferencing facilities in all main locations; and
- ▼ Environmental considerations included in procurement process.

As part of the Environmental Management Programme energy audits were carried out on all EPA premises in order to implement formal monitoring and measurement and to identify reduction targets.

EPA Headquarters and Kilkenny were selected to participate in the Office of Public Works (OPW) Energy Conversation Initiative for public buildings. Both buildings performed well in terms of energy consumption when compared to typical benchmark for buildings of the same type.

CAPITAL PROGRAMME

Construction of the extension to EPA Headquarters commenced in February 2008 with a fifteen-month completion schedule. The extension provides for many sustainable features including a biomass boiler heating system, heat recovery from air-conditioning plant, energy efficient lighting system, photovoltaic panels and rainwater harvesting.

A final phase of refurbishment of the Regional Inspectorate in Inniscarra was completed to provide additional office accommodation.

NATIONAL AGREEMENTS

Under the current National Agreement, *Towards 2016*, an Action Plan was developed by the EPA and approved by the Department of the Environment, Heritage and Local Government in 2006. This action plan addresses issues such as efficient use of resources, customer service, e-government as well as organisational modernisation and flexibility.

Two progress reports were presented and accepted in 2007 and a further report was submitted in June 2008. The performance verification group confirmed that the EPA had successfully achieved the performance targets set out in its action plan and had made very good progress on a wide range of initiatives especially in the areas of service delivery and cross-functioning team-working.

ADVISORY COMMITTEE

The EPA Advisory Committee held three meetings during 2008. The Committee continued to provide useful and timely advice to the EPA on a range of issues.

BOARD OF THE EPA

The Board of the EPA held fifty meetings in 2008 including 38 technical meetings at which license applications, prosecutions and other operational issues were dealt with, and 12 general meetings at which corporate policy, strategy, finance and planning issues were dealt with.

ACCESS TO INFORMATION

The EPA is committed to being an open and accessible organisation. The Freedom of Information (FOI) Acts and the Access to Information (AIE) Regulations are two methods of accessing information for those members of the public that have not been able to access the information they require under alternative routes.

During 2008 the EPA received 20 FOI requests. Of these, 11 requests were granted or part-granted, and 4 were refused. In the case where requests for access to records were refused, such refusals were made under various exemption clauses in the FOI Acts including technical refusals under Sections 10 and 46. Two requests were withdrawn and three remained live at the year-end.

Under the AIE Regulations, the EPA received 23 requests, 17 of which were granted in full or in part, and 5 were refused (in these cases the records either did not exist or they were already available for public inspection).

CONSULTANTS

During 2008 the EPA utilised the services of various consultants and advisers. These are listed in Table 6.

Table 6:
Consultants and Advisers Engaged in 2008


A & L GOODBODY	GWEN MALONE	SCIENTIFICS LTD
ACHILLES PROCUREMENT SERVICES	HEANET LIMITED	SIGMA SEVEN LTD
AINHOA GONZALEZ DEL CAMPO	HELM CORPORATION LTD	SOFTWARE PATHS
ASKHR LTD	HEWLETT PACKARD IRL LIMITED	SPEED-IT LTD
B2E LTD	INFRATEC	TARTAN TECHNOLOGIES LTD
BARRY DOYLE & COMPANY	INSTITUTE OF PUBLIC ADMINISTRATION	TERMINAL FOUR
CALYX IRELAND LTD	INTEGRITY SOLUTIONS	UNIT4AGRESSO
CAMP DRESSER & MCKEE (IRELAND)	IQ CONTENT LTD	UNIVERSITY COLLEGE CORK
CARLOW COUNTY COUNCIL	ISONIQ LIMITED	VISUAL ID
CARR COMMUNICATIONS LTD	IWW	WILLIAM E MURPHY
CASEY MCGRATH & ASSOCIATES	KISTERS AG	
CERAM BUILDING TECHNOLOGY	LAND QUALITY MANAGEMENT LTD	
CERIDIAN I.T.S.	LEVETT-THERIVEL	
COMPASS INFORMATICS LTD	M J O'CONNELL & CO CONSULTING ENGINEERS	
CORA SYSTEMS LTD	MINEREX ENVIRONMENTAL LTD	
COYLE HAMILTON WILLIS	MJ GRAY	
DAVID BALL	MOTT MCDONALD PETTIT LTD	
DELOITTE AND TOUCHE	MR BRUCE MISSTEAR	
DETECTAG SECURITIES LTD	MR TIMOTHY MULVEY	
DR DAVID DREW	NATIONAL PHYSICAL LABORATORY	
DR DECLAN MURRAY	NEWSTEAD CONSULTING LTD	
DR CATHERINE COXON	NIAMH HYLAND B.L.	
DR ROBBIE MEEHAN	NUALA BUTLER B.L.	
DUNCAN LAURENCE ENVIRONMENTAL LTD	OCTO	
EMILY EGAN	ODOUR MONITORING IRELAND	
ERNST & YOUNG	OPEN INTERFACE LTD	
ESP TECHNOLOGIES LTD	ORAN DOYLE	
ESRI IRELAND LTD	ORIGINA LTD	
EUROFINS	OWEN HYDES	
FUTURE PERFECT	PFH COMPUTER SYSTEMS (CORK)	
GEOGLOGICAL SURVEY OF IRELAND	PLANNET21 COMMUNICATIONS LTD	
GPS IRELAND	RITS INFORMATION SECURITY	
GRAPHITE HRM LTD	RPS GROUP - DUN LAOGHAIRE	

PROMPT PAYMENT OF ACCOUNTS ACT, 1997

The Environmental Protection Agency comes under the remit of the Prompt Payment of Accounts Act, 1997, which came into effect on 2nd January 1998, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 which came into effect on 7th August 2002.

It is the policy of the EPA to ensure that all invoices are paid promptly. Specific systems and procedures have been put in place to enable invoices to be tracked and to ensure that payments are made before their due date. Purchase invoices are logged on a daily basis in Accounts Section, and are followed up systematically to ensure that they are certified for payment without delay. Payments are issued as required to ensure prompt payment. These controls are designed to provide reasonable, but not absolute, assurance against material non-compliance with the Act and Regulations.

There were 122 late payments with values in excess of €317 during 2008 and these exceeded the due payment date by an average of 22 days. The value of these late payments was €923,643. Overall, late payments represented 2.7% of the total value of payments covered by the Act, with total associated penalty interest of €3,076.



Mary Kelly
Director General, EPA



APPENDIX 1

EPA PUBLICATIONS 2008

The majority of EPA publications are available to download from the EPA website www.epa.ie.

All publications can also be purchased either on-line or from EPA Publications Sales at +353 1 2680100.

STATE OF THE ENVIRONMENT REPORT

- ▼ Ireland's Environment 2008.

AIR

- ▼ Air Quality in Ireland 2007.
- ▼ Dioxin Levels in the Irish Environment - Fifth Assessment.
- ▼ Ireland's National Greenhouse Gas Emissions Inventory for 2007.
- ▼ Ireland's National Greenhouse Gas Emissions Projections to 2020.
- ▼ Ireland's Emissions of Greenhouse Gases for the period 1990-2006.

CORPORATE

- ▼ EPA Annual Highlights 2007.
- ▼ EPA Annual Report and Accounts 2007.
- ▼ EpaNews Spring 2008.
- ▼ EpaNews Autumn 2008.

WASTE

- ▼ National Hazardous Waste Management Plan 2008-2012.
- ▼ National Waste Report 2006.

- ▼ National Waste Prevention Programme - Annual Report 2007-2008.

WATER

- ▼ The Provisions and Quality of Drinking Water in Ireland - A Report for the years 2006-2007.
- ▼ Water Quality in Ireland 2004-2006.
- ▼ The Quality of Bathing Water in Ireland - A Report for the year 2007.

GUIDANCE NOTES

- ▼ Code of Practice - Environmental Risk Assessment for Unregulated Waste Disposal Sites.
- ▼ Guidance Note for Noise in Relation to Scheduled Activities 2nd Edition 2006.
- ▼ Air Emissions Monitoring Guidance Note # 2.

ENVIRONMENTAL RESEARCH REPORTS

Climate Change

- ▼ Climate Change - Implementation of the Global Climate Observing System in Ireland. (ERC 8) Ned Dwyer.
- ▼ Climate Change - An Analysis of Aerosol Properties at Mace Head. (STRIVE 4) S. Gerard Jennings.

Air

- ▼ Long-Term Measurements of Atmospheric Mercury at Mace Head, Carna, Co Galway. (ERC 9) Stephan Leinert.
- ▼ New Transboundary Air Pollution Monitoring Capacity for Ireland. (ERC10) Stephan Leinert.



- ▼ AQUIRE - Air Quality Forecast and Statistics over Ireland. (ERC 11) Hermann Jakobs.
- ▼ Data Analysis and Estimation of Greenhouse Gas Emissions and Removal for the IPCC Sector Land Use, Land-Use Change and Forestry Sectors in Ireland. (ERC 7) Phillip O'Brien.

Water

- ▼ Water Framework Directive: Recharge and Groundwater Vulnerability. (STRIVE 6) Bruce Misstear, Les Brown.
- ▼ Water Framework Directive: Marine Ecological Tools for Reference, Intercalibration and Classification. (STRIVE 7) Caroline Cusack.
- ▼ Eutrophication from Agricultural Sources -The Impact of the Grazing Animal on Phosphorus, Nitrogen,
- ▼ Potassium and Suspended Solids Loss from Grazed Pastures-Phosphorus Dynamics in Grazed Grassland final report. (ERTDI 77) D.Burke
- ▼ Forestry Operations and Eutrophication -PENrich. Synthesis Report. (ERTDI 78) Ján Machava.
- ▼ Eutrophication from Agricultural Sources. Integrated Report. (ERTDI 81) O.T.Carton.
- ▼ A Framework for the Assessment of Groundwater Dependent Terrestrial Eco Systems under the Water Framework Directive. (ERC 12) Garrett Kilroy.

Soils and biodiversity

- ▼ The Value of Parasitic Hymenoptera as Indicators of Biological Diversity. (STRIVE 3) Annette Anderson, Gordon Purvis.
- ▼ Quantification of Erosion and Phosphorus release from a Peat Soil Forest Catchment. (STRIVE8) M. Rodgers.
- ▼ ATLAS - Soils Geochemical Atlas of Ireland. (This report is available at <http://erc.epa.ie/safer/iso19115/displayAllAttachments.jsp?isoID=7>)

Waste and resource management

- ▼ Organic Waste Management in Apartments. Final report. (ERTDI 71) Carmel Carey, Warren Phelan, Conall Boland.
- ▼ A Nationwide Review of Pay-By-Use (PBU) Domestic Waste Collection Charges in Ireland. (STRIVE 10) Abigail O' Callaghan, Anna Davies.
- ▼ A Nationwide Review of Pay-By-Use (PBU) Domestic Waste Collection Charges in Ireland. Executive Summary. (STRIVE 9) Abigail O' Callaghan, Anna Davies.
- ▼ Examining the Use of Food Waste Disposers. (STRIVE 11) Carmel Carey.
- ▼ Critical Analysis of the Potential of Mechanical Biological Treatment for Irish Waste Management. (STRIVE 16) B. Guinan.

Socio-Economics

- ▼ Quality of Life and the Environment. (ERTDI 74) Craig Bullock.
- ▼ Island Limits - A Resource Flow Analysis and Ecological Footprint of Ireland. (STRIVE 1) Cathy Maguire, Robin Curry.
- ▼ Energy Crops in Ireland: An Assessment of their Potential Contribution to Sustainable Agriculture, Electricity and Heat Production. Final report. (ERTDI 70) David Styles, Michael Jones.
- ▼ Environmental Sustainability and Future Settlement Patterns in Ireland. (STRIVE 2) Richard Moles, Bernadette O'Regan.
- ▼ Strategic Environmental Assessment -SEA: Alternative Development for Household Waste Management. (STRIVE 18) Margaret Desmond.

Environmental Technologies

- ▼ Air Pollution - Trace Radical Absorption through Cavity-Enhanced Spectroscopy TRACES (STRIVE 15) U. Heitmann.
- ▼ eDiesel - Barriers and Benefits. (STRIVE 5) Fergal Purcell.
- ▼ Energy Efficient Improvement of Waste water Treatment Processes - Using Process Integration Techniques. (STRIVE 14) Toshko Zhelev.
- ▼ Results from the Cleaner Greener Production Programme-Summary Phase 2. EPA.

SECTION 3 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008

- ▼ Statement of Responsibilities of the Agency
- ▼ Statement on Internal Financial Control
- ▼ Report of the Comptroller and Auditor General
- ▼ Accounting Policies
- ▼ Income and Expenditure Account
- ▼ Statement of Total Recognised Gains and Losses
- ▼ Balance Sheet
- ▼ Cash Flow Statement
- ▼ Notes to the Financial Statements

STATEMENT OF RESPONSIBILITIES OF THE AGENCY

Section 50(1) of the Environmental Protection Agency Act, 1992, requires the EPA to prepare financial statements in such form as may be approved by the Minister for the Environment, Heritage and Local Government in consultation with the Minister for Finance.

In preparing those financial statements, the EPA is required to:

- ▼ select suitable accounting policies and then apply them consistently;
- ▼ make judgements and estimates that are reasonable and prudent;
- ▼ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the EPA will continue in operation;
- ▼ disclose and explain any material departures from applicable accounting standards.

The EPA is responsible for keeping proper books of account which disclose with reasonable accuracy, at any time, the financial position of the EPA and which enable it to ensure that the financial statements comply with Section 50 of the EPA Act. The EPA is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mary Kelly

Director General

Michael O'Brien

Director

23 September 2009

STATEMENT ON INTERNAL FINANCIAL CONTROL 2008

1. On behalf of the Board of Directors of the EPA, I acknowledge our responsibility for ensuring that an effective system of internal financial controls is maintained and operated, for preparing the accounts of the EPA and for complying with all statutory obligations applicable to the EPA.
2. The Directors of the EPA also acknowledge that the system of internal financial controls can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected and rectified in a timely period.
3. Key Control Procedures
 - i. The Directors of the EPA have taken steps to ensure an appropriate control environment within the EPA by:
 - ▼ Publishing the EPA Strategy Statement *2020Vision – Protecting and Improving Ireland's Environment*. This Strategy covers the period to 2010 and sets out the EPA's environmental and organisational goals. Implementation of the Strategy is monitored and reported to the Board of the EPA on a periodic basis.
 - ▼ Agreeing a detailed work programme for each year, and monitoring and evaluating progress against the work programme on a regular basis.
 - ▼ Holding regular Board meetings to manage and supervise the work of the EPA.
 - ▼ Establishing an Internal Audit Committee, as part of the ongoing systematic review of the control environment and governance procedures within the EPA, to oversee the Internal Audit function and advise the Board in relation to the operation and development of that function.
 - ▼ Establishing and operating a Risk Management Policy.
 - ii. During 2008 the EPA Risk Registers were reviewed in accordance with the EPA Risk Management Policy and a Corporate Risk Register was prepared. Each Director provides quarterly assurance statements to the Director General acknowledging responsibility for the ongoing update, monitoring and review of the risk register in their Office and for ensuring the implementation of the Risk Management Policy.
 - iii. The system of internal financial controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures including segregation of duties, and rigorous ongoing checks by the finance function. In particular it includes:
 - ▼ Implementing a Performance Management and Development System for all staff.
 - ▼ Clearly defining management responsibilities.
 - ▼ Adopting a set of financial procedures to control the significant financial elements of the EPA's business and publishing these in an internal Finance Manual.
 - ▼ Maintaining a comprehensive schedule of insurances to protect the EPA's interests.
 - ▼ Establishing and operating procedural regulations and standing orders for conducting the business of the Board.
 - ▼ Ensuring compliance with the Ethics in Public Office Acts requirements and Sections 37 & 38 of the EPA Act 1992, relating to the Declaration and Disclosure of Interests.
 - ▼ Delegating appropriate functions.
 - ▼ Reviewing and approving all EPA policies and procedures.
 - ▼ Adopting a Code of Business Conduct for Directors and Staff in accordance with the requirements of the Code of Practice.

- ▼ A comprehensive budgeting system with an annual budget, which is reviewed and approved by the Board of Directors.
 - ▼ The assignment of budgets and budgetary authority and responsibility for specific functions to selected managers. A Finance Manual was finalised in 2007, which sets out policies and procedures in relation to budgetary and financial issues.
 - ▼ Restricting authority for authorising all payments of EPA monies, payment of salaries, pensions, creditors, and expenses etc. (whether by cheque or electronic fund transfer) to Directors and four named Programme Managers.
 - ▼ Segregation of the transaction processing duties in advance of these authorisations into two steps: 1: confirmation that goods/services were received and salaries, pensions and expenses due, by staff responsible for these transactions and 2: calculation of the total monies due by the Finance Unit, prior to seeking authorisation for payment.
 - ▼ All purchasing is conducted through the EPA's financial management system and no purchase can take place without the raising of a purchase order through this system. Payments are also authorised through goods matching within this system and it is not possible to either raise a purchase order or authorise payment without it being recorded in the EPA's financial management system.
 - ▼ Regular and ongoing review of all payments by senior management.
 - ▼ Regular reviews by the Board of Directors of periodic and annual financial information and reports (including management accounts), which indicate financial performance against budgets.
 - ▼ Setting targets to measure financial and other performance.
 - ▼ Project management disciplines in respect of building programmes and major consultancy projects.
 - ▼ Modern computerised Financial Accounting and Payroll software systems to underpin the internal financial controls of the EPA.
 - ▼ A system of control on the overall approval of capital and consultancy contracts.
- iv. The financial implications of business risks have been considered through the formal business risk assessment process and in the preparation of the EPA Internal Audit Plans. These will be further assessed and evaluated through the phased implementation of the EPA's Internal Audit Plan. Procedures have been issued to control the significant financial elements of the EPA's business, and authorisation limits have been set by the Board for purchasing.
- v. The EPA's Internal Audit Committee is comprised of an external Chairperson and other external expertise in lieu of non-executive Director input, together with senior representation from the EPA. The EPA Internal Audit Plan 2008 – 2009 was progressively implemented with four internal audits conducted during 2008. These were in the areas of:
- ▼ Information Systems
 - ▼ Incident Management in the EPA
 - ▼ Licensing Activities
 - ▼ Fixed Assets, Capital Expenditure and Petty Cash.
- Implementation plans to address the audit recommendations were approved by the Audit Committee and the Board of the EPA. Progress on the implementation of the actions in each of the Implementation Plans is regularly reviewed and reported to the Audit Committee and the Board.
- An Internal Audit Plan for the period 2009 - 2010 was developed in 2008 and, among others, reflects the corporate risks identified in the EPA's Corporate Risk

Register, the requirements of the Comptroller and Auditor General, and developments and issues in relation to Corporate Governance that have arisen in the Public Sector in general. This Internal Audit Plan was approved by the Internal Audit Committee and by the EPA Board.

vi. In addition to the key controls outlined above, the following new controls were initiated during 2008:

- ▼ A Policy for monitoring and assessing compliance with corporate legislation was established and put into operation, including establishing a compliance officer role in the EPA to oversee the Policy.
- ▼ A procurement officer role was established to provide advice and guidance on procurement activities in the EPA.
- ▼ Training was provided to all relevant staff on the Finance Manual.
- ▼ A physical fixed asset inventory was performed in all main EPA locations. All material assets were tagged with a unique, tamper evident bar-coded label and recorded on the Fixed Asset register.
- ▼ Existing fixed asset procedures were reviewed and updated.

4. Annual Review of Controls

I can confirm that, in addition to the internal audits carried out and referred to in paragraph 3 (v) above, the Board of the Agency conducted a review in January 2009 of the system of internal controls in the EPA in 2008.

Signed on behalf of the Board.

Mary Kelly

Director General

23 September 2009

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

I have audited the financial statements of the Environmental Protection Agency for the year ended 31 December 2008 under the Environmental Protection Agency Act, 1992.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes.

RESPECTIVE RESPONSIBILITIES OF THE MEMBERS OF THE AGENCY AND THE COMPTROLLER AND AUDITOR GENERAL

The Agency is responsible for preparing the financial statements in accordance with the Environmental Protection Agency Act, 1992, and for ensuring the regularity of transactions. The Agency prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the members of the Agency are set out in the Statement of Responsibilities of the Agency.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account. I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Agency's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

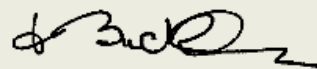
In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Agency's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Environmental Protection Agency. The financial statements are in agreement with the books of account.



John Buckley
Comptroller and Auditor General
25 September 2009

ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in the form approved by the Minister for the Environment, Heritage and Local Government with the consent of the Minister for Finance in accordance with Section 50 of the Environmental Protection Agency Act, 1992.

The financial statements are prepared on an accruals basis, except as stated below, and in accordance with generally accepted accounting practice. Financial reporting standards recommended by the recognised accountancy bodies are adopted as they become applicable.

2 OIREACHTAS GRANTS

The figures shown are the actual grants received in the accounting period.

3 LICENCE FEES

Applicants for all licences are required to pay the full licence application fee at the time of making the application. The amounts received are apportioned to the Income and Expenditure Account on completion of the following stages of the licensing process:

Integrated Pollution Prevention and Control and Waste Management Licences:

- ▼ Application 30%
- ▼ Proposed Determination 50%
- ▼ Licence Issue 20%

Waste Water Discharge Licences:

- ▼ Application 10%
- ▼ Acknowledgement of complete application 40%
- ▼ Licence Decision Issue 50%

4 FUNDING OF EMISSIONS TRADING UNIT

The Emissions Trading Unit (ETU) was established within the Agency in 2003. In 2008 the costs of the ETU were recovered in part from the proceeds of the auctions of allowances by the Agency which took place during 2006 to defray the costs of administering the emissions trading scheme. The remainder of the 2008 costs will be recovered from sales of allowances which are due to take place in 2009. This auction of a quantity of the total allowances (not greater than 1%) is provided for in the Government direction to the Agency in connection with the EU emissions trading scheme.

Auction proceeds retained by the Agency to fund the ETU are recognised as income of the Agency in line with the associated costs. Auction proceeds not required to fund ETU costs are paid over to the Department of the Environment, Heritage and Local Government and are not treated as income of the Agency.

5 RESEARCH GRANT PAYMENTS

The EPA enters into commitments in respect of research projects awarded for funding. Expenditure on these research projects is charged in the financial statements on the basis of the initial payments made on signing of the grant award, interim payments which may be made subject to satisfactory performance and further payments which are issued on receipt and verification of claims in respect of work completed. Costs incurred by the EPA in the implementation of the research programmes are charged to the financial statements as they are incurred.

6 FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis at the rates stated below which are estimated to reduce the assets to their realisable values at the end of their expected working lives:

- ▼ Buildings 2%
- ▼ Furniture and Fittings 10%

- ▼ Laboratory and Field Equipment 15%
- ▼ IT and Computer Equipment 25%
- ▼ Motor Vehicles 20%

7 CAPITAL FUNDING

The fixed assets of the EPA and advances to fund work in progress and asset purchases are met from a combination of capital grants, approved borrowing and allocations from current revenue. Funding sourced from grants (including that used to repay borrowings) is transferred to a capital account which is amortised in line with the depreciation of the related assets.

8 STOCKS

All stocks, including consumables are written off in the year of purchase.

9 DEBTORS

Provision for doubtful debts is made, where warranted, in the accounts. Bad debts, as they arise, are written off against that provision.

10 SUPERANNUATION

The Environmental Protection Agency operates defined benefit pension schemes, which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of the Environment, Heritage and Local Government and from pension contributions deducted from staff salaries.

Pension Scheme liabilities are measured on an actuarial basis using the projected unit method.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Agency. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments. Actuarial gains or losses arising from changes in Actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of the Environment, Heritage and Local Government.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of the Environment, Heritage and Local Government.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
INCOME	Note	€	€
Oireachtas Grants	1	51,142,902	39,659,257
Emissions Trading Costs Recovered	2	1,121,758	1,062,339
Other Services		29,377	28,387
Income from Regional Laboratories		1,869,631	2,147,968
Licencing Activities	3	1,669,716	1,285,060
Enforcement Activities	4	7,418,901	7,689,253
Sundry Receipts	5	237,510	117,418
Net Deferred Funding for Pensions	22 (c)	7,250,099	7,270,864
		70,739,894	59,260,546
EXPENDITURE			
Salaries and PRSI	6	19,740,526	17,760,966
Pension Costs	22 (a)	8,259,847	8,188,664
Travelling Expenses	7	1,918,964	1,827,051
Laboratory and Field Costs	8	1,304,297	1,269,266
Accommodation Costs	9	1,293,342	1,276,577
Other Administration Costs	10	6,175,456	5,594,860
Consultants	11	462,630	242,890
Contractors, Grants and External Service Providers	12	9,927,558	6,812,414
Environmental Research	13	11,670,939	11,269,137
Depreciation	18	1,998,748	1,802,802
		62,752,307	56,044,627
Transfer to Capital Account	14	7,513,365	3,609,373
		70,265,672	59,654,000
Operating Surplus / (Deficit)		474,222	(393,454)
(Deficit) / Surplus on Disposals of Assets		(208,287)	493,283
Surplus before Interest		265,935	99,829
Interest Received	15	19,329	10,820
Interest Payable and Similar Charges	16	(138,622)	(114,221)
Surplus / (Deficit) for Year		146,642	(3,572)
Surplus at 1 January		34,274	37,846
Surplus at 31 December		180,916	34,274

The results for the year relate to continuing operations. The statement of accounting policies and cash flow statement, together with notes 1 to 25 form part of these financial statements.

Mary Kelly

Director General

Michael O'Brien

Director

23 September 2009

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 €	2007 €
Surplus / (Deficit) for the Year		146,642	(3,572)
Experience losses on pension scheme liabilities		(5,002,000)	(583,000)
Changes in assumptions underlying the present value of pension scheme liabilities		15,280,000	8,505,000
Actuarial Gain / (Loss) on Pension Liabilities	22(b)	10,278,000	7,922,000
Adjustment to Deferred Pension Funding		(10,278,000)	(7,922,000)
Total Recognised Gains and Losses for the Year		146,642	(3,572)

The results for the year relate to continuing operations.

The statement of accounting policies and cash flow statement, together with notes 1 to 25 form part of these Financial Statements.

Mary Kelly

Director General

Michael O'Brien

Director

23 September 2009

BALANCE SHEET AS AT 31 DECEMBER 2008

		2008	2007
	Note	€	€
FIXED ASSETS	18	25,624,668	24,363,802
CURRENT ASSETS			
Debtors and Prepayments	19	13,913,523	7,252,217
Cash on Hand and at Bank	20	6,232,610	6,044,078
		<u>20,146,133</u>	<u>13,296,295</u>
LESS CURRENT LIABILITIES			
Creditors (Amounts falling due within one year)	21(a)	10,129,660	9,444,572
Net Current Assets / (Liabilities)		<u>10,016,473</u>	<u>3,851,723</u>
Creditors (Amounts falling due after more than one year)	21(b)	<u>(2,260,192)</u>	<u>(2,494,583)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		<u>33,380,949</u>	<u>25,720,942</u>
Pension Liabilities	22(b)	95,301,000	98,329,000
Deferred Pension Funding	22(c)	<u>(95,301,000)</u>	<u>(98,329,000)</u>
		<u>0</u>	<u>0</u>
Total Net Assets		<u><u>33,380,949</u></u>	<u><u>25,720,942</u></u>
REPRESENTED BY:			
Capital Account	14	33,200,033	25,686,668
Income and Expenditure Account		180,916	34,274
		<u><u>33,380,949</u></u>	<u><u>25,720,942</u></u>

The statement of accounting policies and cash flow statement, together with notes 1 to 25 form part of these financial statements.

Mary Kelly

Director General

Michael O'Brien

Director

23 September 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 €	2007 €
RECONCILIATION OF SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Surplus / (Deficit) for year		146,642	(3,572)
Interest Received	15	(19,329)	(10,820)
Deficit / (Surplus) on Disposal of Assets		208,287	(493,283)
Transfer to Capital Account	14	7,513,365	3,609,373
Depreciation charge for year	18	1,998,748	1,802,802
(Increase) / Decrease in Debtors and Prepayments		(7,996,986)	(2,675,644)
Increase / (Decrease) in Creditors (other than Loan Creditors)		680,306	(2,703,913)
Net Cash Flow from Operating Activities		<u>2,531,033</u>	<u>(475,057)</u>

CASH FLOW STATEMENT

Net Cash Flow from Operating Activities	2,531,033	(475,057)
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RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Bank Interest	19,329	10,820
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INVESTING ACTIVITIES

Proceeds on disposal of fixed assets	33,280	705,908
Payments to acquire fixed assets	(2,165,501)	(2,639,990)
Net Cash Inflow / (Outflow) Before Financing	<u>418,141</u>	<u>(2,398,319)</u>

FINANCING

Fixed Asset Loan Repayments	(229,609)	(233,508)
Increase / (Decrease) in Cash	<u>188,532</u>	<u>(2,631,827)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH BALANCES

Increase / (Decrease) in cash in year	188,532	(2,631,827)
Funds at 1 January	6,044,078	8,675,905
Funds at 31 December	<u>6,232,610</u>	<u>6,044,078</u>

The statement of accounting policies together with notes 1 to 25 form part of these financial statements.

Mary Kelly

Director General

Michael O'Brien

Director

23 September 2009

NOTES TO THE FINANCIAL STATEMENTS

	2008	2007
	€	€
1 OIREACHTAS GRANTS		
Department of the Environment, Heritage and Local Government Vote:		
Grants from the Vote		
Current	26,476,902	21,939,769
Capital	7,466,000	3,051,000
Research Funding	11,500,000	11,165,000
Other Programmes	5,700,000	3,503,488
	51,142,902	39,659,257

The Research Funding is a specific allocation to meet the cost of Environmental Research.

€11,670,939 was expended on these research activities in 2008 (2007 €11,269,137).

2 EMISSIONS TRADING UNIT (ETU) ACTIVITIES

	€	€
(a) Cost of Emissions Trading Unit	1,121,758	1,062,339
Emissions Trading Operator Registration Fees, etc.	8,649	5,300
Costs to be recovered from Auction Funds, etc.	1,113,109	1,057,039
Total Funding of ETU Costs	1,121,758	1,062,339

(b) Summary of Emissions Trading Unit Funds:

	€	€
Funds Carried Forward	517,149	6,948,380
Total Funds Generated	35,338	79,488
Total Current Year ETU Costs	(1,121,758)	(1,062,339)
Costs to Recover from proceeds of future sale of Allowances (See Note 19)	569,271	0
ETU Funds payable to the DoEH&LG	0	5,965,529
Paid to DoEH&LG	0	(5,448,380)
Balance of ETU Proceeds payable to DoEH&LG (see Note 21 (a))	0	517,149

3 LICENSING ACTIVITIES - IPPC, WASTE AND WWD

	€	€
Licence Fees prepaid at 1 January	2,311,183	865,454
Fees Received	4,483,383	2,811,421
Less Refunds Paid	(43,833)	(80,632)
Licence Fees prepaid at 31 December (see Note 21 (a))	(5,081,017)	(2,311,183)
Amount credited to Income and Expenditure Account	1,669,716	1,285,060

LICENSING: INTEGRATED POLLUTION PREVENTION AND CONTROL (IPPC) AND WASTE

Under Section 83 of the Environmental Protection Agency Act, 1992 the EPA is responsible for the licensing of large/complex industrial and other processes with significant polluting potential. Under Section 40 of the Waste Management Act, 1996 the EPA is responsible for the licensing of all significant waste recovery and disposal activities operated by local authorities and private enterprise.

LICENSING: WASTE WATER DISCHARGES (WWD)

The Waste Water Discharge (Authorisation) Regulations, 2007 provide for the licensing of local authority waste water discharges. Discharges from areas that serve over 500 population equivalent will require a licence from the EPA. Areas that serve less than 500 population equivalent will be required to be certified by the EPA. The EPA's licensing income arises from fees charged in respect of processing such licensing applications.

	2008	2007
	€	€
4 ENFORCEMENT ACTIVITIES - IPPC AND WASTE		
Enforcement Charges Invoiced and Fees Received	7,418,901	7,689,253

Under Section 96 of the Environmental Protection Agency Act, 1992 the EPA is responsible for the regulation of large/complex industrial and other processes with significant polluting potential. Under Section 15 of the Waste Management Act, 1996 the EPA is responsible for the regulation of all significant waste recovery and disposal activities operated by local authorities and private enterprise. The EPA's enforcement income arises from fees charged in respect of this monitoring work.

	€	€
5 SUNDRY RECEIPTS		
Insurance claims	3,558	714
Sales of publications	9,034	17,317
Sundry	224,918	99,387
	237,510	117,418

	€	€
6 SALARIES AND PRSI		
Salaries	18,298,657	16,489,866
Employers' PRSI	1,441,869	1,271,100
Total Salary Costs	19,740,526	17,760,966

The numbers of employees on 31 December were:

	Headquarters	160	140
Regional Inspectorates:	Castlebar	29	25
	Cork	41	33
	Dublin	84	71
	Kilkenny	20	16
	Monaghan	17	14
	Regional Offices	8	8
		359	307

	€	€
7 TRAVELLING EXPENSES		
Travel and Subsistence	1,791,544	1,717,902
Motor Vehicle Expenses	148,171	126,332
Travel Refunds	(20,751)	(17,183)
	1,918,964	1,827,051

	€	€
8 LABORATORY AND FIELD COSTS		
Laboratory and Field Expenses	963,178	922,554
Equipment Repairs and Maintenance	323,704	329,372
Protective Clothing	17,415	17,340
	1,304,297	1,269,266

	2008	2007
9 ACCOMMODATION COSTS	€	€
Rent and Rates	405,324	389,598
Power, Light and Heat, Cleaning	546,884	499,264
Repairs, Maintenance, Security	341,134	387,715
	<u>1,293,342</u>	<u>1,276,577</u>
10 OTHER ADMINISTRATION COSTS	€	€
Telephone and Postage	281,860	263,692
Printing of Publications and Stationery Supplies	633,080	534,746
Insurance	100,756	95,664
Computer and Data Processing Charges	2,556,632	2,258,100
Audit Fees	14,400	14,400
Corporate Governance and Internal Audit Costs	118,913	69,278
Legal Fees	395,161	491,082
Staff Appointment Costs	290,081	82,675
Bank Interest and Charges	3,513	4,848
Books, Periodicals and Library	49,863	93,417
Staff Development and Training Costs	707,741	692,780
Advertising	319,909	374,595
Communications	509,403	519,329
Sundries	194,144	100,254
	<u>6,175,456</u>	<u>5,594,860</u>
11 CONSULTANCY	€	€
Consultants	462,630	242,890
	<u>462,630</u>	<u>242,890</u>
The work programme activities which made use of these consultancies were:	€	€
Water Framework Directive Programme	421,579	242,890
Environmental Assessment	41,051	0
	<u>462,630</u>	<u>242,890</u>
12 CONTRACTORS, GRANTS AND EXTERNAL SERVICE PROVIDERS	€	€
Contractors	2,785,705	1,053,460
Grants	638,536	246,862
External Service Providers	6,503,317	5,512,092
	<u>9,927,558</u>	<u>6,812,414</u>

	2008	2007
12 Contractors, Grants and External Service Providers (continued)	€	€
The main work areas which incurred costs under this heading were:		
Communications and Corporate Services	185,748	133,175
Water Framework Directive Programme	3,835,658	2,775,394
Environmental Enforcement	2,401,299	2,136,681
National Waste Prevention Programme	3,198,124	1,488,275
Environmental Assessment	298,692	200,304
Climate, Licensing and Resource Use	8,037	78,585
	9,927,558	6,812,414

13 ENVIRONMENTAL RESEARCH	€	€	€
STRIVE Research Programme		10,217,155	8,578,814
Climate Change Research Programme		1,635,495	2,698,723
Research Programme Payments		11,852,650	11,277,537
Co - Funding Research Income		(181,711)	(8,400)
		11,670,939	11,269,137

The current EPA environmental research programme, called STRIVE (Science, Technology, Research and Innovation for the Environment) was launched in 2007. It is being funded through the NDP 2007 - 2013. The STRIVE programme aims to fund research that will address key environmental management issues, which will ultimately protect and improve the natural environment. During 2007, a Climate Change Research Programme was established with funding under the Government Strategy for Science, Technology and Innovation (SSTI).

At 31 December 2008 commitments entered into but not yet charged to the financial statements in respect of Research projects amounted to **€42.655M** (2007 €38.293M) with the following breakdown:

	2008	2007
	€ '000	€ '000
Outstanding Grant Commitments at 1 January	38,293	19,276
Grants Approved during the year	15,610	29,323
Grant Payments made in the year	(11,248)	(10,306)
Outstanding Commitments at 31 December	42,655	38,293

These figures exclude EPA implementation costs in respect of Research programmes.

14 CAPITAL ACCOUNT

At 1 January 2008		25,686,668
Transfer from Income and Expenditure Account:		
Income Allocated for Capital purposes	Fixed Asset Additions	2,165,501
	To Fund Future Additions	7,358,570
	Repayment of Loans	229,609
		9,753,680
Less		
Disposals		6,132,440
Less Prior Depreciation on Disposals		(5,890,873)
		241,567
Depreciation charge for year		1,998,748
Net Transfer from Income and Expenditure Account		7,513,365
At 31 December 2008		33,200,033

As at 31 December 2008, the Capital Account balance includes €10,208,570 (2007 €4,185,680) in respect of prepayments for fixed assets (see Note 19 - Debtors and Prepayments).

	2008	2007
15 INTEREST RECEIVED	€	€
Bank Deposit Interest	19,329	10,820
	19,329	10,820

16 INTEREST PAYABLE AND SIMILAR CHARGES	€	€
Bank Loans repayable by Instalments - Mortgage on Headquarters building	138,622	114,221
	138,622	114,221

17 TAXATION

The EPA is specifically exempted under the provisions of Section 32, and Schedule 2, of Finance Act, 1994. Accordingly no taxation charges have been included in the accounts.

18 FIXED ASSETS

	Total	Buildings	Furniture & Fittings	IT & IS Equipment	Lab & Field Equipment	Motor Vehicles
Cost	€	€	€	€	€	€
At 1 January 2008	41,775,823	23,566,871	2,312,794	4,418,388	10,485,871	991,899
Transfers	1,335,680	1,174,377	0	0	161,303	0
Purchases	2,165,501	372,106	158,642	662,958	807,960	163,835
Stocktake Adjustments	(6,030,019)	850	(156,695)	(2,094,169)	(3,786,377)	6,372
Disposals	(102,421)	0	0	0	0	(102,421)
At 31 December 2008	39,144,564	25,114,204	2,314,741	2,987,177	7,668,757	1,059,685
Depreciation						
At 1 January 2008	17,412,021	3,323,033	1,293,104	3,903,258	8,252,576	640,050
Charge for Year	1,998,748	502,284	198,919	437,247	683,714	176,584
Stocktake Adjustments	(5,789,650)	6,591	73,964	(2,098,916)	(3,768,473)	(2,816)
On Disposals	(101,223)	0	0	0	0	(101,223)
At 31 December 2008	13,519,896	3,831,908	1,565,987	2,241,589	5,167,817	712,595
Net Book Value						
At 31 December 2008	25,624,668	21,282,296	748,754	745,588	2,500,940	347,090
At 31 December 2007	24,363,802	20,243,838	1,019,690	515,130	2,233,295	351,849

Headquarters for the Environmental Protection Agency were built on the grounds of Johnstown Castle Estate, County Wexford, on a site whose title is vested in Teagasc. The EPA is in the process of finalising a long - term lease of this site from Teagasc. The headquarters building was constructed by the Office of Public Works (OPW) who financed the construction by means of a commercial loan. The EPA funds the annual repayments made by the OPW. The interest element of the repayments met by the EPA is accounted for in the year it arises. Both the asset and the associated funding arrangements have been recorded in the books of the EPA to reflect the substance of the underlying transactions.

Under an arrangement with Cork County Council the EPA shared a building at Inniscarra, County Cork for a number of years and by agreement the EPA took possession of the entire building in 2008. The legal transfer of the premises from Cork County Council to the EPA is being handled by the respective legal advisers.

The EPA regional inspectorate building at Seville Lodge, Kilkenny was constructed by the Office of Public Works on a site acquired for the EPA. The legal transfer of the site to the EPA is being processed by the OPW through the State Solicitors Office.

	2008	2007
19 DEBTORS AND PREPAYMENTS	€	€
Debtors	3,081,732	2,968,526
Prepayments	53,948	98,011
ETU costs to recover from future sale of allowances (See Note 2(b))	569,273	0
Prepayments for Fixed Assets	10,208,570	4,185,680
	<u>13,913,523</u>	<u>7,252,217</u>

PREPAYMENTS FOR FIXED ASSETS:

At 31 December 2008 prepayments totalling €10,208,570 (2007 €4,185,680) had been made as set out hereunder. These prepayments have been included in the amounts transferred from the Income and Expenditure Account to the Capital Account.

ADVANCES TO THE OFFICE OF PUBLIC WORKS (OPW)

At 31 December 2008 advance payments of €10,052,000 (2007 €2,850,000) had been made to the OPW. Of this, €9,967,000 was in respect of refurbishment and an extension at the Agency's headquarters building at Johnstown Castle Estate, Wexford and €85,000 was in respect of refurbishment works in the Regional Inspectorates at Monaghan and Kilkenny. These amounts will be transferred to Fixed Assets on completion of the projects.

ADVANCE PAYMENTS FOR OTHER FIXED ASSETS

An amount of €143,000 has been paid to Mayo County Council in respect of the conversion of attic space into office accommodation and other refurbishment work at the Regional Inspectorate in Castlebar. An amount of €13,570 has been paid in respect of an engineering feasibility study and preparation of outline designs for a proposed extension of the Richview Regional Inspectorate.

All debtors fall due within one year.

	2008	2007
20 CASH ON HAND AND AT BANK	€	€
Cash and Bank Balances	<u>6,232,610</u>	<u>6,044,078</u>

The prepaid Licensing income (see Note 3) accounts for €5,081,017 of the Bank balances at the Balance Sheet date.

21 CREDITORS AND ACCRUALS	€	
(a) Amounts falling due within one year:	€	€
Licence Fees (see Note 3)	5,081,017	2,311,183
Proceeds of ETU Auction payable to DoEH&LG (see Note 2 (b))	0	517,149
Trade and Other Expenses	4,675,630	6,248,009
Instalments due on purchase of Fixed Assets	373,013	368,231
	<u>10,129,660</u>	<u>9,444,572</u>
(b) Amounts falling due after more than one year:		
Instalments due on purchase of Fixed Assets	<u>2,260,192</u>	<u>2,494,583</u>

	2008	2007
22 PENSION COSTS	€	
(a) Analysis of total pension costs charged to Expenditure	€ €	€
Current Service Cost	3,527,000	4,034,000
Interest on Pension Scheme Liabilities	5,552,000	4,847,000
Employee Contributions Received	(819,153)	(692,336)
	<u>8,259,847</u>	<u>8,188,664</u>
(b) Movement in Net Pension Liability during the financial year	€ €	€
Net Pension Liability at 1 January	98,328,864	98,980,000
Current Service Cost	3,527,000	4,034,000
Interest Costs	5,552,000	4,847,000
Actuarial (Gain) / Loss	(10,278,000)	(7,922,000)
Pensions paid in the year	<u>(1,828,901)</u>	<u>(1,610,136)</u>
Net Pension Liability at 31 December	<u>(95,300,963)</u>	<u>(98,328,864)</u>

(c) Deferred Funding for Pensions

€

The EPA recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The EPA has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Income and Expenditure Accounts was as follows:

	€ €	€
Funding Recoverable in respect of current year pension costs	9,079,000	8,881,000
State Grants applied to pay pensioners	<u>(1,828,901)</u>	<u>(1,610,136)</u>
	<u>7,250,099</u>	<u>7,270,864</u>

The deferred funding asset for pensions at 31 December 2008 amounted to €95.301million (2007 €98.329 million).

(d) History of defined benefit obligations

	2008	2007	2006	2005	2004
	€€'000	€€'000	€€'000	€€'000	€€'000
Defined benefit obligations	95,301	98,329	98,980	80,800	65,000
Experience Gains / (Losses) on Scheme Liabilities:					
Amount (€ '000)	(5,002)	(583)	(9,891)	(4,076)	0
Percentage of Scheme Liabilities	5%	1%	10%	5%	0

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €14,681,000.

22 Pension Costs (continued)

(e) General Description of the Schemes

The schemes are defined benefit final salary pension arrangements with benefits and contributions defined by reference to current “model” public sector scheme regulations. The schemes provide staff members with a pension (1/80 per year of service), a gratuity of lump sum (3/80 per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s sixty fifth birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. The schemes provide Board members with a pension (1/48 per year of service), a gratuity or lump sum (1/32 per year of service) and spouse’s and children’s pensions. Board members are entitled to retire when their contract ends. Pensions in payment (and deferment) are assumed to increase in line with general salary inflation.

The valuation used for FRS 17 (Revised) disclosures has been based on a full actuarial valuation at 7 April 2009 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2008.

The principal actuarial assumptions were as follows:	2008	2007
Rate of increase in salaries	3.50%	4.25%
Rate of increase in pensions in payment	3.50%	4.25%
Discount rate	5.75%	5.50%
Inflation rate	2.00%	2.50%

The mortality basis adopted explicitly allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 in 2008, 2028 and 2048.

Year of attaining age 65	2008	2028	2048
Life expectancy - male	86.5	89.4	91.4
Life expectancy - female	88.2	90.5	92.3

(f) Revised FRS 17 Disclosures

The information on pensions has been presented in line with new disclosure requirements required from 2008 under an amendment to FRS 17.

23 COMPARATIVE FIGURES

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been restated where necessary on a basis consistent with the current year presentation. In particular, the further analysis of Consultants, and Contractors, Grants and External Service Providers has resulted in a reallocation of the 2007 comparative figures.

24 BOARD MEMBERS’ INTERESTS

The EPA has adopted procedures to govern its decision making in accordance with the Environmental Protection Agency Act, 1992 and the Ethics in Public Office Act, 1995 and regulations made thereunder. These procedures have been adhered to by the EPA during the year.

25 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 23 September 2009.

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