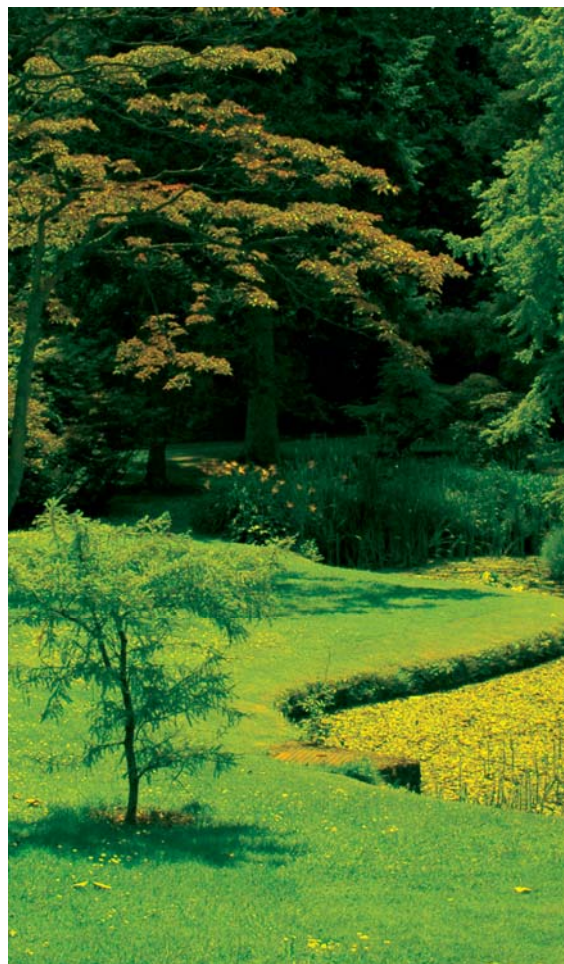




# Environmental Protection Agency Annual Report and Accounts 2006



# 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.

### 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 Licensing and Guidance
- 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.

# **Environmental Protection Agency**

**Annual Report and Accounts**

# **2006**





**EPA ANNUAL REPORT AND ACCOUNTS 2006**

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## MISSION

### 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.

## VALUES

### OUR VALUES are:

Integrity, independence and professionalism;

Service to our stakeholders;

Value for money;

Respect and support for colleagues;

Openness to learning.

## VISION

### 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.

## GOALS

### OUR GOALS are:

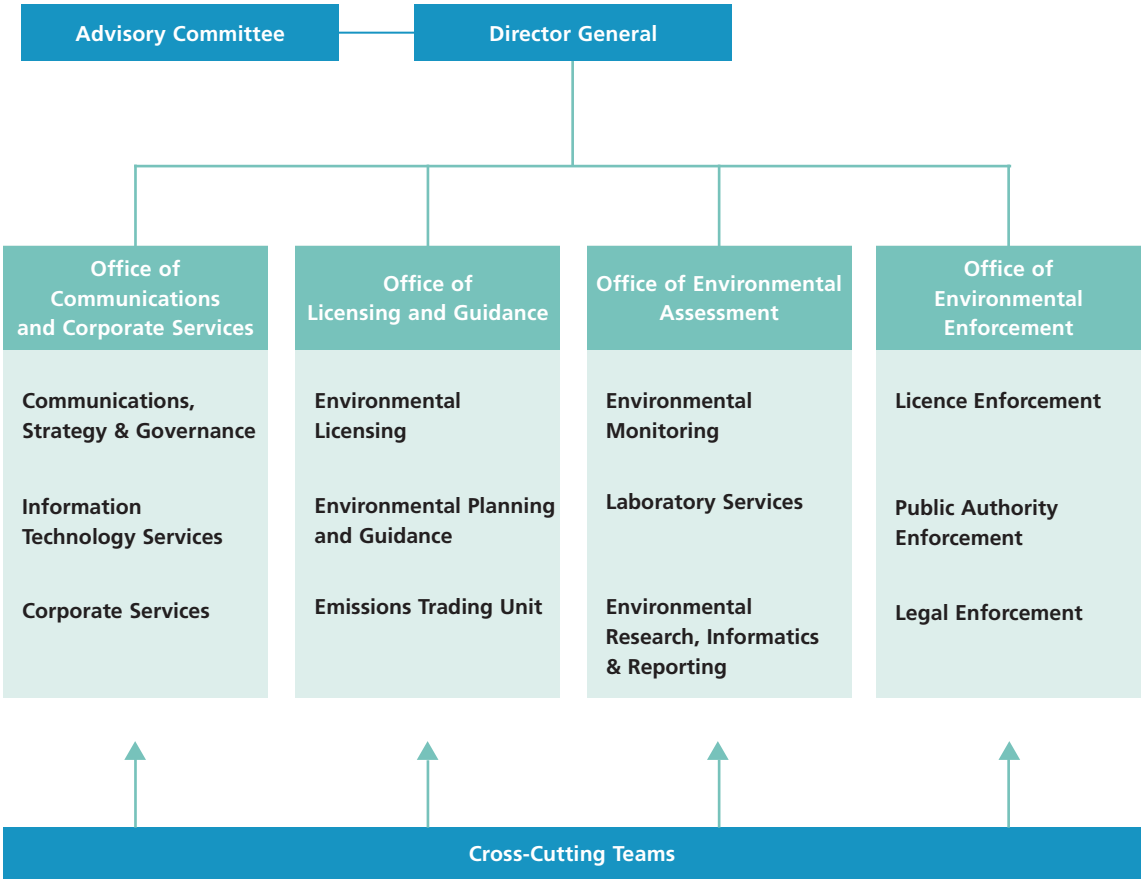
To be a powerful agent for change;

To build a high performance organisation;

To meet the needs of our stakeholders;

To continually evaluate and improve what we do.

ORGANISATIONAL STRUCTURE



## EPA BOARD OF DIRECTORS



### BOARD OF DIRECTORS

*left to right*

<b>Dara Lynott</b>	Director, Office of Environmental Enforcement
<b>Mary Kelly</b>	Director General
<b>Padraic Larkin</b>	Deputy Director General and Director, Office of Licensing and Guidance
<b>Laura Burke</b>	Director, Office of Communications and Corporate Services
<b>Larry Stapleton</b>	Director, Office of Environmental Assessment

## EPA ADVISORY COMMITTEE



### EPA ADVISORY COMMITTEE

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.

**Front Row (l-r):**

Katherine Walshe; Irene Sweeney; Mary Kelly (Director General, EPA and Chairperson of Advisory Committee), Carmel Dawson; Jeane Meldon; John Dillon

**Back Row (l-r):**

Padraic Larkin (Director, EPA) Michael Neill (Regional Manager, EPA Regional Inspectorate, Kilkenny); Willie Callaghan; John Sweeney; John Buckley, Donal Harte

**Missing from photograph:** Sean Byrne





## DIRECTOR GENERAL'S STATEMENT

### DIRECTOR GENERAL'S STATEMENT

2006 was another busy year for the Environmental Protection Agency. The end of 2006 draws to a close our Strategic Framework 2003 – 2006 which, in 2003, set out ambitious goals and objectives for the Agency together with the organisational changes needed to tackle the big issues emerging at that time. I am pleased to report that all the major milestones set out in this Framework were met.

During 2006, we commenced work on the preparation of the next strategy for the EPA. While our Strategic Framework for 2003-2006 dealt mainly with the organisational changes within the EPA that were needed to deal with the environmental issues of the day, our new strategy, to be called *2020 Vision – Protecting and Improving Ireland's Environment*, builds on the progress made between 2003 and 2006 and sets out the EPA's long-term vision for Ireland's environment. There are many challenges ahead and the strategy sets out goals for the major environmental themes of climate change, air quality, water quality, soil and biodiversity, sustainable resource use and integration and enforcement. Many of our stakeholders contributed to the process during the public consultation phase and I want to take the opportunity to thank all of those who took the time to make submissions.

The next ten to fifteen years will be critical years for Ireland's environment and I want to see the EPA take a lead in identifying the actions that need to be taken to ensure that the environment does not suffer at the expense of economic and social development. I am confident that *2020 Vision – Protecting and Improving Ireland's Environment* will provide a framework for this to happen in a

balanced and sustainable way. In setting out our vision for Ireland's environment, I am, though, very conscious that the EPA is not the sole organisation with environmental protection responsibilities. Achieving these goals will not be possible without the active cooperation of others, including the Department of the Environment, Heritage and Local Government, a range of public and private bodies with environmental responsibilities, environmental NGOs and individual citizens. I look forward to working in partnership with all of our stakeholders to make 2020 Vision a reality.

During 2006, enforcement continued to be a priority area for the EPA, which it will continue to be for many years to come. The Environmental Enforcement Network, coordinated by the EPA and involving all local authorities, An Garda Síochána and other public bodies, is now well established and working well. We also continued to engage with our colleagues in Northern Ireland and are now dealing with cross-border waste management issues in a coordinated manner. In July 2006, the first national report on enforcement Focus on Environmental Enforcement 2004/2005 was published.

Members of the public are the eyes and ears of the enforcement agencies and I want to make it as easy as possible for citizens to play their part. In June 2006 the EPA, in partnership with the local authorities and An Garda Síochána, launched the 'Dump the Dumpers' campaign to allow citizens to report illegal dumping activity any time of the day or night. Over 1,000 calls were handled during the first six-months and the service is now being extended for a further year. During 2007, we will evaluate the feasibility of extending this service to cover all environmental complaints.

We have used our legal powers to good effect in 2006. Three cases were convicted on indictment in the Circuit Court and a further 15 were prosecuted in the District Courts. The majority of the charges related to persistent breaches of emission limit values, failure to install infrastructure and failure to submit information to the EPA as required under license conditions. Those convicted have committed substantial investments - up to €4 million in some cases - to carry out environmental improvements at their facilities. A number of other cases are either currently under investigation or with the Director of Public Prosecutions for consideration. I am, however, pleased to say that the majority of licensed facilities operate in accordance with the terms of their licence and we will continue to take a balanced and proportionate approach to enforcement.

During 2006, the EPA continued to exercise a supervisory role in relation to the environmental protection activities of local authorities. Following over one hundred and seventy investigations, many arising from complaints received from members of the public, 92 Advice and Recommendation Notices were issued to local authorities and seven binding Directions. Most of the issues investigated relate to waste management and water protection.

On the licensing front, the EPA also had an active year. In 2006, all IPPC licenses were reviewed for compliance with the IPPC Directive requirements and 20 were amended to bring them into compliance.

During 2006, two applications for licenses to construct landfills for the disposal of waste from illegal landfilling were determined. Both applicants were required to remove all potentially polluting

matter from the sites and to remediate the sites with inert material. The determination of these licenses sent a clear message to those involved in illegal waste disposal practices that these practices will not be tolerated and the remediation of these sites should bring to a close a shameful episode of illegal dumping in Ireland.

In December 2006, the High Court ruled in favour of the EPA in two judicial review cases. It gives me confidence that the judgments in both cases upheld the decisions of the EPA and the decision making process adopted by the Agency.

At European level, one consent was granted for placing GMOs on the market within the European Union and the EPA played an active role in the regulatory procedure on behalf of Ireland. The EPA gave consent, subject to stringent conditions, to BASF Plant Science, GMBH to carry out field trials on genetically modified potato lines with improved resistance to late potato blight. BASF, however, did not initiate the trials in 2006.

Work continued on the implementation of the EU's Emissions Trading Scheme for Ireland. Regulation of emissions trading proved to be effective when data for the scheme's first year of operation was released in May 2006. It showed that Ireland was one of only four EU countries not to "over-allocate" allowances for installations covered in the scheme. The EPA held the first EU Member State Auction for Greenhouse Gas Allowances under the Emissions Trading Scheme in February 2006. A second auction was held in December 2006. In July 2006, the EPA submitted Ireland's second National Allocation Plan to the European Commission.

The EPA was given additional responsibilities in 2006, as Designated National Authority, in relation to two further 'flexible mechanisms' introduced under the Kyoto Protocol. The Clean Development Mechanism is for projects, which take place in developing countries while Joint Implementation is for projects between developed countries.

I am also happy to report positive developments with the EPA-lead National Waste Prevention Programme. A national initiative to promote waste prevention through seven local authorities in the Galway, Monaghan and Limerick-Clare-Kerry regions was launched in July 2006. The Local Authority Prevention Demonstration Programme will seek to prevent waste being generated in participating businesses and sectors. Its findings will provide a template for other waste prevention projects by other local authorities nationwide. I intend to expand this programme countrywide over the coming years.

The EPA also developed a Packaging Waste Minimisation Programme in consultation with Repak in 2006. Sponsorship and management support will be provided by the EPA to implement this programme.

The EU Waste from Electrical and Electronic Equipment (WEEE) Directive came into force in Ireland in August 2005 and the EPA has responsibility for enforcing significant portions of this. The EPA immediately commenced enforcement through on-the-ground inspections of electrical retail shops throughout the country and, as a result of these inspections, a number of major outlets were

prosecuted for non-compliance with the Regulations. In order to improve enforcement of these regulations working relationships have been established with many other authorities and agencies.

The Restriction of Hazardous Substances (RoHS) Regulations complement the WEEE Regulations by prohibiting the use of certain hazardous substances in new electrical equipment. The EPA developed and commenced an implementation strategy to enforce these regulations in 2006.

In the area of environmental monitoring and reporting, the EPA issued three Environmental Indicator-based Reports in 2006: *Environment in Focus 2006 – Environmental Indicators for Ireland*, *Water Quality in Ireland 2005 – Key Indicators of the Aquatic Environment*, and *Air Quality in Ireland 2005 – Key Indicators of Ambient Air Quality*. These reports provide excellent information about Ireland's environment to all interested parties and are a crucial contribution to relevant policy areas.

Work is advancing on the implementation of the Water Framework Directive. A major milestone during 2006 was the publication by the EPA of the Water Framework Directive Monitoring Programme. The first EPA National Water Conference was also held in Galway in June 2006.

The Environmental Noise Regulations, 2006 came into effect in April 2006, transposing into Irish law the associated EU Directive relating to the assessment and management of environmental noise. The EPA as the national competent authority, provided advice and guidance to noise mapping authorities, who include certain local authorities,

the National Roads Authority, Dublin Airport, the Railway Procurement Agency and Irish Rail. Work on producing strategic noise maps for the first EU deadline commenced during the year.

Through its research programme, the EPA continued to fund new research projects ranging from desk studies to large-scale multi-annual projects, carried out by individual researchers or organisations, such as colleges, research institutes and companies. Over 400 projects have been funded by the EPA to date. In 2006 the EPA provided over €7 million to environmental research projects and research reports on 25 larger projects were published. The new EPA Environmental Technologies Programme was launched jointly by the Minister of the Environment, Heritage and Local Government, Mr. Dick Roche, TD and EU Environment Commissioner Mr Stavros Dimas.

Progress was also made in the development of the EPA's Environmental Research Centre (ERC) with an increase in personnel to eleven full-time research fellows. The ERC published three reports on climate change and air quality issues for Ireland in 2006.

We are continuing our efforts at improving public awareness of issues of critical environmental importance. During 2006, this work included our continued involvement in, and sponsorship of the EcoEye TV programme, a fourth series of which was broadcast on RTE 1 in early Spring 2006. The viewership represented a 14 per cent increase on the previous series. A fifth EcoEye series was in development during 2006 for broadcast in the first quarter of 2007. The EPA also sponsored the second



annual Environment Ireland conference in September 2006, attended by over 300 delegates. Advertising campaigns to highlight back-yard burning and illegal waste collection were also run during 2006.

I would like to express my appreciation to all the staff in the EPA for their hard work and commitment during 2006. I am very glad to report that in 2006 the EPA staff numbers have increased from 240 to 290 people, reflecting the increase in responsibilities assigned to the EPA. I am grateful to the Department of the Environment, Heritage and Local Government for their help in this regard.

I would also like to thank my fellow Directors in the EPA for their dedication and hard work in 2006, the members of the EPA Advisory Committee and the members of the other Advisory Committees upon whom we rely for sound advice on a range of issues, including waste prevention, genetically modified organisms and emissions trading.

A handwritten signature in black ink that reads "Mary Kelly". The script is cursive and fluid, with the first name "Mary" and the last name "Kelly" clearly distinguishable.

**Mary Kelly**  
Director General



# 1

## OPERATIONS REVIEW

### 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 and waste facilities, 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, co-ordinating 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 the Water Framework Directives. The EPA is also involved in a wide range of activities at EU and international level.

Between them, the Office of Licensing and Guidance, the Office of Environmental Enforcement and the Office of Environmental Assessment carry out the functions listed above to enable the EPA deliver on its mandate. The specific functions and responsibilities of each of these offices and their activities in 2006 are described further in the following 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 Licensing and Guidance

### OFFICE OF LICENSING AND GUIDANCE

The Office of Licensing and Guidance has a broad remit, which includes licensing large-scale industrial and waste facilities, permitting large petrol storage facilities and granting consents for genetically modified organisms. The Office is also responsible for implementing the EU Emissions Trading Directive in Ireland, the Strategic Environmental Assessment (SEA) Directive, the National Waste Prevention Programme and the National Hazardous Waste Management Plan and for enforcing producer responsibility initiatives such as the Waste from Electrical and Electronic Equipment (WEEE) Directive, Packaging Regulations, Restriction of Hazardous Substances (RoHS) legislation and Ozone Depleting Substances (OSD) Regulations.

### 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 2006 all IPPC licences were reviewed for compliance with the IPPC Directive requirements and 20 were amended to bring them into compliance. Twenty-seven licences were subjected to a detailed review. Thirty-four IPPC licences were granted while 4 licence applications were either withdrawn or abandoned. In addition, 30 Proposed Decisions were issued. See Table 1.

Technical amendments were made to 15 licences in accordance with the licensing regulations. Technical amendments provide for the insertion 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.

### 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.

In 2006, the EPA granted new and revised licences for 5 landfills, 8 waste transfer stations, 3 hazardous waste disposal facilities, and 1 materials recovery facility. One licence was refused and 19 Proposed Decisions were issued.

Two applications for licences to construct landfills for the disposal of waste from illegal landfilling were determined in 2006. Roadstone Dublin Ltd. was granted a licence which required the removal of potentially polluting wastes from the site and restricted the actual disposal on site to inert waste. Brownfield Restoration Ireland Ltd. was similarly refused a licence to landfill mixed waste but was required to remove the potentially polluting wastes off site and to remediate the site with inert material.

In December, the High Court ruled in favour of the EPA in two judicial review cases. The cases related to decisions made by the EPA to grant waste licences for landfills at Usk, Kilcullen, Co. Kildare and Hardbog, Grangemockler, Co. Tipperary. Judgement in both cases ruled against the applicants for review and upheld the decisions of the EPA and the decision making process adopted by the Agency.

Details of all EPA licences are available in the *What We Do* section of the EPA website [www.epa.ie](http://www.epa.ie).

### ACCESS TO LICENSING DOCUMENTATION

The EPA's policy of openness and transparency was enhanced in March 2006 when significant additions were made to the Waste and IPPC licensing pages on the EPA website. 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).

### GENETICALLY MODIFIED ORGANISM (GMO) CONSENTS

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 2006 there were 227 entries on the register of GMO users in Ireland. More than 96 per cent of these relate to contained use, the majority of which are third-level research laboratories classified as being of negligible risk. Twenty-six consents were granted for the contained use of GMOs and site inspections were carried out on nine GMO contained use premises.

At European level, one consent was granted for placing GMOs on the market (deliberate release) within the European Union and the EPA played an active role in this regulatory procedure on behalf of Ireland. The EPA gave consent, subject to stringent conditions, to BASF Plant Science, GMBH to carry

out field trials on genetically modified potato lines with improved resistance to late potato blight. BASF, however, did not initiate the trials in 2006.

### CERTIFICATES OF REGISTRATION

The EPA uses Certificates of Registration to regulate low risk local authority waste recovery facilities. In 2006, the EPA issued 636 Certificates of Registration.

### EMISSIONS TRADING

The EPA is the competent authority responsible for implementing Emissions Trading in Ireland under the European Communities (Greenhouse Gas Emissions Trading) Regulations 2004. 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.

In February 2006, the EPA held the first EU Member State Auction for Greenhouse Gas Allowances under the Emissions Trading Scheme. In all, 250,000 allowances were sold at €26.70 per allowance (close to the market price at the time). A second auction was held in December 2006. This time 963,000 allowances, which included unused allowances arising from four closures, were sold at €6.87 per allowance reflecting the drop in the market price for carbon during 2006.

In May 2006, annual data for the first year's operation of the Emissions Trading Scheme became available. It showed that Ireland was one of only four EU countries not to "over-allocate" allowances to those companies covered by Emissions Trading.

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 participants at [www.etr.ie](http://www.etr.ie).

In July 2006, the EPA submitted Ireland's second National Allocation Plan to the European Commission as required under the Emissions Trading Directive. This plan details how carbon allowances in the trading sector will be distributed between participating installations in the five-year period 2008-2012.

At the end of 2006, 113 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.

#### OTHER KYOTO PROTOCOL 'MECHANISMS'

The EPA was given additional responsibilities in 2006, as Designated National Authority, in relation to two further 'flexible mechanisms' introduced under the Kyoto Protocol. The *Clean Development Mechanism* is for projects which take place in developing countries while *Joint Implementation* is for projects between developed countries.

#### TECHNICAL GUIDANCE

The EPA produces technical guidance on a variety of topics to support environmental best practice as well as licensing and enforcement activities. Guidance documents were published in 2006 on:

- ▼ *Environmental Management for the Extractive Industry*, and on
- ▼ *Environmental Liability Risk Assessment, Residuals Management Plans & Financial Provision*.

In addition, a range of IPPC *Best Available Techniques* guidance documents were finalised. All are available on the EPA website [www.epa.ie](http://www.epa.ie).

#### NATIONAL WASTE PREVENTION PROGRAMME

The EPA leads the National Waste Prevention Programme, which aims at reversing the trend towards increased resource use and waste generation in Ireland.

The second annual report for the programme was published in 2006 and is available on the EPA website [www.epa.ie](http://www.epa.ie).

The National Waste Prevention Committee (chaired by the EPA) provided strategic advice on all of the National Waste Prevention Programme projects.

A national initiative to promote waste prevention through seven local authorities in the Galway, Monaghan and Limerick-Clare-Kerry regions was launched in July 2006. The Local Authority

**Table 1**  
**Licensing Activities in 2006**

	IPPC Licences	Waste Licences	GMO Consents	Certificates of Registration
Applications considered	114	42	29	636
Proposed Decisions	30	19	N/A	N/A
Objections received	31	27	N/A	N/A
Final Decisions	34	24	26	636

Prevention Demonstration Programme will seek to prevent waste being generated in participating businesses and sectors. Its findings will provide a template for other waste prevention projects by other local authorities nationwide. The programme will expand countrywide over the coming years.

The EPA also developed a Packaging Waste Minimisation Programme in 2006 in consultation with Repak. Sponsorship and management support will be provided by the EPA to implement this programme.

Significant progress was made in developing and conducting Strategic Environmental Assessment on the replacement National Hazardous Waste Management Plan. The requirements of the Ozone Depleting Substances Regulations were implemented in full during 2006. Preparatory work was conducted in order to implement the Persistent Organic Pollutants Regulations.

### **PRODUCER RESPONSIBILITY INITIATIVES**

The EU Waste from Electrical and Electronic Equipment (WEEE) Directive came into force in Ireland in August 2005 and the EPA has responsibility for enforcing significant portions of this. An extensive advertising campaign was rolled out to alert all stakeholders to their obligations under the Directive, and the *Eco-Eye* TV programme carried items on this topic.

The EPA immediately commenced enforcement through on-the-ground inspections of electrical retail shops throughout the country and, as a result of these inspections, a number of major outlets were prosecuted for non-compliance with the Regulations. In order to improve enforcement of these regulations

working relationships have been established with many other authorities and agencies.

The Restriction of Hazardous Substances (RoHS) Regulations complement the WEEE Regulations by prohibiting the use of certain hazardous substances in new electrical equipment. The EPA developed and commenced implementation of a strategy to enforce these regulations in 2006.

### **STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) DIRECTIVE**

Strategic Environmental Assessment involves assessment of the likely significant environmental effects of plans and programmes prior to their adoption.

In Ireland, the EPA is one of three designated environmental authorities under the SEA Regulations. The SEA Regulations require that competent authorities must consult the designated environmental authorities and subject specific plans and programmes to an environmental assessment.

The objective is a high level of environmental protection and integration of environmental considerations into plans and programmes to promote sustainable development.

In 2006, the EPA was consulted on more than 200 plans and programmes for the purposes of screening and/or scoping for SEA. While most of these plans related to land-use planning, others were in the areas of hazardous waste, flood risk management, agriculture, economic development and energy.

Web based SEA resources and information to help planners and programme makers and the general public in their search for relevant environmental information are accessible on the EPA website [www.epa.ie](http://www.epa.ie).



## Office of Environmental Enforcement

### 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.

### FOCUS ON ENFORCEMENT

In July 2006, the EPA's Office of Environmental Enforcement published its report *Focus on Environmental Enforcement 2004/2005*. This report, the first of its kind, revealed problems uncovered by EPA inspectors at waste and industrial facilities licensed by the EPA. It also provided an overview of enforcement activities nationally and the outcomes arising from these activities. Key findings were:

- ▼ Industries in some sectors, notably the food and drink, intensive agriculture and the timber treatment sector continued to encounter difficulty in operating according to their licence conditions.
- ▼ Poor waste management practices still existed in eight out of twelve classes of industry.
- ▼ Odour at landfills and waste transfer stations was causing nuisance and provoking increased complaints.
- ▼ Organised flytipping and backyard burning of waste were significant problems.

The report found that licensing and enforcement of industrial and waste activities have been effective in controlling emissions and reducing pollution

from pre-licensing levels, and that the introduction of the Licensing regime led to the installation of gas collection infrastructure at most landfill facilities. As a result there has been a 33 per cent reduction in the volume of landfill gas emitted to the atmosphere. The EPA targeted local authorities suspected of causing serious pollution due to discharges from wastewater treatment plants. There have also been significant improvements in compliance with waste export regulations.

LICENCE ENFORCEMENT

Licences granted by the EPA provide for the enforcement of multiple pieces of legislation across all environmental media in one document. The enforcement work of the Office of Environmental Enforcement is directed at facilities showing significant non-compliance with relevant legislation or presenting a potential risk to the environment.

Details on all waste and IPPC licenses can be viewed in the What We Do section of the EPA website [www.epa.ie](http://www.epa.ie).

In 2006 a total of 133 audits and 771 inspections of IPPC and Waste facilities were conducted. The total number of notifications of non-compliance (NONC) served during the year was 560. The bulk of the notices served were in relation to waste management, bunding/containment facilities and exceedances of emission limits.

During 2006 the number of complaints made to the EPA in relation to IPPC facilities and waste facilities numbered 397 and 776 respectively. The majority of the complaints against waste facilities concerned odours. Over 80 per cent of all waste complaints received related to 9 facilities. Seven IPPC facilities accounted for 59 per cent of all licensed industry complaints and complainants were concerned with odours, air quality, noise, water and dust.

Table 2 gives a summary of licence enforcement activity in 2006.

Table 2  
Licensing Enforcement Activities in 2006

	IPPC	Waste	Total
Inspections	529	242	771
Audits	72	61	133
Compliance meetings	155	62	217
Air Monitoring	203	-	203
Water Monitoring	655	163	818
Complaints received	397	776	1173
Notifications of non-compliance issued	401	159	560
Prosecutions (summary)	9	8	17
Prosecutions (indictment)	1	2	3



## LEGAL MATTERS

Prosecution is one enforcement tool available to the EPA. Other tools include legal notices to implement specific measures to prevent or remedy pollution. Seventeen cases were brought against licensees before the District Courts. Convictions were handed down in 15 of these cases. Fines and costs of over €175,000 were awarded to the EPA. The majority of the charges related to persistent breaches of emission limit values, failure to install infrastructure and failure to submit information to the EPA as required under licence conditions.

Three cases were successfully prosecuted on indictment in the Circuit Court in 2006. The EPA was awarded a total of over €185,000 in costs and fines.

As of the end of December 2006, the EPA had 13 District Court cases on hand and one further action had been initiated. One case was with the Director of Public Prosecutions for consideration and a number of other investigations are currently under way.

Legal action taken by the EPA led to commitments by individual licensees of up to €4 million by way of remedial measures which varied from hiring environmental managers to carrying out a range of environmental improvement works on site.

## ENVIRONMENTAL ENFORCEMENT NETWORK (EEN)

The EPA co-ordinates the National Environmental Enforcement Network. The Network harnesses the

collective resources, expertise and investigative capacity available nationally to tackle environmental crime. The Network is well established and brings together over 1,100 staff from over 50 agencies. Members are working across 12 main areas grouped under the themes of Waste, Water, Enforcement Management and Producer Responsibility. Further details of Network events can be found in Table 3.

In 2006 the main achievements of the Environmental Enforcement Network (EEN) included the following:

- ▼ Local authorities combining forces at regional level to deal with issues such as illegal waste collection, fly-tipping, and poor management of construction and demolition waste.
- ▼ Continued good compliance with waste export regulations through an on-going programme of inspections at major ports.
- ▼ Bringing together, through national conferences and other network events, the relevant enforcement authorities to deal with enforcement issues in an integrated way.
- ▼ Better co-ordination of water enforcement activities through the development and implementation of catchment-specific enforcement plans.
- ▼ The development and implementation of management systems for dealing with inspections and environmental complaints in a consistent manner.

**Table 3**  
**Environmental Enforcement Network Activities 2006**

<b>Environmental Enforcement Network Events 2006</b>	
<b>National Conferences (water and waste)</b>	<b>2</b>
<b>Seminars and Workshops (total)</b>	<b>10</b>
<i>Unauthorised Waste Network</i>	<i>1</i>
<i>Enforcement Management Network</i>	<i>8</i>
<i>Producer Responsibility Network (packaging and WEEE)</i>	<i>1</i>
<b>Working Group Meetings (total)</b>	<b>20</b>
<i>Unauthorised Waste</i>	<i>4</i>
<i>Transfrontier Shipment</i>	<i>4</i>
<i>IMPEL Transfrontier Shipment</i>	<i>4</i>
<i>Environmental Inspections</i>	<i>4</i>
<i>Erne/Blackwater</i>	<i>2</i>
<i>Suir</i>	<i>2</i>
<b>Other EEN Activities (total)</b>	<b>8</b>
<b>Total Network Events</b>	<b>40</b>
<b>Other Related Activities</b>	
Local Authority staff trained in Enforcement / Inspection Skills	89
Number of inspection plans received from LAs	30

**UNAUTHORISED WASTE ACTIVITIES**

Tackling unauthorised waste activity remains a key priority for the Office of Environmental Enforcement. During 2006, this involved intensive engagement with local authorities and An Garda Síochána to ensure that Ireland has an integrated approach to tackling environmental crime. The Office of Environmental Enforcement is also continuing to

work with the Environment & Heritage Service, Northern Ireland and the Police Service of Northern Ireland, to address cross-border illegal waste issues.

In 2006 the Office of Environmental Enforcement launched a 24-hour reporting line for illegal dumping. The number is **1850 365 121**. Organisations involved are the EPA, local authorities and An Garda Síochána.

A Code of Practice *Environmental Risk Assessment for Unregulated Waste Disposal Sites* was published for public consultation in 2006.

**PUBLIC AUTHORITY ENFORCEMENT**

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

One hundred and seventy-three investigations were carried out on foot of 499 complaints made to the EPA about activities that were the responsibility of local authorities in 2006. The majority of these complaints related to either waste management or water management issues with the remainder related mainly to odour, noise and planning. As a result of these investigations, 92 Advice and Recommendation Notices were issued to local authorities.

Seven Proposed Directions and six Directions were issued in relation to waste management and water management issues.

Further details of Public Authority Enforcement Activities are available at Table 4.

**Table 4:****Local Authority Enforcement Activities in 2006**

Audits	40
Total Investigations Open	249
New Complaints Received in 2006	499
Referrals to Local Authorities in 2006	326
S.63 Investigations Conducted	173
Advice and Recommendations Notices issued	92
Proposed Directions Served in 2006	7
Non Confirmation of Proposed Directions Issued in 2006	1
Directions Served in 2006	6

**COMPLIANCE REPORTING**

The *Phosphorus Regulations Report* was published in March 2006. The report includes an overview of local authority implementation of the National Phosphorus Regulations.

The *Drinking Water Report*, *Urban Wastewater Report* and *Dangerous Substances Report* were all completed in 2006 for publication in the first quarter of 2007. The reports included an overview of the findings of local authority audits conducted by the EPA in 2006.

A project on *Historic Mine Sites* commenced in January 2006 to deliver a comprehensive inventory of historic mine sites and their risk to the environment. Detailed background information has been compiled for the priority sites where site investigations will be undertaken.



## Office of Environmental Assessment

### OFFICE OF ENVIRONMENTAL ASSESSMENT

The Office of Environmental Assessment is responsible for ambient monitoring of water and air, for preparing national monitoring programmes and a national hydrometric programme, for providing sampling and laboratory assistance to local authorities and for monitoring and providing various laboratory related services to support the EPA's licensing and enforcement functions.

It also has responsibility for the following: co-ordinating a national environmental research programme; establishing environmental databases; producing regular reports on environmental quality and publishing periodic State of the Environment Reports. In addition, the remit of the Office includes implementing key aspects of the EU Air Framework Directive and EU Water Framework Directive, and the Office operates Ireland's National Focal Point for the European Environment Agency (EEA).

### INFORMATICS

Work in the informatics area over the year included the training of the EPA staff on the use of a new Geographic Information Systems (GIS) assessment tool. Other activities included work on the development of improved systems for estimating river flow statistics at ungauged locations and for determining water quality statistics for river lengths – both due for completion in 2007. GIS support to the implementation of the Water Framework Directive continued, in particular as part the national reporting role, which is the responsibility of the EPA. The assessment by the European Commission of the previously submitted reports under Articles 3 and 5 of



the Directive - on the basis of their clarity, timeliness and completeness - placed Ireland first in the EU.

### ENVIRONMENTAL REPORTING

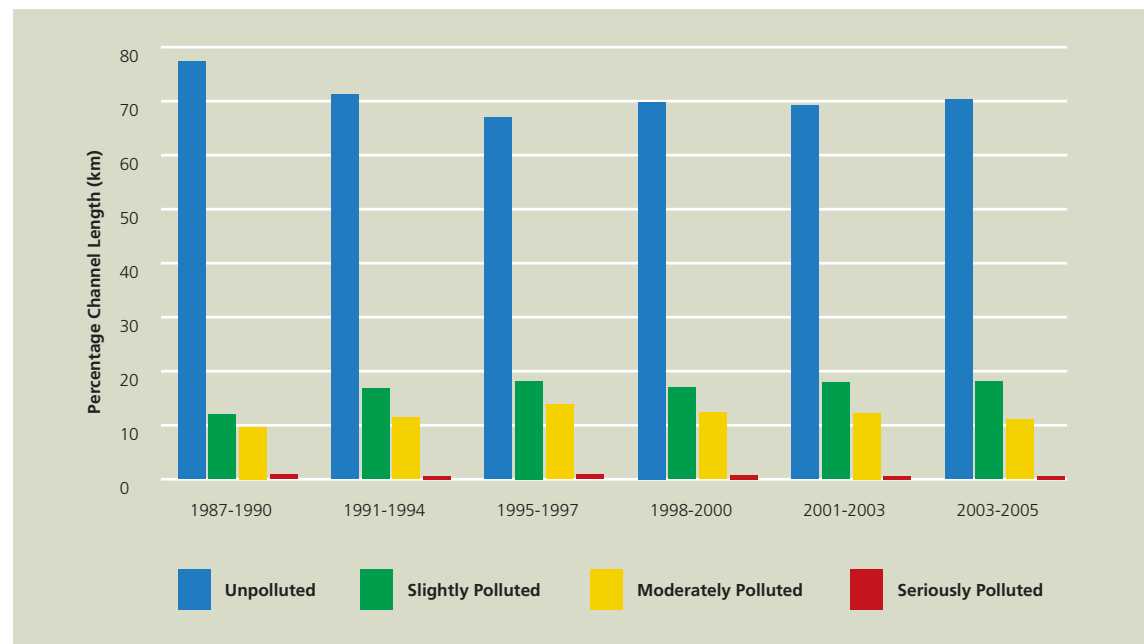
Environmental Indicators are key statistics that summarise a particular environmental issue. Their strength is in delivering concise, scientifically credible information, which can be readily accessed by decision makers. In essence, their purpose is to simplify, to quantify and to communicate.

The EPA produced three Indicator-based Reports in 2006. The most comprehensive of these reports is *Environment in Focus 2006 – Environmental Indicators*

*for Ireland*. The key findings of this report were:

- ▼ Global climate change remains the primary environmental challenge of this century. Greenhouse gas emissions must be significantly reduced if Ireland is to meet its Kyoto obligations.
- ▼ Significant improvements have been made in the area of waste management and waste infrastructure. The focus must now shift towards decreasing the amount of waste being generated.
- ▼ The industry sector became more efficient and productive in the last decade; industrial growth was achieved without increased amounts of waste being sent for disposal.

**Figure 1**  
**Water Quality in Ireland**



- ▼ The rate of improvement in river water quality will need to be significantly increased if Ireland is to meet the requirements of the Water Framework Directive. See Figure 1 for details of Water Quality in Ireland.
- ▼ There has been rapid growth in vehicle numbers, energy consumption and emissions generation in the transport sector.

The second report *Water Quality in Ireland 2005 – Key Indicators of the Aquatic Environment* provides summary statistics on the latest information regarding water quality. The report findings showed:

- ▼ Satisfactory water quality in 70 per cent of rivers, 90 per cent of lakes and 78 per cent of estuaries and coastal waters.
- ▼ 30 per cent of the groundwater samples showed bacteriological contamination, with some 11 per cent of all samples being grossly contaminated.
- ▼ Approximately 23 per cent of the groundwater locations examined exceeded the national guideline value for nitrate concentration for drinking water and 2 per cent breached the mandatory limit.
- ▼ The overall quality of the bathing waters in Ireland continued to be very good.
- ▼ The number of instances of fish kills remained at an unacceptably high level.

The third report *Air Quality in Ireland in 2005 – Key Indicators of Ambient Air Quality* provided an overview of ambient air quality trends based on monitoring data from 25 stations. The report found that:

- ▼ Air quality in Ireland was generally good throughout the country and complied with the standards in force across Europe.
- ▼ Levels of nitrogen dioxide and particulate matter (PM<sub>10</sub>) were highest in urban centres subject to heavy traffic.
- ▼ Average concentrations of particulate matter (PM<sub>10</sub>) were similar in all population centres as the larger towns and cities now use smokeless fuel.

These Indicator Reports can be accessed in the Download Centre on the EPA website [www.epa.ie](http://www.epa.ie).

## WATER QUALITY MONITORING

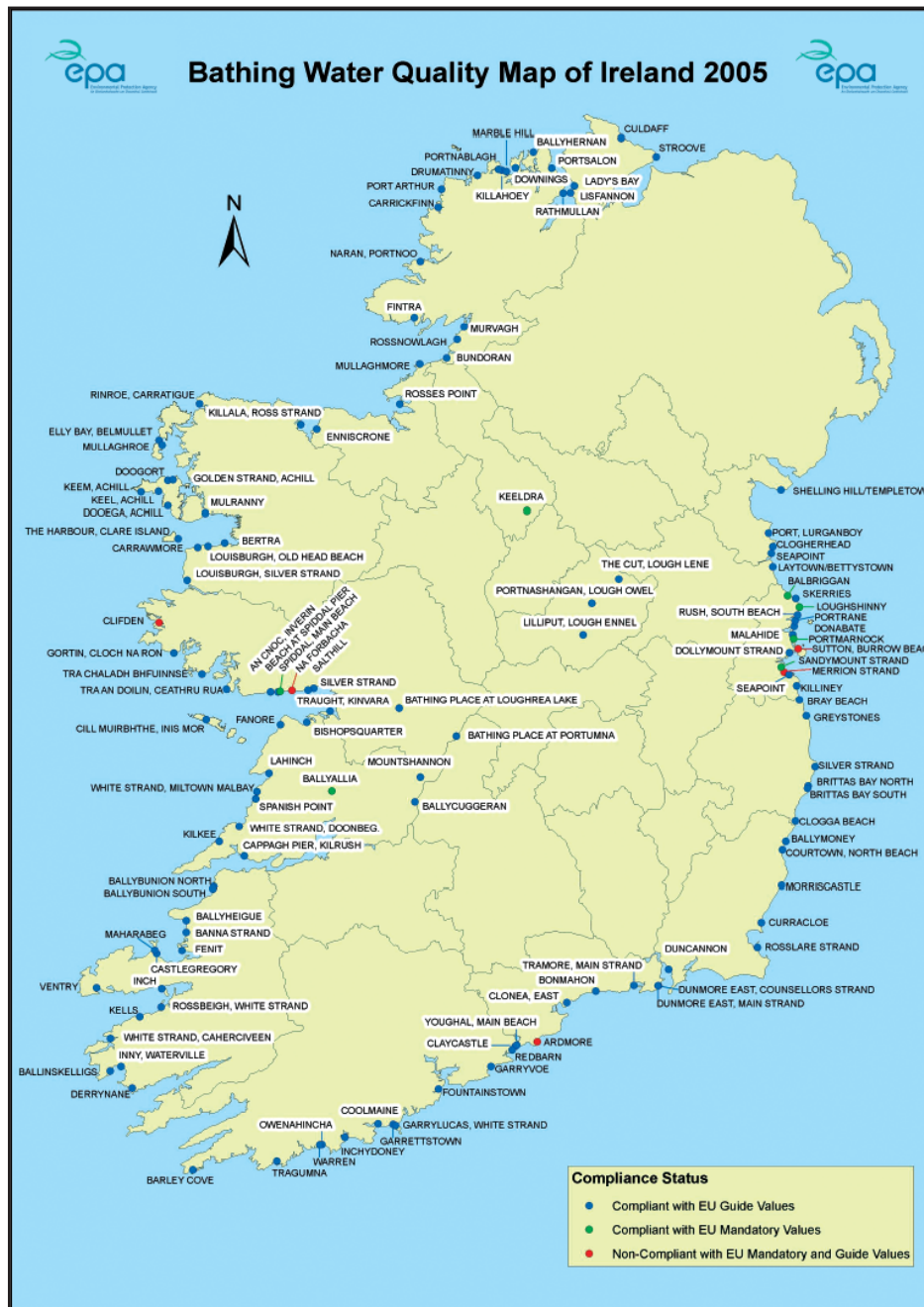
Work continued during the year on implementing national monitoring programmes in respect of groundwaters, tidal waters, lakes and the biological quality of rivers. The latter involves surveys of 3,200 river sites on a three-year cycle. The previously referred to report on water quality indicators was the first of a new report series designed to provide timely summaries of monitoring results.

## BATHING WATER QUALITY

The quality of Ireland's bathing waters continues to be of a high standard as recorded in the 2005 *Quality of Bathing Water in Ireland* report, which was published in 2006.

The report associates the high quality of some significant bathing waters with investments in recent years in waste water treatment facilities.

Figure 2 Bathing Water Quality Map of Ireland 2005



The report showed that in 2005, 126 of the 131 bathing areas (96 per cent) complied with the mandatory standards specified in the EU Bathing Water Directive and that 119 of the 131 bathing areas (91 per cent) complied with the much stricter guideline standards specified by the EU. See Figure 2 for further details.

### **WATER FRAMEWORK DIRECTIVE (WFD)**

The Water Framework Directive (WFD) represents the most significant development in the field of EU water policy in the past 25 years. The Directive provides an overarching framework and programme to deliver long-term protection of water. It aims at improving and maintaining water quality in surface and groundwaters.

The EPA published the Water Framework Directive Monitoring Programme for consultation in June 2006. A public notice was issued to advise interested parties of the consultation process. Comments received were then taken into account in finalising the programme.

The programme:

- ▼ Details the process for site selection for Surveillance and Operational monitoring;
- ▼ Details the monitoring to be performed under each monitoring type and the frequency of sampling;
- ▼ Lists the sites selected for monitoring;
- ▼ Assigns the monitoring tasks to public authorities so imposing a statutory obligation on these authorities to perform the monitoring.

### **HYDROMETRIC PROGRAMME**

The EPA's hydrometric programme collects information on the levels, volumes and flows from a network of 1500 stations on rivers, lakes and groundwaters. Throughout 2006, summary statistics for selected sites for this programme were published on the EPA web site and more detailed information was provided on request in support of a wide variety of infrastructural developments across the country and also for environmental protection purposes, as an input to flood risk management and to guide the development of water resources. The Hydrometric Programme also contributed to various aspects of the implementation of the Water Framework Directive.

### **AIR QUALITY**

In July 2006 EPA monitoring detected unusually high ozone levels. Met Eireann were informed and it issued public information announcements about the findings as required by the Ozone Directive. All air monitoring activity throughout the country is available, using a map-based interface, on the EPA web site.

### **EMISSIONS TO AIR**

The EPA continues to submit data on Ireland's annual greenhouse gas emissions to the United Nations Framework Convention on Climate Change. In 2006, the EPA compiled Ireland's initial report under the Kyoto Protocol, which sets Ireland's assigned amount (the total allowable emissions in the period 2008-2012) at 315 million tonnes CO<sub>2</sub> (carbon dioxide) equivalent or 63 million tonnes per annum. By comparison, Ireland emitted 68.46 million tonnes of CO<sub>2</sub> equivalent in 2004.

Under the Convention on Long Range Transboundary Air Pollution inventories were forwarded in February 2006 to the UNECE for acidifying gases, heavy metals and other parameters.

### ENVIRONMENTAL NOISE MONITORING

The Environmental Noise Regulations, 2006 came into effect in April 2006, transposing into Irish law the associated EU Directive relating to the assessment and management of environmental noise. The EPA as the national competent authority, provided advice and guidance to noise mapping authorities, who include certain local authorities, the National Roads Authority, Dublin Airport, the Railway Procurement Agency and Irish Rail. Work on producing strategic noise maps for the first EU deadline commenced during the year.

### ENVIRONMENTAL RESEARCH

Through its research programme, the EPA is generating knowledge and expertise needed to help protect and manage Ireland's environment.

During 2006, the EPA continued to fund new research projects. In size, projects ranged from desk studies to large-scale multi-annual projects, carried out by individual researchers or organisations, such as colleges, research institutes and companies. Over 400 projects have been funded by the EPA to date.

In 2006 the EPA provided over €7 million to environmental research projects and research reports on 25 larger projects were published. The new EPA Environmental Technologies programme was launched jointly by the Minister of the Environment, Heritage

and Local Government, Mr. Dick Roche, TD and EU Environment Commissioner Mr Stavros Dimas.

The EPA's Environmental Research Centre (ERC) published three reports on climate change and air quality issues for Ireland in 2006. These reports are available on the EPA website [www.epa.ie](http://www.epa.ie). It also increased its personnel to eleven full-time research fellows. A network of monitoring stations for transboundary air pollutants was commissioned in 2006 by the ERC.

### LABORATORY SERVICES

In 2006, approximately 23,000 samples were taken and analysed for a range of chemical and, where appropriate, microbiological parameters. This involved a total of approximately 345,000 analytical measurements. Throughput was almost identical to 2005. 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, in support of environmental enforcement, and for regional programmes on behalf of local authorities in the south-east, west and north-east. The laboratories building programme was completed during the year with an extension to the Castlebar premises, which opened in April, and the completion of a custom-designed laboratory building on a new site in Kilkenny in December.

### INTERCALIBRATION PROGRAMME

The total number of laboratories participating in the EPA's intercalibration programme, increased by

2 to 121 in 2006. These include local authority and contract laboratories, other laboratories supplying data to the Agency and also the Agency's five regional laboratories. The register of laboratories, provided for under Section 66 of the EPA Act 1992 is available for inspection at the EPA Headquarters and also at [www.epa.ie](http://www.epa.ie).

### 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.





## 2

## CORPORATE GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

### CORPORATE GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

The Office of Communications and Corporate Services (OCCS) provide the essential organisational support systems and structures that enable EPA to effectively deliver on its mandate.

The functions of the OCCS include human resource management, health and safety, staff training and development, finance, facilities management, public relations and communications, publications, and information technology development and support.

The Office is also responsible for organisational strategy and business planning, corporate governance, including internal audit, co-ordinating the EPA quality customer service initiative and strategic environmental policy research.

### EPA STRATEGIC FRAMEWORK

The implementation of the EPA Strategic Framework 2003 – 2006 was successfully completed as scheduled during 2006 and reports on its implementation were submitted to the EPA Board on a quarterly basis.

In the latter half of 2006 work commenced on drafting a new strategy for the EPA. All staff were engaged in a consultative process and a draft organisational strategy was finalised by year end. The new strategy entitled *2020 Vision: Protecting and Improving Ireland's Environment* will be published in 2007.

## 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 progressively implement its Internal Audit Plan. The Internal Audit Committee held 3 meetings in 2006. A revised two-year Internal Audit Plan covering the period 2007 – 2008 was agreed by the Internal Audit Committee and by the EPA Board.

A Corporate Governance Manual for Directors and Senior Managers of the EPA was issued to all Directors and Senior Managers early in 2006.

## QUALITY CUSTOMER SERVICE

The implementation of the QCS Action Plan 2003 – 2006 was successfully completed in 2006. During 2006 the EPA conducted two customer service surveys. The findings from the surveys were mainly positive and feedback from the surveys were presented to all EPA staff. One customer service complaint was received and addressed during 2006. Both the QCS Action Plan and the Customer Charter are available on the EPA website.

## COMMUNICATIONS

The EPA media relations office handled over 740 media enquiries in 2006, a rise of 16 per cent over the previous year. It also had a series of monthly articles published in regional newspapers. The articles were written on a variety of EPA issues and were tailored to suit each county/region.

The EPA's Annual Highlights document, which provides information on the key undertakings of the EPA during the previous year, was published and distributed in February 2006 and two *EPANews* corporate newsletters were widely distributed during the year.

The EPA sponsored the second annual *Environment Ireland* conference in September. The conference provides a forum to discuss significant developments in environmental policy, North and South, from the future environmental policy agenda and emerging issues to best practice environmental management and new technologies. Over 300 delegates attended the conference.

Following stakeholder consultation and review of our online communications a project of work to redevelop the EPA website was undertaken. The redeveloped website will be launched in April 2007 and is intended to be a more user focused website, helping all stakeholders to more easily find information and to access EPA services online.

EPA staff engaged with stakeholders at a range of national and local events during the year, including the BT Young Scientists and the National Ploughing Championships, and housed its waste exhibition in ENFO.

## EDUCATION

A fourth series of *EcoEye* was broadcast on RTE 1 in early Spring 2006. Each programme was watched by more than 350,000 viewers. This viewership represented a 14 per cent increase on the previous series. A fifth *EcoEye* series was in development during the year for broadcast in the first quarter of 2007.

In 2006 the EPA joined in partnership with An Taisce, and created a Green Parent Programme. The aim of the programme is to raise environmental awareness and support positive environmental actions amongst adults, building on the network of green schools.

### **POLICY RESEARCH**

The Strategic Policy Research Unit published a discussion paper in August on the opportunities for agriculture, industry, and waste management from the development of bio-energy fuels. The Unit also updated a series of EPA Viewpoint papers that cover a range of issue, outlining the key environmental issues, the role of the EPA, government departments, local authorities and other state agencies, as well as listing recommendations for future action.

### **HUMAN RESOURCES**

The EPA's approved staff complement at December 31, 2006 was 290. Approximately 140 of the EPA's staff are located at its Headquarters in Wexford and the remaining staff are located in Regional Inspectorates and Offices throughout the country.

During the year a new staff manual issued to all staff and the ongoing review of the EPA's personnel policies and procedures was concluded to ensure compliance and currency with legislation and best practice.

A number of developments took place with the Human Resource Information Management and Time and Attendance systems. These developments enhanced the role of Line Managers and also provided a self-service module for staff.

### **INFORMATION TECHNOLOGY SERVICES**

The EPA's Information Technology services continued to be focused on the collection, analysis and dissemination of a vast array of information, for all stakeholders. During 2006, IT systems were developed for the following areas, Assessment, Licensing, Enforcement, Emissions Trading and Finance.

To support the assessment role of the EPA, new technology has been implemented for assessing river water quality. Biologists assessing river water quality can now record information electronically during riverside inspections, using a robust waterproof laptop. This data is relayed directly back to a central database and is available to support other EPA activities. The technical design used in this project will evolve to become the cornerstone by which the EPA will integrate its environmental information systems.

The other system enhancements made in 2006, covered a number of key processes. The licence numbering system was revamped to provide all its clients and customers with greater and easier access to information on current and previous licence applications and to deal with future growth. The enforcement system was enhanced to integrate audit and inspection planning, management of non-compliance, and information analysis. The emissions trading systems were enhanced to provide analysis of carbon emissions data. The finance systems have been upgraded to improve the processing, analysis and reporting of financial information.

### STAFF DEVELOPMENT & 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 4% of payroll target spend on Training & Development. Direct expenditure on training in the year amounted to over €589,000.

During the year, staff members participated in a programme of 206 training courses, workshops, conferences and seminars at home and abroad, amounting to a total of 1,817 training days, giving an average of 7 days training per person. Significant work took place during the year to introduce a new development programme for staff. 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. A new coaching programme was initiated also at the latter end of the year. The EPA also continued its commitment to support staff pursuing relevant courses of study in their own time.

### SAFETY, HEALTH & WELFARE

The EPA is committed to ensuring the safety, health and welfare of its staff through strict adherence to Health and Safety Standards/Codes of Practice 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 2006.

An increased emphasis was placed on heightening awareness of safety, health & welfare matters, through the organisation of an EPA Safety Week and

an extensive safety-training programme including driver safety awareness presentations to all EPA staff. A thorough review and updating of the EPA Safety Statement was completed to ensure compliance with the Safety, Health & Welfare Act, 2005.

In 2006 the EPA Joint Safety Consultative Committee decided that external audits of potentially high-risk activities undertaken by EPA staff should be carried out. It decided also to engage external expertise to conduct an external audit of the EPA Safety Statement and Safety Management Programme. The selection process to appoint external auditors was completed by the year-end.

Recognising that early defibrillation can save lives in situations where an incident of cardiac arrest occurs, the EPA embarked on a pilot programme to install defibrillators (AEDs) in all its locations. The AED programme was launched during Safety Week in October 2006 with the installation of AEDs and training of staff in two locations initially.

### NATIONAL PARTNERSHIP AGREEMENTS

The final progress report and an overview statement on the Sustaining Progress Action Plan were submitted to and approved by the Department of the Environment, Heritage and Local Government in 2006. The EPA successfully achieved its performance targets identified in the Sustaining Progress Action Plan.

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

The EPA's Partnership Committee played a significant role in overseeing the implementation of the Sustaining Progress Action Plan and the development of the Towards 2016 Action Plan.

#### **ADVISORY COMMITTEE**

The fourth EPA Advisory Committee was appointed by the Minister for the Environment, Heritage and Local Government on 28 February 2006. The term of office for the new committee is three years. Four meetings were held in 2006.

#### **BOARD OF THE EPA**

The Board of the EPA held forty meetings in 2006 including 28 technical meetings.

#### **FREEDOM OF INFORMATION (FOI)**

During 2006, the EPA received 18 FOI requests. Of these, 3 requests were granted in full, 5 were part granted, 1 was withdrawn, 1 was transferred and 6 were refused. Two requests were still under consideration at the end of 2006. One request was received for internal review and this was subsequently appealed to the Information Commissioner. This appeal and a previous appeal from 2004 were still under consideration by the Commissioner's Office at year-end.

#### **CAPITAL PROGRAMME**

The EPA continued to pursue the provision of additional accommodation in three locations. An extension to the Regional Inspectorate building in Castlebar was completed by the end of March 2006 and a new Regional Inspectorate in Kilkenny was completed in December 2006. Planning permission was granted in December for a permanent extension to EPA Headquarters in Wexford.

#### **CONSULTANTS**

During 2006, the EPA utilised the services of various consultants. The consultants engaged (including those involved in the Environmental Research and Technological Development and Innovation (ERTDI) Programme) are listed in Table 5.

**Table 5**  
**Consultants Engaged in 2006**

Achilles Procurement Services	Hook Head Training & Consulting
Alan Matthews	Indecon (Ireland)
Alcontrol Geochem (Ireland)	Infratec
Alcontrol Laboratories	Institute of Public Administration
AMAS Ltd	Isoniq Ltd
Analytical & Environmental Services	Land Quality Management Ltd
Anne Jones Media & Communications	LHM Casey McGrath
Aquatic Services Ltd	M.C. Database Solutions Ltd
Barry Doyle & Company	Mason Communications Ireland Ltd
Cantab Consulting (Kent) Ltd	McKitterick & Hand Ltd
Carr Communications Ltd	Media Watch Ltd
Clara Clark Event Management	Moloney & Associates
Clean Technology Centre	Murray Consultants Ltd
Compass Informatics Ltd	N.U.I. Galway
Complete Network Technology	Newstead Consulting Ltd
Consultnet Ltd	Nicholas Kenny
Coyle Hamilton Willis	Paul Mooney Associates
Dataworks Ltd	PWC
Deloitte	Propylon
Dr David Drew	Rits
E.G. Pettit & Company	RPS Group
Enviros Consulting Ltd	Secureway Ltd
Enviros Consulting UK Ltd	Shane Byrne
ESRI Ireland Ltd	SLR Consulting Ltd
Euro Environmental Services	Tartan Technologies Ltd
Euro Gas Ltd	Terminal Four
Forfas	Timothy Mulvey
Geological Survey of Ireland	TMS Environment Ltd
Gerhardt Gallagher	URS Ireland Ltd
Great Place to Work Institute Ireland	Vincent Gallagher
Greta (UK DoE)	Whitehopeleman

This list includes those consultants paid in excess of €1000 in 2006.



### PROMPT PAYMENT OF ACCOUNTS ACT, 1997

The Prompt Payment of Accounts Act came into operation on 2 January 1998. The Environmental Protection Agency (EPA) comes under the remit of the Act. The following is a report on the payment practices of the EPA for the year ended 31 December 2006.

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 and returned 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.

There were 115 late payments with values in excess of €317 during 2006 and these exceeded the due payment date by an average of 18 days. The value of these late payments was €464,875. Overall, late payments represented 2.7% of the total value of payments covered by the Act, with total associated penalty interest of €2,262.

A handwritten signature in black ink that reads "Mary Kelly". The signature is written in a cursive, slightly informal style.

**Mary Kelly**

Director General, 3 September 2007



## Appendix 1

### APPENDIX 1

#### EPA PUBLICATIONS 2006

The majority of EPA publications are available to download from the EPA website [www.epa.ie](http://www.epa.ie).

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

#### CORPORATE

- ▼ EPA Annual Report and Accounts 2005
- ▼ EPA – Annual Highlights 2005
- ▼ Environment in Focus 2006 - Environmental Indicators for Ireland
- ▼ Focus on Environmental Enforcement 2004-2005
- ▼ Ireland's Environment – Who Does What?
- ▼ The Environmental Protection Agency – Who We Are, What We Do
- ▼ epaNews April 2006
- ▼ epaNews August 2006

#### AIR

- ▼ Ambient Air Quality in Ireland 2004 - 2006 (web only)
- ▼ National Inventory Report 2006

#### WATER

- ▼ Interim Report on the Biological Survey of River Quality – Results of the 2004 Investigations
- ▼ Water Quality in Ireland 2005 – Key Indicators of the Aquatic Environment
- ▼ The Quality of Drinking Water in Ireland – A Report for the year 2005 (including CD ROM)

- ▼ The Quality of Bathing Water in Ireland 2005 (web only)
- ▼ Phosphorus Regulations - National Implementation Report, 2005

## WASTE

- ▼ National Waste Report 2004
- ▼ National Waste Prevention Programme – Annual Report 2005

## SPECIAL REPORTS

- ▼ Public Perceptions, Attitudes and Values on the Environment – A National Survey

## GUIDANCE NOTES

- ▼ Environmental Management Guidelines: Environmental Management in the Extractive Industry (Non-Scheduled Minerals)
- ▼ Guidance on Environmental Liability Risk Assessment, Residuals Management Plans and Financial Provision

## ENVIRONMENTAL RESEARCH REPORTS

- ▼ Endocrine Disruptors in the Irish Aquatic Environment
- ▼ Environmental Attitudes and Behaviour - Values Actions and Waste Management (Synthesis Report)

- ▼ Eutrophication From Agricultural Sources – A Comparison of SWAT HSPF and SHETRAN/GOPC Phosphorus Models for Three Irish Catchments (Synthesis Report)
- ▼ Eutrophication From Agricultural Sources – Phosphorus Concentration and Flow (Final Report)
- ▼ Eutrophication From Agricultural Sources – Relating Catchment Characteristics to Phosphorus Concentrations in Irish Rivers (Final Report)
- ▼ Eutrophication From Agricultural Sources – Models and Risk Assessment Schemes for Predicting Phosphorus Loss to Water (Final Report)
- ▼ Air Pollution – Analysis of Air Dispersion Models for Irish Road Conditions (Synthesis Report)
- ▼ Material Flow Accounts (MFAs). Demonstration for Ireland (Synthesis Report)
- ▼ Climate Change – Land Use, Land-Use Change and Carbon Stocks (Synthesis Report)
- ▼ Long Term Trends in Atmospheric Pollutants at Valentia Observatory, Ireland
- ▼ National Data for Integrated Assessment Modelling under the Clean Air for Europe Programme
- ▼ Review of Global Atmospheric Watch Sites at Valentia and Mace Head, Ireland.

## 3

## FINANCIAL STATEMENTS

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST  
DECEMBER 2006**

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

**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 2006 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 2006 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 Purcell, Comptroller and Auditor General

10 September 2007

## 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.



Director General



Director

3 September 2007

## STATEMENT ON INTERNAL FINANCIAL CONTROL

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 2003-2006. A new Strategy was published in April 2007 covering the period 2010.
    - ▼ 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.
  - ▼ 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
  - ▼ 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 Conduct for Directors and Staff in accordance with the requirements of the Code of Practice.
- ii) During 2006 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:
  - ▼ 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.
  - ▼ Restricting authority for authorising all disbursement of EPA monies, payment of salaries, pensions, creditors, and expenses etc. to Directors and three named Programme Managers.
  - ▼ 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.
  - ▼ Procedures for engaging consultants.
- ▼ 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 2006 – 2007 was progressively implemented with three internal audits conducted during 2006. These were in the areas of:
  - ▼ Travel and Subsistence,
  - ▼ The Office of Environmental Enforcement & National Waste Prevention Programme Expenditure Review and
  - ▼ Information Technology Security, Continuity and Disaster Recovery.

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 to the EPA Board.


An Internal Audit Plan for the period 2007 - 2008 was developed in 2006 to reflect risks identified in the Risk Register as well as developments and issues in relation to Corporate Governance that have arisen in the Public Sector in general over the past three years. This Internal Audit Plan was approved by the Internal Audit Committee and by the EPA Board.

A Corporate Governance Manual for Directors and Senior Managers of the EPA was prepared and issued to all Directors and Senior Managers early in 2006.

#### 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 EPA undertook a formal review of the internal financial control systems in 2006. This review was carried out using external expertise and was based on a detailed examination of financial management and control documentation. An Implementation Plan to address the recommendations to further enhance the system of internal financial controls was approved by the Board in 2006 and is being implemented.

Signed on behalf of the Board.



Director General

3 September 2007

## 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:

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

### 4 FUNDING OF EMISSIONS TRADING UNIT

The Emissions Trading Unit (ETU) was established within the Agency in 2003. In 2006 the costs of the ETU were recovered 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. This auction of a quantity of the 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. The 2005 costs of the ETU were financed in part from Grant funding and remainder was recovered from auction proceeds.

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 Environment, Heritage and Local Government and are not treated as income of the Agency.

## 5 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%

## 6 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.

## 7 STOCK

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

## 8 DEBTORS

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

## 9 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 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 on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses 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 2006**

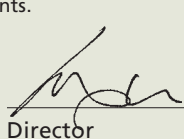
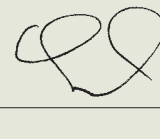
		2006	2005
Income	Note	€	€
Oireachtas Grants	1	29,099,203	25,051,463
Emissions Trading Costs Recoverable	2	1,237,454	421,671
Laboratory Intercalibration and Other Services		552,356	257,814
Income from Regional Laboratories		1,955,690	1,837,877
Licencing Activities	3	965,689	925,794
Enforcement Activities	4	7,158,841	6,928,920
Sundry Receipts	5	188,729	207,424
Net deferred funding for pensions	18(b)	5,232,636	4,123,525
		<b>46,390,598</b>	<b>39,754,488</b>
<b>Expenditure</b>			
Salaries and PRSI	6	15,557,564	13,598,682
Pension Costs	18(c)	6,096,070	5,179,770
Travelling Expenses	7	1,401,390	1,250,541
Laboratory and Field Costs	8	930,540	898,197
Accommodation Costs	9	1,185,859	912,049
Other Administration Costs	10	4,840,423	4,961,101
Consultants and Grants		4,486,822	3,165,264
Environmental Research		6,967,701	7,014,901
Depreciation	15	1,615,826	1,595,389
		<b>43,082,192</b>	<b>38,575,894</b>
Transfer to Capital Account	11	2,749,679	1,309,549
		<b>45,831,874</b>	<b>39,885,443</b>
<b>Operating Surplus / (Deficit)</b>		<b>558,724</b>	<b>(130,955)</b>
<b>(Deficit) / Surplus on Disposals of Assets</b>		<b>(170,208)</b>	<b>4,992</b>
<b>Surplus / (Deficit) before Interest</b>		<b>388,516</b>	<b>(125,963)</b>
Interest Received	12	1,653	1,007
Interest Payable and Similar Charges	13	(102,430)	(106,736)
<b>Surplus / (Deficit) for Year</b>		<b>287,739</b>	<b>(231,692)</b>
<b>(Deficit) / Surplus at 1 January</b>		<b>(249,893)</b>	<b>(18,201)</b>
<b>Surplus / (Deficit) at 31 December</b>		<b>37,846</b>	<b>(249,893)</b>

The results for the year relate to continuing operations. The statement of accounting policies and cash flow statement, together with notes 1 to 21 form part of these Financial Statements.

Mary Kelly

Director General

3 September 2007

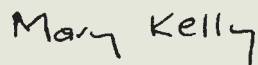
 

Director

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

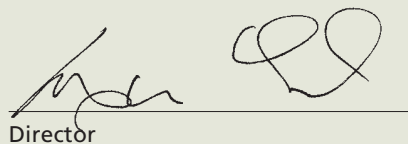
		2006	2005
	Note	€	€
Surplus / (Deficit) for the Year		287,739	(231,692)
Experience losses on pension scheme liabilities		(9,891,000)	(4,076,000)
Changes in assumptions underlying the present value of pension scheme liabilities		(3,056,364)	(7,600,475)
Actuarial Loss on Pension Liabilities	18(f)	(12,947,364)	(11,676,475)
Adjustment to Deferred Pension Funding		12,947,364	11,676,475
Total Recognised Gains and Losses for the Year		287,739	(231,692)

The results for the year relate to continuing operations. The statement of accounting policies and cash flow statement, together with notes 1 to 21 form part of these Financial Statements.



Director General

3 September 2007



Director

**BALANCE SHEET** AS AT 31 DECEMBER 2006

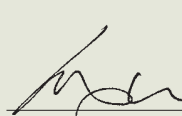
		2006	2005
	Note	€	€
Fixed Assets	15	23,739,239	18,399,887
<b>Current Assets</b>			
Debtors and Prepayments	16	4,576,573	6,566,070
Cash on Hand and at Bank		8,675,905	1,459,128
		13,252,478	8,025,198
<b>Less Current Liabilities</b>			
Creditors (Amounts falling due within one year)	17(a)	12,127,982	4,353,470
Net Current Assets		1,124,496	3,671,728
Creditors (Amounts falling due after more than one year)	17(b)	(2,748,594)	(2,993,892)
Total Assets less Current Liabilities before Pensions		22,115,141	19,077,723
Deferred Pension Funding	18(d)	98,980,000	80,800,000
Pension Liabilities	18(e)	(98,980,000)	(80,800,000)
		0	0
Total Assets less Current Liabilities		22,115,141	19,077,723
<b>Represented by:</b>			
Capital Account	11	22,077,295	19,327,616
Income and Expenditure Account		37,846	(249,893)
		22,115,141	19,077,723

The statement of accounting policies and cash flow statement, together with notes 1 to 21 form part of these Financial Statements.

Mary Kelly

Director General

3 September 2007

  
Director



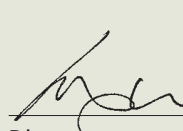

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 €	2005 €
<b>Reconciliation of Surplus / (Deficit) to Net Cash</b>			
<b>Inflow from Operating Activities</b>			
<b>Surplus / (Deficit) for year</b>		<b>287,739</b>	<b>(231,692)</b>
Interest Received	12	(1,653)	(1,007)
Deficit / (Surplus) on Disposal of Equipment		170,208	(4,992)
Transfer to Capital Account	11	2,749,679	1,309,549
Depreciation charge for year	15	1,615,826	1,595,389
Decrease / (Increase) in Debtors		1,989,497	(1,937,921)
Increase / (Decrease) in Creditors (other than Loan Creditors)		7,763,059	(2,272,238)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>14,574,355</b>	<b>(1,542,912)</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		1,653	1,007
<b>Investing activities</b>			
Payments to acquire fixed assets		(7,125,386)	(1,372,457)
<b>Net Cash Inflow/(Outflow) Before Financing</b>		<b>7,450,622</b>	<b>(2,914,362)</b>
<b>Financing</b>			
Loans Repaid		(233,845)	(227,489)
<b>Increase / (Decrease) in Cash</b>		<b>7,216,777</b>	<b>(3,141,851)</b>
<b>Reconciliation of net cash flow to movement in cash balances</b>			
Increase / (Decrease) in cash in year		7,216,777	(3,141,851)
Funds at 1 January		1,459,128	4,600,979
<b>Funds at 31 December</b>		<b>8,675,905</b>	<b>1,459,128</b>

The statement of accounting policies together with notes 1 to 21 form part of these financial statements.

Mary Kelly

Director General  
3 September 2007

   
Director

## NOTES TO THE FINANCIAL STATEMENTS

	2006	2005
<b>1 Oireachtas Grants</b>	€	€
Department of the Environment, Heritage and Local Government Vote:		
Grants from the Vote:		
<b>Current</b>	14,290,123	12,529,674
<b>Capital</b>	3,985,131	2,519,000
<b>Grant - Emissions Trading Activities</b>	0	400,972
<b>Research Funding</b>	7,000,000	7,000,000
<b>Other Programmes</b>	3,823,949	2,601,817
	<b>29,099,203</b>	<b>25,051,463</b>

The Research Funding is a specific allocation to meet the cost of Environmental Research. €6,967,701 was expended on these research activities in 2006 (2005 €7,014,901).

<b>2 Emissions Trading Unit Activities</b>	€	€
(a) <b>Cost of Emissions Trading Unit</b>	1,237,326	822,643
<b>Exchequer Grants received to Fund ETU</b>	0	400,972
<b>Emissions Trading Operator Registration Fees</b>	1,950	16,800
<b>Costs to be recovered from Auction of Allowances</b>	1,235,376	404,871
<b>Total Funding of ETU Costs</b>	<b>1,237,326</b>	<b>822,643</b>
(b) <b>Summary of 2006 Emission Trading Unit Funds</b>		
<b>Total Funds Generated 2006</b>	13,273,337	
<b>Balance of 2005 ETU Costs</b>	(404,871)	
<b>Total 2006 ETU Costs</b>	(1,237,454)	
<b>Provision for 2007 ETU Costs</b>	(1,500,000)	
<b>2006 Proceeds payable to the DoEH&amp;LG</b>	<b>10,131,012</b>	
<b>Paid to DoEH&amp;LG in September 2006</b>	(4,682,632)	
<b>Balance of 2006 ETU Proceeds payable to DoEH&amp;LG at 31/12/2006 (See Note 17(a))</b>	<b>5,448,380</b>	

<b>3 Licensing Activities - IPPC and Waste</b>	€	€
<b>Licence Fees prepaid at 1 January</b>	736,076	892,448
<b>Fees Received</b>	1,127,366	772,222
<b>Less Refunds Paid</b>	(32,299)	(2,800)
<b>Licence Fees prepaid at 31 December</b>	(865,454)	(736,076)
<b>Amount credited to Income and Expenditure Account</b>	<b>965,689</b>	<b>925,794</b>

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. The EPA's licensing income arises from fees charged in respect of processing such licence applications.

	2006	2005
	€	€
<b>4 Enforcement Activities - IPPC and Waste</b>		
<b>Enforcement Charges Invoiced</b>	<b>7,158,841</b>	<b>6,928,920</b>

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.

<b>5 Sundry Receipts</b>	€	€
<b>Insurance claims</b>	524	800
<b>Sales of publications</b>	33,222	37,369
<b>Sundry</b>	154,983	169,255
	<b>188,729</b>	<b>207,424</b>

<b>6 Salaries and PRSI of Staff</b>	€	€
<b>(a) Salaries</b>	14,461,834	12,671,311
<b>Employers' PRSI</b>	1,095,730	927,371
	<b>15,557,564</b>	<b>13,598,682</b>

**(b) The numbers of employees on 31 December were :**

<b>Headquarters</b>	Wexford	135	119
<b>Regional Inspectorates:</b>	Castlebar	27	21
	Cork	30	30
	Dublin	68	62
	Kilkenny	15	15
	Monaghan	11	11
<b>Regional Offices:</b>		8	8
		<b>294</b>	<b>266</b>

<b>7 Travelling Expenses</b>	€	€
<b>Travel and Subsistence</b>	1,296,513	1,160,014
<b>Motor Vehicle Expenses</b>	120,447	105,435
<b>Travel Refunds</b>	(15,570)	(14,908)
	<b>1,401,390</b>	<b>1,250,541</b>

	2006	2005
<b>8 Laboratory and Field Costs</b>	€	€
Laboratory and Field Expenses	652,843	576,718
Equipment Repairs and Maintenance	261,448	308,533
Protective Clothing	16,249	12,946
	<b>930,540</b>	<b>898,197</b>
<b>9 Accommodation Costs</b>	€	€
Rent and Rates	335,706	298,325
Power, Light and Heat, Cleaning	529,229	443,483
Repairs, Maintenance, Security	320,924	170,241
	<b>1,185,859</b>	<b>912,049</b>
<b>10 Other Administration Costs</b>	€	€
Telephone and Postage	280,689	258,417
Printing of Publications and Stationery Supplies	512,678	481,099
Insurance	96,324	86,513
Computer and Data Processing Charges	1,543,563	1,315,080
Audit Fee	14,400	14,400
Corporate Governance and Internal Audit Costs	83,967	133,498
Legal Fees	435,722	175,474
Staff Appointment Costs	110,901	95,185
Bank Interest and Charges	5,304	4,995
Books, Periodicals, and Library	86,488	86,810
Staff Development and Training Costs	579,280	485,482
Advertising	481,388	234,094
Communications	527,507	938,973
Write off of irrecoverable Enforcement Charges	0	584,404
Sundries	82,212	66,677
	<b>4,840,423</b>	<b>4,961,101</b>

<b>11 Capital Account</b>	€	€
<b>At 1 January 2006</b>		19,327,616
<b>Transfer from Income and Expenditure Account :</b>		
Income Allocated for Capital purposes		
<b>Fixed Asset Additions</b>	3,789,196	
<b>To Fund Future Additions</b> (See note 16)	584,377	
<b>Repayment of Loans</b>	233,845	
	4,607,418	
Less		
<b>Disposals of Fixed Assets at Cost</b>	1,278,414	
<b>Less prior depreciation on disposals</b>	(1,036,501)	
	241,913	
<b>Depreciation charge for year</b>	1,615,826	
<b>Net Transfer from Income and Expenditure Account</b>		2,749,679
<b>At 31 December 2006</b>		<b>22,077,295</b>

	<b>2006</b>	<b>2005</b>
<b>12 Interest Received</b>	€	€
<b>Bank deposit interest</b>	1,653	1,007
	1,653	1,007
<b>13 Interest Payable and Similar Charges</b>	€	€
<b>Bank Loans repayable by Instalments</b>	102,430	106,736
	102,430	106,736

## 14 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.

## 15 Fixed Assets

	Total	Buildings	Furniture & Fittings	IT & Computer Equipment	Lab & Field Equipment	Motor Vehicles
	€	€	€	€	€	€
<b>Cost</b>						
At 1 January 2006	33,587,082	17,783,663	2,256,729	3,829,391	8,843,193	874,106
Transfers from Prepayments	3,407,895	3,307,895	0	100,000	0	0
Purchases	3,789,196	2,400,000	391,992	286,537	519,342	191,325
Disposals	(1,278,414)	0	(594,239)	(85,460)	(427,841)	(170,874)
<b>At 31 December 2006</b>	<b>39,505,759</b>	<b>23,491,558</b>	<b>2,054,482</b>	<b>4,130,468</b>	<b>8,934,694</b>	<b>894,557</b>
<b>Depreciation</b>						
At 1 January 2006	15,187,195	2,465,854	1,354,096	3,250,834	7,549,569	566,842
Charge for Year	1,615,826	465,483	178,167	358,907	463,706	149,563
On Disposals	(1,036,501)	0	(434,285)	(73,469)	(380,988)	(147,759)
<b>At 31 December 2006</b>	<b>15,766,520</b>	<b>2,931,337</b>	<b>1,097,978</b>	<b>3,536,272</b>	<b>7,632,287</b>	<b>568,646</b>
<b>Net Book Value</b>						
<b>At 31 December 2006</b>	<b>23,739,239</b>	<b>20,560,221</b>	<b>956,504</b>	<b>594,196</b>	<b>1,302,407</b>	<b>325,911</b>
<b>At 31 December 2005</b>	<b>18,399,887</b>	<b>15,317,809</b>	<b>902,633</b>	<b>578,557</b>	<b>1,293,624</b>	<b>307,264</b>

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 negotiating 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.

	2006	2005
<b>16 Debtors and Prepayments</b>	€	€
<b>Debtors</b>	2,486,839	1,652,591
<b>Prepayments</b>	1,829,734	1,605,584
<b>Advances to OPW</b>	260,000	3,307,895
	<b>4,576,573</b>	<b>6,566,070</b>

### Prepayments

The major component of the Prepayments figure above relates to the building at Inniscarra, Co Cork which is shared by EPA and Cork County Council. The EPA has taken over possession of the majority of the building from the Council, and the final section will be handed over in 2007, by agreement. The amount paid in this regard was €850,000 by 2005, and a further €324,377 was paid in 2006.

An amount of €100,000 in respect of a payment to have the EPA Headquarters connected to the Wexford Metropolitan Area broadband network, which was classified as a prepayment in 2005 was reclassified as a Fixed Asset in 2006, when the network came into operation.

### Advances to OPW

The prepayment to the Office of Public Works (OPW) at the end of 2005 in respect of the new EPA Regional Inspectorate in Kilkenny has been reclassified as a Fixed Asset as the building was completed in 2006. During 2006, a sum of €260,000 was advanced to the Office of Public Works, in respect of planning and design costs for a new extension to the EPA Headquarters building at Johnstown Castle Estate, Wexford.

### Capital Payments included as Debtors and Prepayments

The inclusion of Capital payments of €584,377 made in 2006 under the Debtors and Prepayments (see Note 11) is in respect of future additions and includes an amount of €324,377 paid to Cork County Council (see Prepayments above) and an amount of €260,000 paid to the OPW (see Advances to OPW above).

All debtors fall due within one year.

<b>17 Creditors and Accruals</b>	€	€
<b>(a) Amounts falling due within one year:</b>		
Licence Fees	865,454	736,076
Proceeds of ETU Auction Payable to DoEH&LG (See Note 2(b))	5,448,380	0
Trade and Other Expenses	5,466,420	3,281,119
Instalments due on purchase of Fixed Assets	347,728	336,275
	<b>12,127,982</b>	<b>4,353,470</b>
<b>(b) Amounts falling due after more than one year:</b>		
Instalments due on purchase of Fixed Assets	<b>2,748,594</b>	<b>2,993,892</b>



## 18 Pension Costs

### (a) Pension Scheme

The EPA operates defined benefit superannuation schemes for staff which are unfunded. Superannuation entitlements arising under the schemes are paid out of current income. Accounting standard, Financial Reporting Standard No. 17 - Retirement Benefits (FRS 17), was issued by the Accounting Standards Board in November 2000. Compliance with the new standard became mandatory for the financial year 2005. The results set out below are based on an actuarial valuation of the liabilities in respect of EPA staff and former An Foras Forbartha staff as at 31 December 2006.

The financial assumptions used to calculate scheme liabilities under FRS17 are:

Assumption	2006	2005	2004
Discount rate	4.75%	4.25%	4.75%
Rate of increase in salaries	4.00%	3.50%	3.50%
Rate of increase in pensions in payment	4.00%	3.25%	3.25%
Inflation rate	2.25%	2.00%	2.00%

On the basis of these assumptions, and using the projected unit method prescribed in FRS 17, the value of the accrued pension liabilities at 31 December 2006 was estimated at €98.98m (compared with €80.8m as at 31 December 2005).

	2006	2005
(b) Net Deferred Funding for Pensions in year.	€	€
Funding Recoverable in respect of current year pension costs	6,724,000	5,700,000
State Grants applied to pay pensioners	(1,491,364)	(1,576,475)
	<b>5,232,636</b>	<b>4,123,525</b>

(c) Analysis of total pension costs charged to Expenditure	€	€
Current Service Cost	3,156,000	2,500,000
Interest on Pension Scheme Liabilities	3,568,000	3,200,000
Employee Contributions Received	(627,930)	(520,230)
	<b>6,096,070</b>	<b>5,179,770</b>

## 18 Pension Costs (continued)

### (d) Deferred Funding Asset 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. Whilst there is no formal agreement regarding these specific amounts with the Department of the Environment, Heritage and Local Government, the EPA has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions at 31 December 2006 amounted to €98.98 million (2005: €80.8 million).

	2006	2005
(e) Movement in Net Pension Liability during the financial year	€	€
<b>Net Pension Liability at 1 January</b>	80,800,000	65,000,000
Current Service Cost	3,156,000	2,500,000
Interest Costs	3,568,000	3,200,000
Actuarial loss / (gain)	12,947,364	11,676,475
Pensions paid in the year	(1,491,364)	(1,576,475)
<b>Net Pension Liability at 31 December</b>	<b>98,980,000</b>	<b>80,800,000</b>

(f) History of Experience Gains and Losses	2006	2005
Experience Gains / (Losses) on Scheme Liabilities		
Amount (€ '000)	(9,891)	(4,076)
Percentage of the present value of scheme liabilities	10.0%	5.0%
Total Amount recognised in the Statement of total recognised gains and losses		
Actuarial Loss - Amount (€ '000)	(12,947)	(11,676)
Percentage of the present value of scheme liabilities	13.1%	14.5%

## 19 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.

## 20 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.

## 21 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on 3 September 2007.





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