



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

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



EPA ANNUAL REPORT AND ACCOUNTS 2007

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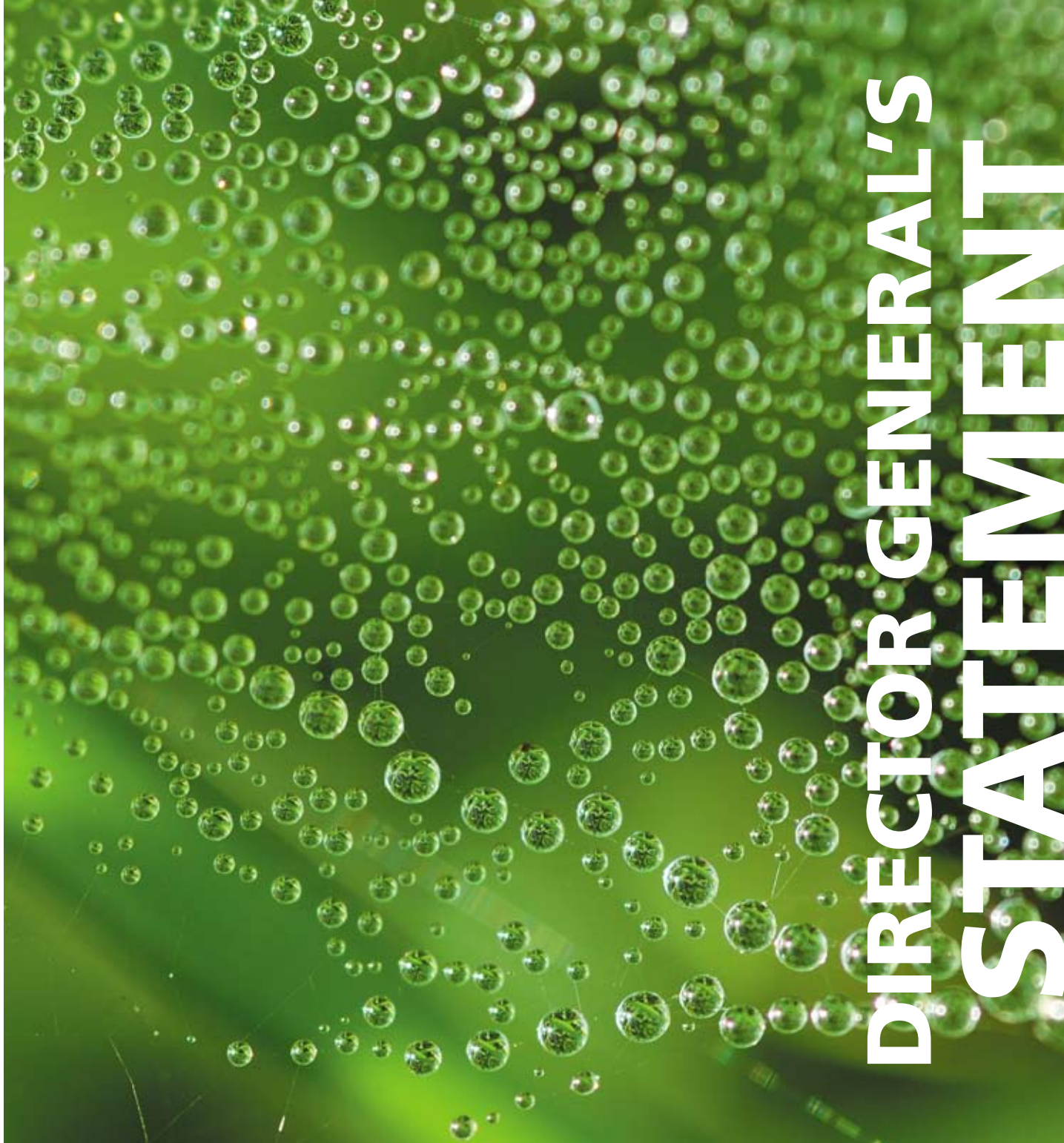
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DIRECTOR GENERAL'S STATEMENT

Welcome to the 2007 annual report for the EPA. 2007 was a busy year for the EPA and this report sets out the main activities undertaken by each Office of the EPA during the year. Looking back in years to come, the year 2007 will be seen as a watershed year for climate change and this is reflected in the increased activity of the EPA in the climate change area during 2007. There is now a heightened global awareness of the fact that we are living in a world that is experiencing climate change and that the time for action is short if we are to avoid the potentially calamitous impacts that climate change might bring about. The award of the Nobel Prize to the UN's Intergovernmental Panel on Climate Change (IPCC) and Senator Al Gore for their work on climate change, the publication of the IPCC 4th Assessment Report and the United Nations Framework Convention on Climate Change meeting in Bali have all served to raise awareness amongst the public and politicians of the urgency of the situation.

A major milestone for the EPA during 2007 was the publication of our new corporate strategy called *2020Vision*. *2020Vision* is different to previous strategies published by the EPA in that it sets out long-term goals for Ireland's environment and identifies the steps that the EPA will take in the medium term to put us on the right track for achieving these goals. Goals have been set in *2020Vision* under the headings of limiting and adapting to climate change, clean air, protected water resources, protected soil and biodiversity, sustainable use of resources and integration and enforcement.

We in the EPA are very conscious that we are not the sole organisation with environmental protection responsibilities in Ireland and achieving the long term goals set out in *2020Vision* will require the active cooperation and participation of many organisations right down to the individual citizen. The EPA, quite rightly, should be expected to provide the necessary leadership to

set out what the issues and challenges are in relation to protecting and improving Ireland's environment and this is what we have attempted to do in putting together *2020Vision*. The EPA is now seeking to involve other organisations and individuals in working with it to meet the challenges that lie ahead in protecting and improving Ireland's environment.

In developing *2020Vision*, we concluded that some structural re-organisation within the EPA was required. Climate change has become the greatest environmental challenge facing humanity and this is reflected in the prominence given to the issue in *2020Vision*. To meet the challenges posed by climate change and to streamline and focus our response, we created a Climate Change Unit in 2007 by merging activities carried out across the Agency in emissions trading, inventories, projections, climate research and air and climate science areas. This has given the EPA a much stronger focus on this important area and equips us for the challenges that lie ahead. Through our research programmes we are building up an impressive body of knowledge on the implications of climate change in Ireland and the EPA is now in a strong position to provide leadership and good quality information in this area.

We also wanted to place a stronger focus on the whole area of waste prevention and resource use so we established a Resource Use Unit which leads the National Waste Prevention Programme and incorporates our producer responsibility, national waste reporting and national hazardous waste planning functions. Both the Climate Change Unit and the Resource Use Unit are now part of the Office of Climate, Licensing and Resource Use.

Biodiversity and soils protection also emerged as important areas when developing *2020Vision*. While the EPA is not the lead agency in Ireland for dealing with biodiversity and soil protection issues, we considered it important that these two issues were identified as

goal areas in *2020Vision* due to their overall importance in relation to sustainable development. We have, therefore, established a new Soils and Biodiversity Unit to coordinate EPA activity in this area and to work closely with the National Parks and Wildlife Service and other agencies and groups involved in protecting soils and biodiversity. This Unit is now part of the Office of Environmental Assessment.

During 2007, the EPA was designated a number of important new functions. In March of 2007, the EPA was made responsible for overseeing the supply of drinking water by public authorities. This is a major new responsibility for the EPA and structures to implement this new function were put in place during 2007. The designation to the EPA of this function coincided with the outbreak of *Cryptosporidium* in Galway City and County. The EPA used its new powers to bring about a resolution to the problem in the shortest possible time frame and we are now focusing our efforts on the many public water supplies that are at risk of failing to supply good quality drinking water either through inadequate source protection or inadequate treatment.

In late 2007, the EPA was also made responsible for licensing urban waste water treatment plants, with the first tranche of applications received in December 2007. Significant work was done in advance of the Regulations being finalised with information seminars held at a number of locations for local authorities and all other interested bodies. It is estimated that some 480 agglomerations will be subject to the licensing process.

The producer responsibility area also continues to grow. Packaging, waste from electrical and electronic equipment, control of decorative paints, control of solvents and restrictions on the use

of hazardous substances in products are all now regulated by producer responsibility initiatives and regulations overseen by the EPA. In 2007, the EPA was asked to add the control of batteries to its producer responsibility programme. We have also been asked to take on additional functions in the area of water protection and management as Ireland takes steps to continue its successful implementation of the Water Framework Directive.

During 2007, we undertook an analysis of the resources required to implement these new functions and I wish to thank our Advisory Committee for assisting with this process. This resulted in a submission to the Department of the Environment, Heritage and Local Government outlining the requirements for additional staff to enable the EPA to implement the new functions in an effective manner.

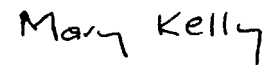
As the EPA grows into a larger and more complex organisation, I want to ensure that we have the governance structures in place to provide assurance that the EPA is providing the public with a quality service and good value for money. As part of the ongoing implementation of the *Code of Practice for the Governance of State Bodies*, the EPA continued to conduct internal audits under the stewardship of the Internal Audit Committee. A new Internal Audit Committee was established in January 2007 and will serve for a period of three years. The Committee held 4 meetings in 2007 and conducted audits in a number of areas including the emissions trading unit and EPA compliance with corporate legislation. An Internal Audit Plan covering the period 2008 – 2009 was developed in 2007 and agreed by the Internal Audit Committee and by the EPA Board. Areas to be audited during 2008 include information systems, incident management, licensing and fixed assets. During 2007, the EPA also conducted a review of corporate

legislation that it is legally obliged to comply with and commenced the establishment of a system for monitoring compliance with corporate legislation.

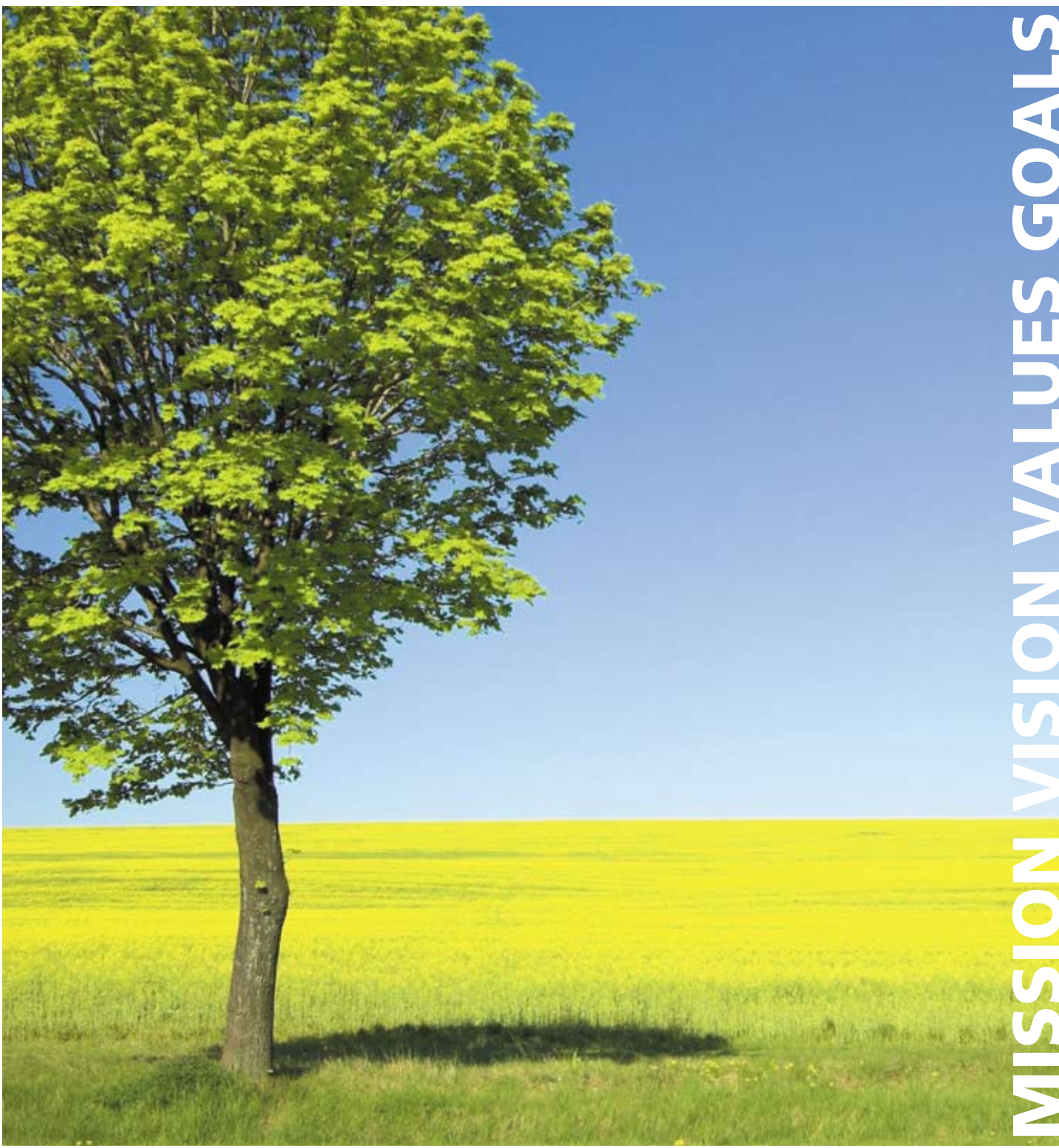
The EPA has a very significant commitment to staff development and training and this commitment is reflected in our regularly meeting or exceeding the Public Sector 4% of payroll target spend on Training & Development. During 2007, the EPA continued to rollout the Staff Development Programme, which is coordinated by a sub-group of *Meitheal*, the EPA Partnership Committee. The objective of this programme is to enable participants to recognise and develop the core behavioural competencies necessary to achieve their potential within current and future roles and to equip EPA staff with the skills and competencies needed to work in a modern customer-focused environment. A new coaching programme was initiated at the latter end of the year and the EPA also continued its commitment to further education by supporting staff pursuing relevant courses of study in their own time.

Overall, 2007 was a year when the EPA re-focused itself on long-term environmental outcomes for Ireland's environment by setting goals for the environment for 2020. The challenge now is to chart the course for how we will achieve these goals and to relentlessly pursue them with the many other organisations that need to be involved in the journey.

Finally, I would like to thank the staff of the EPA, my fellow Directors, the EPA Advisory Committee, the members of our Internal Audit Committee, members of *Meitheal*, the Department of the Environment, Heritage and Local Government, the GMO Advisory Committee, the National Allocation Advisory Group, the National Waste Prevention Committee and the Enforcement Network Steering Committee for their support and commitment during the year and for their dedication to protecting the environment. I look forward to continuing to work constructively working with them and with others to meet the challenges ahead.

A handwritten signature in black ink that reads "Mary Kelly". The script is cursive and fluid, with the first letters of "Mary" and "Kelly" being capitalized and prominent.

Mary Kelly
Director General



MISSION VISION VALUES GOALS

OUR MISSION IS:

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

OUR VISION IS TO BE:

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

OUR VALUES ARE:

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

OUR GOALS ARE:

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

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

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

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

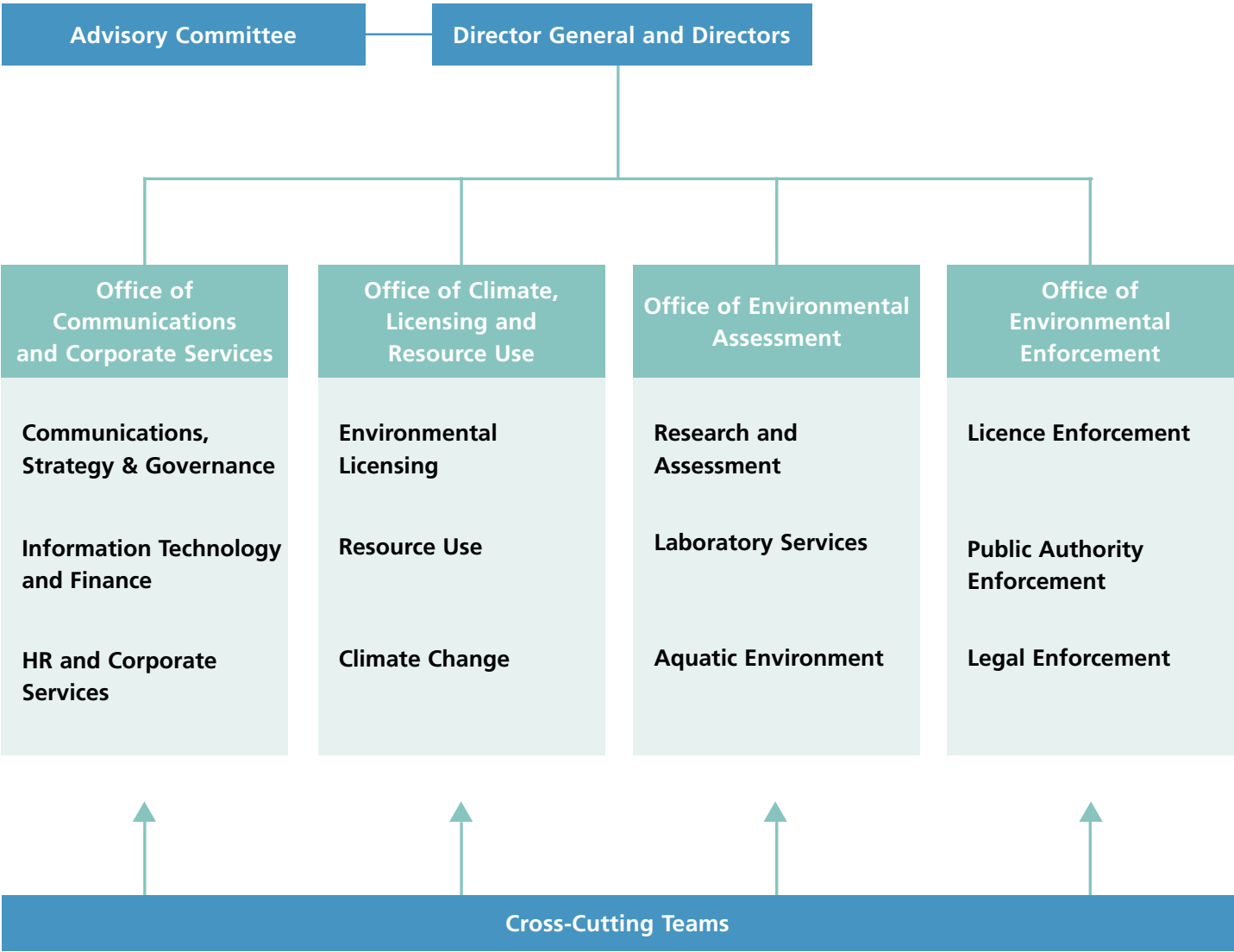
Protected Soil & Biodiversity – The soil of Ireland will be protected from contamination and loss and will support dependent plants and animals. Our biodiversity will be protected and managed for future generations to enjoy.

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

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

Building a High Performance Organisation – Developing the people and organisational resources to underpin our strategy is a continuing requirement which requires a focus on four key areas: Competent/Committed People; Environmental Champion; Customer-Focused and Organisationally Efficient.

EPA ORGANISATIONAL STRUCTURE





BOARD OF DIRECTORS

left to right

Laura Burke	Director, Office of Communications and Corporate Services
Padraic Larkin	Deputy Director General and Director, Office of Climate, Licensing and Resource Use
Larry Stapleton	Director, Office of Environmental Assessment
Mary Kelly	Director General
Dara Lynott	Director, Office of Environmental Enforcement



EPA Advisory Committee with Michael Neill, Kilkeny Regional Manager.

4TH EPA ADVISORY COMMITTEE

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



The EPA has a wide range of functions and duties to protect the environment. It is responsible for licensing and control of large-scale industrial facilities, waste facilities and urban waste water treatment plants, supervising the supply of drinking water by public water suppliers, public authority environmental supervision, auditing and enforcement, environmental monitoring, analysis and reporting, co-ordinating national environmental research, implementing the EU Emissions Trading Directive, enforcing the Waste Electrical and Electronic Equipment legislation, 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 also coordinates activity on soils and biodiversity and is involved in a wide range of activities at EU and international level.

Between them, the Office of Climate, Licensing and Resource Use, the Office of Environmental Enforcement and the Office of Environmental Assessment carry out the functions listed above to enable the EPA deliver on its mandate. The specific functions and responsibilities of each of these offices and their activities in 2007 are described further in this section.

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



OFFICE OF CLIMATE, LICENSING AND RESOURCE USE

The Office of Climate, Licensing and Resource Use has a broad remit, which includes licensing large-scale industrial and waste facilities, 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 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.

In September 2007, a system for the licensing or certification of Waste Water Discharges (WWD) from areas served by local authority sewer networks was brought into effect with the EPA made responsible for authorisation of discharges. The licensing and certification authorisation process will be introduced on a phased basis commencing on 14th December 2007 in accordance with the requirements of the Waste Water Discharge (Authorisation) Regulations, 2007.

In June 2007, in line with the goals set out in *2020Vision* and to meet the challenges posed by climate change, the EPA created a Climate Change Unit by merging activities carried out in the Emissions Trading Unit with the Inventories, Projections, Climate Change Research and Air and Climate Science areas.

A new Resource Use Unit was also established in the EPA in 2007. This Unit leads the National Waste Prevention Programme, which aims to reverse the trend towards increased resource use and waste generation in Ireland. This includes the reduction in wasteful use of materials and excessive water and energy consumption.

LICENSING UNIT

Integrated Pollution Prevention and Control (IPPC) Licensing

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

In 2007 all IPPC licences, other than those for the intensive agriculture sector, were reviewed for compliance with the IPPC Directive requirements by the deadline of 30th September. Thirty one licences were subjected to a detailed review. Fifty three IPPC licences were granted while 4 licence applications were either withdrawn or abandoned. In addition, 60 Proposed Decisions were issued. For details of licensing activities see Table 1. Technical amendments were made to 22 licences in accordance with the licensing regulations. Technical amendments provide for the correction of clerical errors or amendment of conditions in a licence to bring it into conformity with the requirements of the IPPC Directive or to facilitate the operation of the licence.

A High Court judgement was delivered in favour of the EPA in the judicial review case of Donal Brady v EPA. The decision in this case also applies to Glanbia Farms Limited v EPA and Laragan Farms v EPA. In the case of Donal Brady v EPA the licensee has appealed the High Court judgement to the Supreme Court.

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.

The EPA granted new or revised licences for 5 waste transfer stations, 2 materials recovery facilities, 2 integrated waste management facilities and 2 compost facilities in 2007. Two licences were refused to South East Recycling and Carbury Compost Ltd. Fourteen Proposed Decisions and 15 Technical Amendments were issued.

Details of all EPA licences are available at the licensing section of our website www.epa.ie.

Table 1:
Licensing Activities in 2007

	IPPC Licences	Waste Licences	GMO Consents	Certificates of Registration
Applications considered	123	37	50	90
Proposed Decisions	60	14	N/A	N/A
Objections received	63	30	N/A	N/A
Final Decisions	53	13	43	90

Waste Water Discharge Licensing

The licensing function of the EPA was extended in September 2007 when the Minister for the Environment, Heritage and Local Government brought into effect the Waste Water Discharge (Authorisation) Regulations (S.I. No. 684 of 2007). These regulations require local authority urban waste water discharges to be subject to a licensing and authorisation process. The licensing process commenced in December 2007 with the first tranche of applications being made to the EPA. The final group of applications are to be submitted by 22nd June 2009. The licensing process applies to agglomerations greater than 500 population equivalent while a certification process, which commences in 2009, applies to all agglomerations below that threshold.

Significant work was done in advance of the Regulations being finalised with information seminars held at a number of locations for local authorities and all other interested bodies. Application and guidance forms have been published and are available on-line. Provision is being made to provide public access to all applications at www.epa.ie. It is estimated that some 480 agglomerations will be subject to the licensing process.

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 2007 there were 234 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. Forty three 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. The EPA played an active role in this regulatory procedure on behalf of Ireland.

GMO enforcement site inspections were carried out at 12 GMO registered premises during 2007.

Certificates of Registration

The EPA uses Certificates of Registration to regulate low risk local authority waste recovery facilities. In 2007, the EPA issued 90 Certificates of Registration.

Volatile Organic Compounds (VOC)

The purpose of The Environmental Protection Agency Act, 1992 (Control of Volatile Organic Compound Emissions resulting from the Storage of Petrol and its Distribution) Regulations, 1997 is to control volatile organic compound emissions resulting from petrol storage and distribution terminals. The EPA uses a permitting process to regulate these activities. In 2007, 12 VOC Permits were reviewed by the EPA.

Technical Guidance

The EPA produces technical guidance on a variety of topics to support environmental best practice as well as licensing and enforcement activities. In 2007, 14 IPPC *Best Available Techniques* guidance documents were added to those already available on the EPA website www.epa.ie.

Access to Licensing Documentation

The EPA's policy of openness and transparency was further enhanced in 2007 by a number of additions and improvements to its website. The website now provides access to Volatile Organic Compounds (VOC) permit applications and Waste Water Discharge licence applications in addition to the Waste and IPPC licence applications that were already available. In addition to providing

access to documentation the chronological search function of application documentation has been significantly improved. 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).

As part of the EPA website redevelopment initiative all licence application guidance pages were redesigned and rewritten in a more customer focused manner. Additional guidance on the VOC permit application process and the Waste Water Discharge licence application process was added.

CLIMATE CHANGE UNIT

Emissions Trading

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

All operators surrendered the required amount of allowances, by the end of April 2007, to match their verified emissions, ensuring that Ireland was 100% compliant with the scheme. As Registry Operator, the EPA successfully retired Ireland's 2006 allowances, as required by the Directive, on 30 June 2007.

In September 2007, Ireland received a favourable result on the Independent Assessment Report of the National Registry, the fifth country to pass this milestone worldwide.

A second public consultation of Ireland's second National Allocation Plan (for the period 2008 – 2012) was held in October 2007. Over 20 submissions were received and views expressed will be taken into account prior to finalising the Plan in early 2008.

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 and for International Emissions Trading under the Kyoto Protocol, is accessible at www.etr.ie.

At the end of 2007, 111 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.

National Emissions Inventories

In 2007 the EPA submitted data regarding Ireland's annual greenhouse gas emissions to the EU and to the United Nations Framework Convention on Climate Change and during the year the national inventories for 2005 were published.

No questions of implementation were identified with regard to the review of Ireland's initial report, which was held in conjunction with the review of the 2006 submission under the Framework Convention. EPA inventory experts were also engaged in reviews of the initial reports of Hungary, Luxembourg and Iceland under the Kyoto protocol and in the centralized review of the 2006 submissions of the US, Australia and Croatia under the UNFCCC.

Other Kyoto Protocol 'Mechanisms'

In 2007, the EPA finalised the procedures for issuing Letters of Approval for Irish project participants in the Kyoto Protocol (project based) flexible mechanisms. In January 2007, the EPA issued the world's first Letter of Approval in respect of a project under the Kyoto Protocol's Joint Implementation mechanism. In November 2007, the EPA issued Ireland's first Letter of Approval in respect of a project under the Kyoto Protocol's Clean Development Mechanism.

National Greenhouse and Acid Gas Projections

In 2007, under the revised National Climate Change Strategy, the EPA was designated responsibility for developing annual national emission projections for greenhouse gases and acidifying gases. In the past, national projections have been produced to meet specific requirements such as to inform the development of the National Allocations Plans under the EU ETS and the development of national programmes under the NEC Directive. Since the appointment, the EPA has been developing an approach that will improve the quality and robustness of national emission projections.

Climate Change Research

During 2007, a new Climate Change Research Programme was established with funding from the Interdepartmental Committee for *Innovation & Technology for Science Strategy*. 30 valid applications were submitted to the Programme by the 31st July closing date for applications. External experts evaluated the proposals and the EPA Board approved the list of projects recommended for funding in September. Thirteen projects and four fellowships were awarded in the first round of funding in 2007. The budget commitment for these projects amounts to €8.7m. The EPA has established an inter-agency committee for the co-ordination of research on climate change in Ireland.

Reports were published on the following in 2007:

- ▼ Key Meteorological Indicators of Climate Change in Ireland
- ▼ Implications of the EU Climate Protection Target for Ireland
- ▼ Climate Change: Estimation of Emissions of Greenhouse Gases from Agriculture and Strategies for Reduction

RESOURCE UNIT

National Waste Prevention Programme

In 2007, the third annual report for the programme was published. The National Waste Prevention Committee, chaired by the EPA, continued to provide valuable strategic advice on all of the National Waste Prevention Programme projects.

The Local Authority Prevention Demonstration Programme (LAPD), which promotes waste prevention through local authorities, was extended to include 14 authorities. This national initiative is now showing how waste can be prevented in a wide variety of participating businesses and sectors. Its findings are providing the template for similar waste prevention projects nationwide.

A Green Business Initiative was developed with an online resource audit tool backed up by expert advisors and a hotline. Case Studies Implementation projects arising from the EPA Cleaner Greener Production Programme were further developed for dissemination. The Green Business Initiative will be officially launched in 2008 as a package of measures to help reduce wastage in Irish businesses.

Also in 2007, the EPA launched a Packaging Prevention Programme with Repak (the packaging waste compliance body) who are leading the programme. Case studies were developed and disseminated through seminars and on a new website at www.preventandsave.ie.

The EPA has integrated into all National Waste Prevention Programme projects consideration of domestic or industrial consumption of water, energy as well as material resources. Any organisation undertaking waste audits or prevention programmes will be encouraged to reduce consumption of all relevant resources. Strategic linkages have been made with Sustainable Energy Ireland, which provides expert advice in relation to significant energy issues that arise.

Producer Responsibility Initiatives

The EPA has responsibility for the enforcement or promotion of a range of Producer Responsibility Initiatives (PRI). These are legal and economic instruments that require producers (manufacturers and importers) to take financial and other responsibilities for waste generated by the products that they market. Examples include:

- ▼ Waste Electrical & Electronic Equipment (WEEE) Regulations;
- ▼ Packaging Regulations;
- ▼ Other Regulations in relation to restricting hazardous components in products including the Restriction of Hazardous Substances (RoHS) and the Deco-paints Regulations;
- ▼ Solvents and Deco-paints (vehicle refinishing) Regulations.

The EPA has engaged extensively with each of the diverse commercial sectors involved with these Regulations to assure effective implementation of the law. An extensive programme of guidance, communication, inspection and enforcement follow up has been engaged in during 2007 and opportunities for waste prevention, hazardous material substitution, the adoption of greener operational practices as well as eco-design or re-use have been identified and promoted.

Where local authorities have significant roles in PRI enforcement, for example with packaging or WEEE, their capacity has been developed directly through the OEE Environmental Enforcement Network.

National Hazardous Waste Management Plan

Following extensive consultation and research, a Proposed National Hazardous Waste Management Plan and Environmental Report was published in 2007. A Strategic Environmental Assessment was conducted as the proposed plan was being developed and this is documented in the Environmental Report. The proposed plan sets out the facts on hazardous waste arisings and management. Recommendations are made in relation to hazardous waste prevention and improved collection rates as well as environmentally sound treatment and disposal.

National Waste Reporting

Early in 2007, the National Waste Report for arisings in 2005 was published, stimulating debate on the issues in the media and community generally. Statistical work on 2006 arisings was completed in 2007.

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

The EPA is leading the implementation and enforcement of the Regulations concerning Ozone Depleting Substances (ODS), Polychlorinated Bi-phenyls (PCBs) and Persistent Organic Pollutants (POPs). Control of the use of and waste generation from these substances is important for the protection of air, waters and land. Information and guidance has been developed and disseminated on an on-going basis by a variety of means including seminars and the EPA webpages. Inspections and, in some cases, further enforcement actions have been undertaken.

INSPECTIONS

Table 2 presents a summary of inspection work conducted by the Office of Climate, Licensing and Resource Use in 2007.

Table 2:
OCLR Inspections 2007

Inspection Type	Number
License application and review inspections	200
GMO facility inspections	12
Emission Trading inspections	110
Waste Electrical and Electronic Equipment inspections	532
Decorative Paints inspections	500
Restriction of Hazardous Substances inspections	135
PCBs/POPs inspections	68
Ozone Depleting Substances inspections	7

A large pile of industrial waste or landfill under a cloudy sky. The waste is dark and crumpled, with some lighter-colored debris visible. The sky is overcast with grey clouds, and a bright light source is visible through the clouds at the top left.

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.

Enforcement priorities include sectoral non-compliances, activities of high environmental risk and activities generating significant level of environmental complaints. There has been an increase in the number of inspections, compliance meetings, preparation of legal cases and unscheduled work in 2007. Similar to previous years, a small number of “problem” sites continue to require significant enforcement effort due to incidents, contamination, persistent non-compliance or poor site management.

In 2007, the EPA was granted new powers in relation to supervising the supply of drinking water by public water suppliers. The EPA also commenced the integration of licensing and public authority enforcement activities with the objective of providing a fully integrated enforcement service at regional level.

LICENCE ENFORCEMENT

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

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

Details on all waste and IPPC licenses can be viewed on the licensing section of www.epa.ie.

In 2007:

- ▼ EPA inspectors conducted 131 audits and 900 inspections of licensed IPPC and waste facilities;
- ▼ Compliance meetings were held with senior management at 93 facilities to emphasis the level of non-compliance and the consequence of continued non-compliance;
- ▼ Licensed facilities were monitored 1,097 times for air, water and noise emissions in 2007;
- ▼ 683 non-compliance notices were served in 2007;
- ▼ The main non-compliance issues encountered related to waste management, containment and exceedences of emission limits at facilities;
- ▼ The number of complaints made to the EPA in relation to IPPC facilities and waste facilities numbered 374 and 1,760 respectively;
- ▼ Three IPPC facilities accounted for 38 per cent of all licensed industry complaints. The complaints concerned odours, air quality, noise, water and dust;
- ▼ Over 67 per cent of all waste complaints received related to four facilities. The most common cause of complaint was odour.

Inspections

Table 3 presents a summary of the licence enforcement inspection work conducted by OEE staff during 2007 broken down by category of inspection.

Table 3: OEE Licence Enforcement Inspections 2007

Inspection Type	Number
IPPC enforcement inspections	546
IPPC enforcement audits	78
Waste enforcement inspections	354
Waste enforcement audits	53
IPPC monitoring visits	852
Waste monitoring visits	245
IPPC compliance meetings	52
Waste compliance meetings	41

Environmental Odour Monitoring

During 2007, the EPA conducted extensive odour assessments at EPA licensed landfills. This involved:

- ▼ assessment of landfills by experts specialising in detection and measurement of odour and landfill gas management;
- ▼ increased on-site presence by enforcement personnel to:
 - ▼ Undertake odour assessments (using the EPA's standard procedure);
 - ▼ Verify odour complaints from residents in the environs of the landfills; and
 - ▼ Observe odour management practices on-site.

The results of this work are continuing to inform the enforcement plans for these sites.

LEGAL ENFORCEMENT

Prosecution is one enforcement tool available to the EPA. Others include legal notices to implement specific measures to prevent or remedy pollution. Legal action pursued by the EPA in 2007 included the following:

- ▼ Twelve cases were brought against licensees before the District Courts. Convictions were handed down in 11 of these cases with the Probation Act being applied with the other. Fines and costs of €160,418 were awarded to the EPA. The majority of the charges related to persistent breaches of emission limit values, failure to install infrastructure, providing false and misleading information and failure to submit information or notifying the EPA of incidents as required under licence conditions.
- ▼ Three further detailed criminal investigations were carried out during the year and two files were subsequently submitted to the DPP for consideration of prosecution on indictment. In both instances, the allegations subject of investigation related to control of waste in waste transfer station operations.
- ▼ *A Study on the Use of Administrative Sanctions for Environmental Offences in Other Comparable Countries and Assessment of their possible use in Ireland* was commenced during the year with a final report due in early 2008.

At the end of December 2007, the EPA had 33 District Court cases on hand.

Legal action taken by the EPA led to commitments by individual licensees of up to €1 million by way of remedial measures such as improving waste water treatment plants and carrying out a range of environmental improvement works on site.

PUBLIC AUTHORITY ENFORCEMENT

Supervision of Local Authorities

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

Forty four audits of local authorities were carried out on wastewater (16) and drinking water (28) treatment plants in 2007. Fifteen audits of local authorities were undertaken to look at implementation of the Local Authority Management System, the EU Recommended Minimum Criteria for Environmental Inspection and the National Complaints Procedure.

Sixty four investigations were carried out on foot of 459 complaints made to the EPA about activities that were the responsibility of local authorities. The majority of these complaints related to either waste management or water management issues with the remainder related mainly to odour, noise and planning. As a result of these investigations, 88 advice and recommendation notices were issued to local authorities.

Seven Directions were issued in relation to waste management and water management issues. These were issued to Wexford County Council, Kerry County Council, Galway City Council, Cork County Council, Donegal County Council, Sligo County Council and Dún Laoghaire Rathdown County Council.

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

Table 4: Public Authority Enforcement Activities 2007

Audits	59
Investigations conducted	64
Advice and recommendation notices	88
Proposed Directions served	8
Directions served	7

Environmental Enforcement Network (EEN)

The EPA co-ordinates a National Environmental Enforcement Network. The Network harnesses the collective resources, expertise and investigative capacity available nationally to tackle environmental crime. The Network is well established and brings together over 1,000 staff from over 50 agencies. Members are working across 9 main areas grouped under the themes of Waste, Water, Enforcement Management and Producer Responsibility. Details of Network events are available in Table 5.

Network activities in 2007 include:

- ▼ The launch of a National Complaints Procedure, in conjunction with the publication of the *See Something Say Something* leaflet to make it easier for members of the public to make environmental complaints;
- ▼ National waste and water conferences and other network events, brought the relevant enforcement authorities together to deal with enforcement issues in an integrated way;
- ▼ A comprehensive review of the Enforcement Network with the focus changing from training and guidance to implementation and audit/inspection;
- ▼ The establishment of new working groups for Cryptosporidium and air/solvents;
- ▼ Implementation of new Drinking Water Regulations and extensive extranet website guidance for local authorities on Cryptosporidium;
- ▼ The launch of the Focus on Waste Enforcement bulletin at National Waste Conference;
- ▼ The development and delivery of a specialised waste enforcement training course;
- ▼ Continuation of waste enforcement concerted actions.

Table 5: Environmental Enforcement Network Activities 2007

Seminars and Workshops (total)	8
Enforcement Management Network	3
Unauthorised Waste Network	1
Producer Responsibility Network (WEEE and Packaging)	3
Solvents Network	1
Conferences (total)	2
National Water Conference	1
National Waste Conference	1
Working Group Meetings (total)	20
Unauthorised Waste	3
Transfrontier Shipment	2
Waste from Electrical or Electronic Equipment	4
Local Authority Management System	2
Environmental Complaints	1
Erne/Blackwater	3
Suir	3
Solvents	2
Total Network Events	30
Other Related Activities	
Water Framework Directive meetings	9
EPA/EHS Meetings between EPA and Northern Ireland Environment and Heritage Service	5
Water Services National Training Group Meetings	7
IMPEL Events	7
Number of inspection plans received from LAs (as per RMCEI)	34
Number of Training Courses delivered	5
Extranet members active	595

Unauthorised Waste Activities

Tackling unauthorised waste activity remains a key priority for the Office of Environmental Enforcement. During 2007, this involved intensive engagement with members of An Garda Síochána and local authorities to ensure that Ireland has an integrated approach to tackling environmental crime. The Office of Environmental Enforcement is also continuing to work with colleagues in Northern Ireland to address cross-border illegal waste issues.

The 24 hour line for illegal dumping was continued throughout 2007. This involved the co-operation of organisations such as local authorities and An Garda Síochána.

A Code of Practice *Environmental Risk Assessment for Unregulated Waste Disposal Sites* was published and associated training was carried out. The first consolidated report on Local Authority Waste Enforcement activities was also published in 2007.

Investigations into illegal cross border movement of waste were initiated and guidance on the preparation and submission of criminal investigation files to the DPP's office were developed and implemented.

Urban Waste Water

During 2007, the EPA continued to use its supervisory powers over local authorities to drive improvements in the operation and management of waste water treatment plants. The Office of Environmental Enforcement carried out 16 audits of Local Authorities during 2007 to determine the level of compliance with legislation relevant to the management of waste water. As part of the audit process and in follow up inspections to investigate complaints, 37 waste water treatment plants were inspected in 2007.

Drinking Water Quality

In March, 2007, the EPA was granted new powers in the drinking water area under the European Communities (Drinking Water) (No. 2) Regulations, 2007. The EPA is now the supervisory authority for public drinking water supplies. Public water suppliers (sanitary authorities) are required to notify the EPA of breaches of drinking water standards and comply with any directions given by the EPA. Sanitary authorities have similar powers in relation to private water supplies (i.e. group water schemes). The Health Service Executive was also given a statutory role in relation to the protection of human health and must be consulted both by the sanitary authority and the EPA where there is a potential risk to human health arising from a problem with a drinking water supply.

During 2007, the EPA assessed 101 notifications received under the new Regulations and served 22 Directions on sanitary authorities about drinking water issues, including a Direction to Galway City Council in relation to the *Cryptosporidium* crisis, which occurred in March 2007. The EPA focused its efforts during 2007 on identifying the areas of greatest risk to both the security and safety of drinking water supply in Ireland and the steps that need to be taken to minimise these risks.

Guidance was also developed and issued to local authorities in relation to reporting and dealing with drinking water non-compliances. Ongoing liaison with the Health Service Executive was facilitated and agreed guidance for boil notice criteria was developed. A Remedial Action List of public water supplies that require enforcement action or further improvement was also developed.

The Quality of Drinking Water In Ireland Report for 2005 was published in January 2007 and during 2007 the first report to be prepared under the new Regulations was prepared for publication.

Phosphorus in Surface Waters

The OEE assessed progress with the implementation of the Phosphorus Regulations by the local authorities and a report on the findings was included in the 2006 Water Indicators report that was published by the EPA in October 2007. The main finding of the review was that monitoring data from the 2004 – 2006 period indicated that, in the case of rivers, the water quality at 69.5 per cent of the monitoring stations nationally is compliant with the Phosphorus Regulations.

Environmental Legacy Issues

Ireland, in common with most developed countries, is dealing with environmental legacy issues such as old landfill sites, abandoned mine sites and contaminated land. Progress is been made in relation to these issues but it will take many years before all legacy issues have been dealt with. Below are highlights of work conducted during 2007 to tackle legacy issues.

▼ Risk Assessment – Old Waste Sites

There are approximately 300 old waste sites in Ireland dotted all around the country. These are typically what were known in the past as the ‘town dump’. There are also a much smaller number of illegal waste sites, most of which were created between 1998 and 2002 and which mainly contain construction and demolition waste. In April 2007, the EPA published a Code of Practice that provides a framework for the identification of these sites, the assessment of the potential risks associated with them and the identification of the appropriate remedial measures or corrective actions required to minimise risk to the environment and human health.

Following the publication of the Code, the EPA trained local authority staff on its use and application. Local authorities are now implementing the Code and the EPA is overseeing its implementation.

▼ *Abandoned Mines Project*

In February 2006, the EPA and the Department of Communications, Energy and Natural Resources (Geological Survey of Ireland and Exploration and Mining Division) embarked on a joint project to carry out detailed site investigations at priority historic mine sites, to assess their potential risk to human health and safety and the wider environment and to make recommendations in relation to the future management of these sites. International experts in geostability and risk assessment are advising on the project.

To date over 100 metal and coal mine sites have been investigated and detailed geochemical analysis and geostability assessment have been undertaken. Locations of these sites can be seen in Figure 1. Over 300 mine waste volumes have been calculated, with the sizes ranging from several hundred tonnes to over several million tonnes. Structural stability of over 500 features have been assessed which includes tailings dams, adits, slopes, shafts, mine water bodies and buildings. Detailed sampling protocols have been developed and a draft ranking methodology has been designed. It is expected that this project will be completed in 2008.

▼ *Contaminated Land*

In 2007, the EPA investigated a complaint concerning heavy metal contamination at South Park, Claddagh, Galway City. The EPA sought a report from Galway City Council on its investigations and requested that it provide a risk assessment and proposals for remedial measures. In April 2007 the EPA considered the risk assessment carried out to be satisfactory and agreed the long-term remedial proposal to cap the northern section of the site with clean soil. In December 2007 the fields were returned to recreational use.

Figure 1: Location of Historic Mine Sites in Ireland Under Investigation





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; developing and using assessment tools such as Geographic Information Systems (GIS); undertaking strategic environmental policy research; 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. The Office operates Ireland's National Focal Point for the European Environment Agency (EEA), oversees Strategic Environmental Assessment and coordinates EPA activity on soils and biodiversity.

In 2007 a new soils and biodiversity unit was established within the EPA to coordinate EPA work in this area. The unit will also work with the National Parks and Wildlife Service and other agencies and groups involved in protecting biodiversity.

RESEARCH AND ASSESSMENT

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 two Indicator-based Reports in 2007.

Water Quality in Ireland 2006 – Key Indicators of the Aquatic Environment was published in October 2007 and provides summary statistics on the latest information regarding water quality.

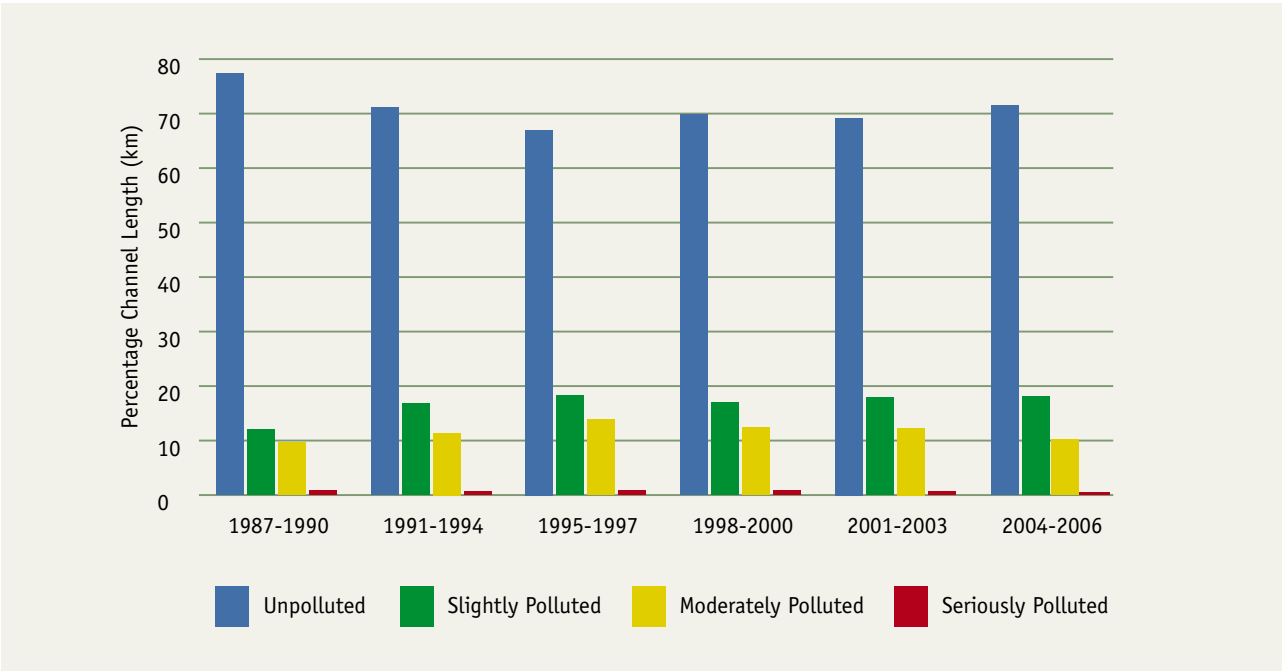
The report findings showed:

- ▼ 71 per cent of river channel length and 92 per cent of lake surface area examined were of satisfactory water quality;
- ▼ 19 per cent of the estuarine/coastal water bodies examined were eutrophic (over-enriched) while 3 per cent were potentially eutrophic;
- ▼ 57 per cent of the groundwater sampling locations were contaminated by faecal coliforms;

- ▼ Approximately 25 per cent of the groundwater locations examined exceeded the national guideline value for nitrate concentration for drinking water and two per cent breaching the mandatory limit;
- ▼ The overall quality of bathing waters in Ireland remains very good;
- ▼ The number of fish kills, while reduced compared to 2005, remains at an unacceptably high level.

The graph below in Figure 2 illustrates recent trends in water quality in Irish rivers.

Figure 2:
Water Quality Trends in Irish Rivers 1987- 2006



Air Quality in Ireland in 2006 – Key Indicators of Ambient Air Quality is the second indicator report and this provided an overview of ambient air quality trends based on monitoring data from 24 stations. The report found that:

- ▼ Air quality was good throughout the country, meeting all EU standards;
- ▼ Levels of particulate matter (PM₁₀) were highest in smaller towns due to limited use of smokeless fuel;
- ▼ Levels of nitrogen dioxide and particulate matter (PM₁₀) due to traffic were potentially of concern in urban centres, should further increases occur;
- ▼ Average concentrations of particulate matter (PM₁₀) 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.

Informatics/Geographic Information Systems (GIS)

GIS and informatics support in relation to the implementation of the Water Framework Directive continued, and included preparation for the submission of national datasets to Europe in 2008. Other activities included the ongoing development of an Assimilative Capacity modelling tool for rivers, to support the licensing and enforcement activities of the EPA, as well as the development of a GIS tool to assist the EPA in its carrying out of its responsibilities as an Environmental Authority for the Strategic Environmental Assessment Directive.

In September 2007, Mr. John Gormley, TD, Minister for Environment, Heritage and Local Government, launched *ENVision*, a major enhancement on the EPA website. This online viewer allows people to access environmental information about their locality, or any region in Ireland, thus allowing easier public access

to environmental data that has been gathered by the EPA. Placing such environmental information at the fingertips of the public improves public access to real and meaningful environmental information.

Through *ENVision*, the public can access EPA information on air quality, water quality and facilities licensed by the EPA. More technical information is also available in the areas of soils, subsoils and landcover mapping. More information will become available as soon as it is technically possible to do so.

Bathing Water Quality

The Quality of Bathing Water in Ireland Report 2006 was launched in May 2007. The report found that the overall level of bathing water quality in 2006 remained high – 97 per cent of bathing areas complied with the mandatory standards and 90 per cent of bathing areas complied with the much stricter EU guideline standards. However, a small number of bathing areas did not conform to the minimum mandatory standards.

Local authorities are being encouraged to designate more bathing sites, to help ensure the protection of public health related to swimming.

A map of the quality of Ireland's bathing water is at Figure 3.

Environmental Research

2007 was an important year for the EPA's environmental research initiatives. In October, a new research programme, called STRIVE (Science, Technology, Research and Innovation for the Environment) was launched. A total of €101 million has been allocated to EPA's environmental STRIVE research programme for the period 2007-2013. This will be funded through the NDP 2007-2013 and the Inter Departmental Committee for the Strategy for Science, Technology and Innovation (IDC-SSTI).



Pictured at the launch of ENVision are Mr. John Gormley, T.D. (Minister for the Environment, Heritage and Local Government), Mr. Larry Stapleton, (Director, EPA) and Dr. Mary Kelly, (Director General, EPA).

Figure 3: Bathing Water Quality Map of Ireland 2006



The STRIVE programme aims to fund research that will address key environmental management issues, which will ultimately protect and improve the natural environment. Research is funded under the core topics of air quality, biodiversity, environment and health, environmental technologies, climate change, land use, soils and transport, socio-economics, water quality, waste and resource management. This provides a major opportunity for Ireland to build research and development capacity and to become a world leader in niche areas. During 2007, 29 research projects came to completion and all of the research reports are available on the EPA website, at www.epa.ie, providing a valuable resource to anyone with an interest in environmental protection.

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 2007 significant progress was made in the development of more effective systems and procedures for improving the SEA process and for promoting best practice. These include the ongoing development of an automatic GIS Search and Reporting Tool and a SEA Process Checklist.

In addition, the first EPA SEA-related Research Fellowship was completed in October 2007. At the end of 2007 there were 85 SEA's ongoing.

Environmental Noise Monitoring

The Environmental Noise Regulations 2006 designate noise-mapping bodies and action planning authorities for the making of the strategic noise maps and action plans. Primary responsibility for both of these functions is assigned to Local Authorities. The EPA is designated as the National Authority for the purpose of the Regulations and our role includes supervisory, advisory and coordination functions in relation to both noise mapping and action planning, as well as reporting requirements for the purpose of the Directive.

The first tranche of strategic noise maps for Ireland was completed during the year. Ireland reported on progress in fulfilling its obligations under the Environmental Noise Regulations to the EU Commission by the end of 2007. These strategic noise maps will be available via the EPA's ENVision mapping system on the EPA website during 2008.

Land Cover – Corine

In addition to their immediate effect on soil quality, land use practices have implications for the quality of air and water. Unsustainable land use changes impose additional pressures on the environment. Knowledge of such changes is a prerequisite in evaluating the effect of public policy. The EPA commissioned a land cover/land use map of Ireland as part of the European Corine Land Cover initiative, in which the European Environment Agency coordinates land cover mapping of most of Europe. An update of Corine Land Cover for Ireland for 2006 is under way and will be completed in Summer 2008.

National Soils Archive

An EPA funded research project produced a national baseline database for soils geochemistry in Ireland. The resulting National Soil Archive comprises both soil samples and a nucleic acids archive. The data from the samples will become available to the general public in March 2008 from the EPA Environmental Research Centre website (<http://coe.epa.ie/safer>) website.

Policy Research

The Strategic Policy Research Unit undertakes research in a number of areas such as waste, energy and the environment. During 2007, the Unit prepared a discussion paper titled “Hitting the Targets for Biodegradable Municipal Waste: Ten Options for Change”, which is due to be published in conjunction with the National Waste Report early in 2008. The Unit also undertook research on how the EPA itself could improve its own environmental performance.

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.

AQUATIC ENVIRONMENT

Water Framework Directive (WFD)

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

In 2007:

- ▼ The EPA sent to the European Commission a summary report of the *Water Framework Directive Monitoring Programme* in March. Implementation of this new monitoring programme

commenced in January 2007 and full implementation of the EPA aspects of the programme was achieved from July onwards.

- ▼ The European Commission published a report on the performance of EU Member States in implementing the Water Framework Directive. Ireland scored highest in meeting the reporting requirements of Article 3 and Article 5 of the Directive (see Figure 4).
- ▼ The EPA published *Proposed Quality Standards for Surface Water Classification* for consultation in July. Comments received were taken into account in finalising the programme.

Water Quality Monitoring

In 2007 a new national water monitoring programme, designed to meet the requirements of the Water Framework Directive, for surface and groundwaters was initiated. This programme requires a comprehensive examination of the four principal aquatic biological elements, an expanded list of chemical and physico-chemical parameters and hydromorphological elements. The programme will be used to assess the water quality at river, lake, tidal and groundwater sites representative of all types and pressures in Ireland as well as in artificial and heavily modified waterbodies and groundwater dependent terrestrial ecosystems

Hydrometric Programme

The objectives of the Hydrometric Programme are to produce good quality, relevant data on flows and water levels in order to support the design of major infrastructure, for example water supply abstractions and bridge building, as well as undertaking monitoring in support of environmental goals such as those of the Water Framework Directive. The latter Directive underlines the need to understand the interactions between surface water and groundwater and so the monitoring of important springs is now becoming a priority and new monitoring boreholes are being planned. The predicted impacts of climate change in Ireland, as elsewhere, point to changing rainfall patterns with consequent implications for water resources and the availability of water supplies; this underlines the continuing need for hydrometric monitoring including rivers, lakes and groundwater.

LABORATORY SERVICES

In 2007, approximately 23,400 samples were taken and analysed for a range of chemical and, where appropriate, microbiological parameters. This involved a total of approximately 350,000 analytical measurements, a slight increase over 2006. The samples were taken from rivers, lakes, groundwaters, tidal waters, landfill leachates, effluents and air emissions. The work was undertaken as part of national monitoring programmes including the Water Framework Directive (WFD) Surveillance and Operational programmes, in support of environmental enforcement, and for regional programmes on behalf of local authorities in the south-east, west and north-east.

The Kilkenny laboratory moved all operations into the new custom-designed premises. A wide range of laboratory equipment in all laboratories was upgraded to coincide with the increased work for the WFD. This included the introduction of HPLC/MS in Dublin for the analysis of WFD Priority Pollutants, which was outsourced for 2007–2008.

Intercalibration Programme

The total number of laboratories participating in the EPA’s intercalibration programme, increased by 3 to 124 in 2007. These include local authority and contract laboratories, other laboratories supplying data to the EPA and also the EPA’s five regional laboratories. The register of laboratories, provided for under Section 66 of the EPA Act, 1992, was updated in September 2007 and is available for inspection at the EPA Headquarters and at www.epa.ie.

Air Monitoring Network

All air monitoring activity throughout the country is available, using a map-based interface, on the EPA website. The map in Figure 5 shows the locations of current monitoring sites and towns where assessment reports have been prepared.

During 2007, monitoring was completed at all 15 medium-sized towns (Zone C) in Ireland. New monitoring sites in 2007 included Waterford, Navan and Passage West (Cork Harbour).

Quality is assured by participation in Europe-wide intercomparisons for inorganic gases, metals and volatile organic compounds.

Figure 4:
EU Comparison of Member State Compliance with Water Framework Directive Reporting

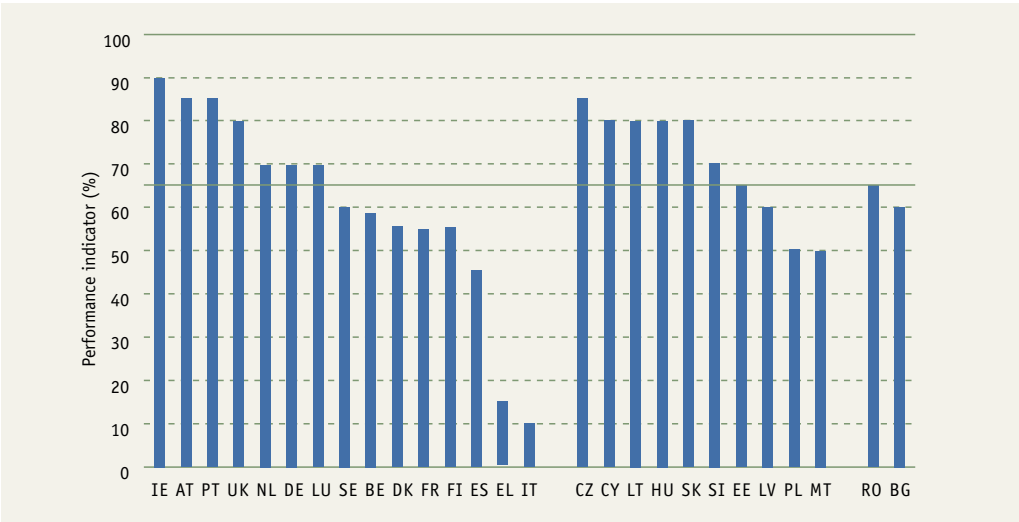
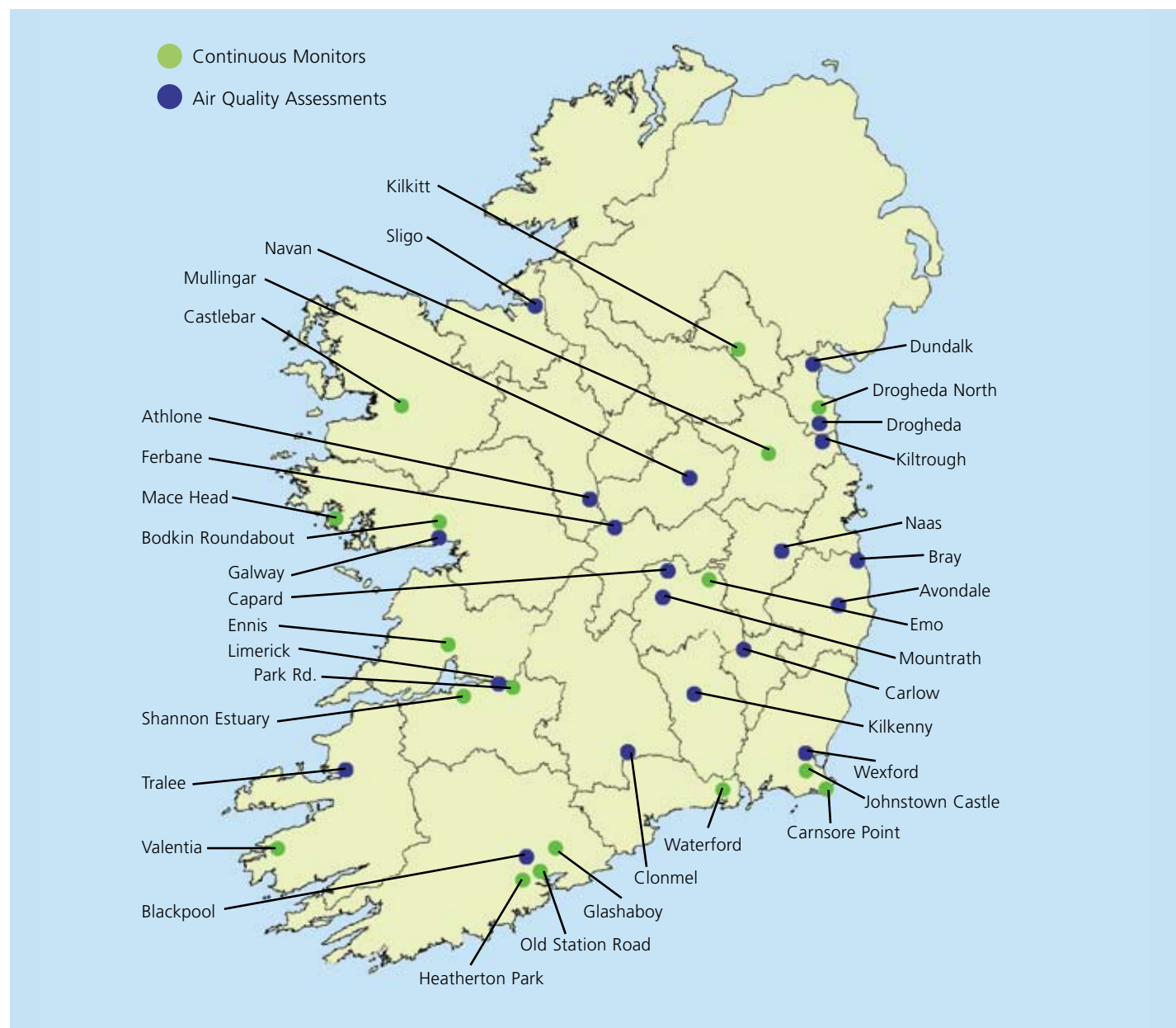


Figure 5: Locations of current monitoring sites and towns where assessment reports have been prepared





BUILDING A HIGH PERFORMANCE ORGANISATION

SECTION 2

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

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

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

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

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



OFFICE OF COMMUNICATIONS AND CORPORATE SERVICES

The Office of Communications and Corporate Services (OCCS) provide the essential organisational support systems and structures that enable the EPA to effectively deliver on its mandate and on the goals of *2020Vision*.

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

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

Corporate Governance

The EPA is committed to maintaining the highest standards of corporate governance and embedding the culture of good governance in all Offices and business units. As part of the ongoing implementation of the *Code of Practice for the Governance of State Bodies*, the EPA continued to conduct internal audits under the stewardship of the Internal Audit Committee. A new Internal Audit Committee was established in January 2007 and will serve for a period of three years. The Committee held 4 meetings in 2007. An Internal Audit Plan covering the period 2008 – 2009 was developed in 2007 and agreed by the Internal Audit Committee and by the EPA Board. During 2007, the EPA also conducted a review of corporate legislation that it is legally obliged to comply with and commenced the establishment of a system for monitoring compliance with corporate legislation.

Quality Customer Service (QCS)

The EPA's Customer Charter is available on the EPA website. The 2007 QCS Action Plan identified the EPA's strategic customer service goals and took account of the Government's twelve QCS principles. The key initiatives in the 2007 QCS Plan to improve customer service were as follows:

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

Each office identified specific actions under each of these initiatives. Progress on the implementation of the Plan was reported on a quarterly basis to the Board of the EPA. Significant QCS achievements during 2007 included the re-vamping of the EPA website, development of *ENVision* an interactive environmental map viewer, provision of licensing documentation in electronic form on the website and launching of the *See Something Say Something* leaflet that makes it easier for the public to make an environmental complaint.

The EPA undertook a number of activities to measure customer service performance during the year. These included a mystery shopping survey, internal audits on the EPA's Codes of QCS Practice and a pilot tracking system to monitor queries received by EPA customers.

Three customer complaints were received and dealt with in 2007.

Communications

The EPA media relations office handled 948 media enquiries in 2007, a rise of 28 per cent over the previous year. It also successfully placed a series of monthly articles 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 2007 and three *EPA News* corporate newsletters were distributed to subscribers during the year.

The EPA sponsored the third annual *Environment Ireland* conference in September. The conference provides a forum to

discuss significant developments in environmental policy North and South. This year's conference had as its theme '*Towards 2020: The Environment in Ireland's Future*' and was built around the goals and objectives of *2020Vision*. It had a strong focus on the changes and initiatives that are now required – in areas such as climate change, waste management, water management and transport – to lay the foundations for meeting the challenging goals set by *2020Vision*.

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

EPA Website

The EPA website was relaunched in May 2007 and was hailed in an EU e-government report as "particularly well made... It is organised around the user's needs and offers enhanced accessibility to the content." An interactive map-based facility called *ENVision* was added to the site in September. It allows users to find information about the quality of the environment in which they live.

Education

Every primary and second level school nationwide received an EPA educational resource pack in November. The pack included CDs and DVDs of tailored material as well as anti-litter posters and information on relevant EPA services such as the *ENVision* online facility.

The EPA continued to contribute to the *EcoEye* TV series in 2007. A fifth series was broadcast on RTE 1 in early Spring. Each programme was watched by an average of 360,000 viewers in total. A sixth *EcoEye* series was in development during the year for broadcast in the first quarter of 2008.

The EPA also sponsored a programme on Climate Change in a new science series called *The Investigators* highlighting some of the outstanding work being undertaken by Irish scientific researchers. Broadcast in a late night slot on RTE 1 the average number of viewers for each programme was 150,000.

The Green Home Programme, developed in partnership by the EPA and An Taisce in 2006 was extended to 18 local communities during the year. The aim of the programme is to support positive environmental actions amongst adults by providing practical advice, building on the network of green schools.

Internal Communications

As a growing organisation with a broad geographical coverage, internal communications continues to play an important role in EPA operations. A number of staff climate workshops were held during 2007 and these have led to the development of an internal communications strategy to be implemented in 2008. The EPA partnership committee, *Meitheal*, mentioned below, plays an important role in monitoring and improving internal communications within the EPA. During 2007, *Meitheal* organised the annual information exchange day attended by EPA staff from all of the regions.

Human Resources

The staff complement for the EPA was 290 at the end of 2007. One hundred and forty staff are located at EPA Headquarters in Wexford and the remaining staff are located in Regional Inspectorates and Offices throughout the country.

A Recruitment Code of Practice was developed and a Career Development Guide for staff was published. A Competency Based Interviewing Course was developed and delivered. The review of HR Policies and Procedures was completed and the 2nd edition of the Employee Handbook was published electronically. A total of 13 Recruitment Competitions were completed in 2007.

Further development of the Human Resource Information Management System took place and the Time and Attendance system was upgraded. A Role Clarity Working Group was established to review the role and responsibilities of Line Managers within the EPA.

Information Technology Services

In 2007, the EPA's Information Technology services were focused on supporting the implementation of new environmental regulations, and supporting the long-term goal of continually improving the collection, assessment and provision of information, to all stakeholders.

A new computer system has been developed to manage the collection and dissemination of information regarding Ireland's pollutant emissions and waste transfers. This information will be collected by the EPA from Ireland's industrial sites and subsequently submitted to the European Commission for the Pollutant Release and Transfer Register (PRTR). These inventories of pollution from industrial sites and other sources are expected to exert a significant downward pressure on levels of pollution.

To support the monitoring and assessment role of the EPA, new technology has been implemented to monitor and report on drinking water quality. A new computer system has been developed to manage the new regulations on licensing Urban Waste Water Treatment Plants. A new website has been put in place for Local Authorities to use as part of the "Prevention Demonstration Programme". In addition enhancements have been made to EPA's internal systems to improve the efficiency of internal processes.

The EPA's internal data communications network has been upgraded to increase the capacity and speed of the access from all EPA regional offices. New IT standards have been set covering systems development processes, change control management, programming and databases

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 €690,000.



Meitheal Committee 2007, with Michael Neill, Kilkenny Regional Manager.

During the year, staff members participated in a programme of 221 training courses, workshops, conferences and seminars at home and abroad, amounting to a total of 2,342 training days, giving an average of 8 days training per person. The EPA continued to rollout the Staff Development Programme, which is coordinated by a sub-group of *Meitheal*, the EPA Partnership Committee. The objective of this programme is to enable participants to recognise and develop the core behavioural competencies necessary to achieve their potential within current and future roles and to equip EPA staff with the skills and competencies needed to work in a modern customer-focused environment. A new coaching programme was initiated at the latter end of the year and the EPA also continued its commitment to further education by supporting staff pursuing relevant courses of study in their own time.

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 2007.

Emphasis continued in 2007 on heightening awareness of safety, health & welfare matters, through the provision of an extensive safety-training programme including the development of a health surveillance programme to be rolled out over a three-year period to all staff.

An audit of the EPA's Safety Statement & Safety Management Programme was completed by an external auditor with a very satisfactory outcome. The hydrometric programme was selected as one of the priority risk activities to be audited externally and this was also completed in 2007. Risk assessment training specific to this area of work was undertaken by all hydrometric technicians.

In 2007 accessibility audits were carried out at EPA premises and an implementation plan to carry out the recommendations of the audits was put in place. The EPA is committed to achieving the

Excellence through Accessibility Award administered by the National Disability Authority; applications were lodged for two locations in December.

EPA Partnership Committee

The EPA has had a Partnership Committee (*Meitheal*) in place since 1999. The Partnership Committee is composed of management, union and staff representatives and ensures a participative approach to resolving issues and challenges as they arise. *Meitheal* does most of its work through sub-groups and an action plan is prepared for each year.

During 2007, *Meitheal* continued to play a significant role in the ongoing development of the Performance Management and Development System for staff, the coordination of Health and Safety initiatives, Greening the EPA and the preparation of two progress reports on the *Towards 2016 Action Plan*. The sub-group on organisation and staff development continued to work on the preparation and implementation of staff development programmes.

National Agreement

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

The first *Towards 2016* Progress Report, for the period October 2006 – March 2007, was submitted to and approved by the Department in April 2007. The EPA successfully achieved its performance targets and made considerable progress on a wide range of initiatives including in particular the publication of the

EPA's Corporate Strategy *2020Vision*, the implementation of the Internal audit plan, work in the licensing area and liaison with sectoral interests and working groups.

The second Progress Report, for the period April – December 2007 was submitted for approval in December.

The EPA's Partnership Committee played a significant role in overseeing the ongoing implementation of the *Towards 2016 Action Plan*.

Advisory Committee

The EPA Advisory Committee held four meetings during 2007. The Committee continued to provide useful and timely advice to the Agency on a range of issues. The Committee also advised the Department of the Environment, Heritage and Local Government of its concerns in relation to the resource implications of additional work being assigned to the Agency.

Board of the EPA

The Board of the EPA held forty-five meetings in 2007 including 32 technical meetings at which license applications, prosecutions and other operational issues are dealt with and 13 general meetings at which corporate policy, strategy and planning issues are dealt with.

Freedom of Information (FOI)

During 2007, the EPA received 14 FOI requests and dealt with 2 that were carried over from 2006. Of these, 5 requests were granted in full, 5 were part granted and 6 were refused (in these cases the records either did not exist or they were already available for public inspection). One request was appealed to the Information Commissioner. This appeal and two previous appeals from 2004 and 2006 were still under consideration by the Commissioner's Office at year-end.

Table 6:
Consultants Engaged in 2007

A & L Goodbody	Enviros Consulting UK Ltd	Nicholas Kenny
A Quick Sharp Ltd	ERA-Maptec Ltd	O'Callaghan Moran & Associates
Achilles Procurement Services	ESRI Ireland Ltd	Odour Monitoring Ireland
Ack Solutions Ltd	Euro Environmental Services	Odournet UK Ltd
Aisling Cronin	Evros – The Computer Centre	Ordnance Survey Ireland
Alcontrol Geochem (Ireland)	Fehily Timoney & Co	Paul Mooney Associates
Alcontrol Laboratories	Future Perfect	Paul Toner
AMAS Ltd	Gandon Enterprises Ltd	Plannet 21 Communications Ltd
Annette O'Neill	Gavin Harte	Pricewaterhouse Coopers
ASKHR Ltd	Geo Demographics Ltd	Propylon
Assure Health and Safety	Geological Survey of Ireland	Quantitech Ltd
B2E Ltd	Graphite HRM Ltd	Repak Ltd
Barry Doyle & Company	Green Light Events	Rits Information Security
Bill Brignal	Helm Corporation Ltd	RPS Group
Byrne Looby Partners	Hook Head Training & Consulting	Scientifics Ltd
Carr Communications Ltd	Infratec	Shauna Deane
Casey McGrath & Associates	Institute of Public Administration	Spectral Signatures Ltd
Clara Clarke Event Management	Ipsus Technologies Ltd	Speed-It Ltd
Clean Technology Centre	Isoniq Ltd	Sysco Software Solutions
Compass Informatics Ltd	Kisters AG	Tartan Technologies Ltd
Coyle Hamilton Willis	Land Quality Management Ltd	Teagasc
Dataworks Ltd	Levitt-Therivel	Terminal Four
David Ball	Maclean Environmental Ltd	Terry Prendergast
Deloitte & Touche	Marketing Bureau Services Ltd	The Circa Group
Dr Catherine Coxon	Mason Hayes +Curran	Timothy Mulvey
Dr David Drew	Matheson Ormsby Prentice	TMS Consultancy Ltd
Dr Ray Flynn	Media Watch Ltd	TMS Environment Ltd
Dr Robbie Meehan	Minerex Environmental Ltd	Tobin Environmental Services
Duncan Laurence Environmental	Mott McDonald Pettit Ltd	Trinity Consultants Incorp
Ecofact Environmental Consultants Ltd	Murray Consultants Ltd	URS Ireland Ltd
Eireann Design	National Irish Safety Organisation	Wilson Architecture
Environment & Resource Management	National Physical Laboratory	
Enviros Consulting Ltd	Newstead Consulting Ltd	

This list includes those consultants paid in excess of €1000 in 2007.

Capital Programme

The detailed design and tendering process for the proposed extension to Headquarters was completed and the construction contract was awarded towards the end of 2007. The extension also provides for sustainable features such as a biomass boiler plant utilising wood chips, heat recovery from air-conditioning plant, energy efficient lighting system, photovoltaic solar panels, rainwater harvesting and wind power. The extension also includes a number of passive design solutions such as solar shading, air infiltration, natural ventilation and a green roof system. Construction will be ongoing throughout 2008.

The newly constructed laboratory and offices in Kilkenny were occupied at the start of the year. The main work carried out at the EPA Inspectorate and laboratory in Kilkenny is water pollution control in the southeast of Ireland. In line with the Agency's overall role in the protection of the environment and the need for sustainable development, the building has been designed to maximise energy conservation and includes features such as passive solar gain, maximised use of natural daylight, low-energy lighting systems and solar panels for domestic hot water supply.

Consultants

During 2007, the EPA utilised the services of various consultants. The consultants engaged (including those involved in the Science, Technology, Research and Innovation for the Environment (STRIVE) Programmes) are listed in Table 6.

PROMPT PAYMENT OF ACCOUNTS ACT, 1997

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

It is the policy of the EPA to ensure that all invoices are paid promptly. Specific systems and procedures have been put in place to enable invoices to be tracked and to ensure that payments are made before their due date. Purchase invoices are logged on a daily basis in Accounts Section, and are followed up systematically to ensure that they are certified for payment without delay. Payments are issued as required to ensure prompt payment.

These controls are designed to provide reasonable, but not absolute, assurance against material non-compliance with the Act and Regulations.

There were 429 late payments with values in excess of €317 during 2007 and these exceeded the due payment date by an average of 23 days. The value of these late payments was €1,457,271. Overall, late payments represented 4.9 % of the total value of payments covered by the Act, with total associated penalty interest of €8,804.

Mary Kelly

Mary Kelly
Director General
24 June 2008



APPENDIX 1

EPA PUBLICATIONS 2007

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

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

AIR

- ▼ Air Quality in Ireland 2006. (Web-only)

CORPORATE

- ▼ EPA Annual Highlights 2006
- ▼ EPA Annual Report and Accounts 2006
- ▼ 2020Vision
- ▼ EpaNews January 2007
- ▼ EpaNews May 2007
- ▼ EpaNews October 2007

WASTE

- ▼ National Waste Prevention Programme
- ▼ Annual Report 2006
- ▼ National Waste Report 2005. (Web-only)

WATER

- ▼ The Quality of Drinking Water in Ireland – A Report for the year 2005
- ▼ Dangerous Substance Regulations, National Implementation Report 2005
- ▼ Water Quality in Ireland 2006 – Key Indicators of the Aquatic Environment
- ▼ Urban Wastewater Discharges in Ireland – A Report for the Years 2004/2005

- ▼ Quality of Bathing Water in Ireland – A Report for the year 2006

GUIDANCE NOTES

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

ENVIRONMENTAL RESEARCH REPORTS

Climate Change

- ▼ Climate Change – Development of Emission Factors for the Irish Cattle Herd. (Special Report)
- ▼ Climate Change – Modelling Carbon Fluxes from Irish Peatlands: Towards the Development of a National Carbon Fluxes Inventory for Irish Peatlands. (Synthesis Report)
- ▼ Climate Change – Estimation of Emissions of Greenhouse Gases from Agriculture and Strategies for their Reduction. (Synthesis Report)
- ▼ An Overview of the RAINS Model
- ▼ Implications of the EU Climate Protection Target for Ireland

Air

- ▼ Air Pollution – Nature and Origin of PM10 and Smaller Particulate Matter in Urban Air. (Final Report)

Water

- ▼ Evaluation of the Use of the Sodium Dominance Index as a Potential Measure of Acid Sensitivity. (Synthesis Report)
- ▼ Water Framework Directive – Identification of Reference – Status for Irish Lake Typologies Using Palaeolimnological Methods and Techniques (IN-SIGHT). (Synthesis Report)
- ▼ Water Framework Directive
- ▼ A Reference Based Typology and Ecological Assessment System for Irish Lakes Preliminary Investigation. (Synthesis Report)
- ▼ Eutrophication from Agricultural Sources – Effects of Agricultural Practices on Nitrate Leaching. (Synthesis Report)
- ▼ Water Framework Directive – Reference Conditions and Eutrophication Impacts in Irish Rivers. (Synthesis Report)
- ▼ Biological Approaches to Nutrient Removal in the Irish Food Sector. (Final Report)
- ▼ Eutrophication from Agricultural Sources
- ▼ The Impact of the Grazing Animal on Phosphorus Loss from Grazed Pasture
- ▼ The WFD – Assessment, Participation and Restricted Areas: What are the Relationships? (Synthesis Report)
- ▼ Eutrophication from Agricultural Sources

- ▼ The Impact of the Grazing Animal on Phosphorus, Nitrogen, Potassium and Suspended Solids Loss from Grazed Pastures – Field Plot Study. (Final Report)
- ▼ Investigation of the Relationship between Fish Stocks, Ecological Quality Ratings (Q-Values), Environmental Factors and Degree of Eutrophication. (Synthesis Report)
- ▼ Eutrophication from Agricultural Sources
- ▼ Pathways for Nutrient Loss with Emphasis on Phosphorus. (Synthesis Report)
- ▼ Eutrophication from Agricultural Sources
- ▼ Soil and Phosphorus: Catchment Studies. (Synthesis Report)

Biodiversity

- ▼ Biodiversity in Irish Plantation Forests
- ▼ Towards a National Soil Database. (Synthesis Report)
- ▼ Digital Soil Information System for Ireland. (Scoping Study)

Sustainable Use of Resources

- ▼ The Use and Regulation of Environmental Claims as a Means of Promoting Sustainable Consumption in Ireland. (Final Report)
- ▼ Introduction of Weight Based Charges for Domestic Solid Waste Disposal. (Final Report)

- ▼ A Nationwide Review of Pay-By-Use Domestic Waste Collection Charges In Ireland: Extensive Survey Findings. (Interim Report)
- ▼ CGPP Report – Development of a Cleaner Greener Production Programme for the Irish Hotel Industry – Greening Irish Hotels

Integration and Enforcement

- ▼ Identification of Environmental Variables for Use in Monitoring the Evaluation of the Rural Environment Protection Scheme. (Synthesis Report)
- ▼ Environmental Management in the Extractive Industry – Non-Scheduled Minerals. (Synthesis Report)
- ▼ Environmental Technologies – Guidelines on How to Take a Pilot Project to Market. (Final Report)
- ▼ Investigation into Why Existing Environmental Technologies are Underused. (Synthesis Report)
- ▼ Guide to Commercialisation of Environmental R&D Outputs – A Manual for Researchers in Receipt of Environmental Research and Development Funding
- ▼ Environmental Values, Attitudes and Behaviour in Ireland. (Synthesis Report)
- ▼ Sustainable Tourism Development
- ▼ Toward the Mitigation of Tourism Destination Impacts. (Synthesis Report)
- ▼ STRIVE – An Environmental Protection Agency Programme 2007–2013

FINANCIAL STATEMENTS 3

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2007

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

STATEMENT OF RESPONSIBILITIES OF THE AGENCY

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

those financial statements, the EPA is required to:

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

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

Mary Kelly

Director General

[Signature]

Director

24 June 2008

STATEMENT ON INTERNAL FINANCIAL CONTROL 2007

1. On behalf of the Board of Directors of the EPA, I acknowledge our responsibility for ensuring that an effective system of internal financial controls is maintained and operated, for preparing the accounts of the EPA and for complying with all statutory obligations applicable to the EPA.
2. The Directors of the EPA also acknowledge that the system of internal financial controls can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected and rectified in a timely period.
3. Key Control Procedures
 - i) The Directors of the EPA have taken steps to ensure an appropriate control environment within the EPA by:
 - ▼ Publishing the EPA Strategy Statement *2020Vision – Protecting and Improving Ireland's Environment*. This new Strategy covers the period to 2010 and sets out the EPA's environmental and organisational goals. Implementation of the Strategy will be monitored and reported to the Board of the EPA on a six month basis.
 - ▼ Agreeing a detailed work programme for each year, and monitoring and evaluating progress against the work programme on a regular basis.
 - ▼ Holding regular Board meetings to manage and supervise the work of the EPA.
 - ▼ Establishing an Internal Audit Committee, as part of the ongoing systematic review of the control environment and governance procedures within the EPA, to oversee the Internal Audit function and advise the Board in relation to the operation and development of that function.
 - ▼ Establishing and operating a Risk Management Policy.
 - ▼ 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 Business Conduct for Directors and Staff in accordance with the requirements of the Code of Practice.
 - ii) During 2007 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 four 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 2007 – 2008 was progressively implemented with two internal audits conducted during 2007. These were in the areas of:

- ▼ Emissions Trading Unit; and
- ▼ Compliance with Corporate Legislation.

A further audit on the adequacy and integration of the EPA's Information Systems was scheduled to be undertaken at the end of 2007 but was deferred to early 2008 for operational reasons.

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 Board.

An Internal Audit Plan for the period 2008 – 2009 was developed in 2007 and, among others, reflects the corporate risks identified in the EPA's Corporate Risk Register, the requirements of the Comptroller

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

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. The overall conclusion of the review was that the system of internal financial controls is working effectively. An Implementation Plan to address the recommendations to further enhance the system of internal financial controls was approved by the Board in 2006 and was implemented in full by March 2008. A final implementation report on this review was presented to the Board and the Internal Audit Committee in April 2008.

As the implementation of the recommendations from the 2006 review was ongoing to the end of 2007, a post implementation review was carried out in April 2008. This review related to the 2007 system of internal financial controls. I confirm that in April 2008, the Board of the Agency conducted a review of internal controls for 2007.

Signed on behalf of the Board.



Director General
24 June 2008

**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 2007 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 2007 and of its income and expenditure for the year then ended.

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



John Buckley,
Comptroller and Auditor General
30 June 2008

ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING

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

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

2 OIREACHTAS GRANTS

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

3 LICENCE FEES

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

Integrated Pollution Prevention and Control and Waste Management Licences:

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

Waste Water Discharge Licences:

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

4 FUNDING OF EMISSIONS TRADING UNIT

The Emissions Trading Unit (ETU) was established within the Agency in 2003. In 2007 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 total allowances (not greater than 1%) is provided for in the Government direction to the Agency in connection with the EU emissions trading scheme.

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

5 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 STOCKS

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.


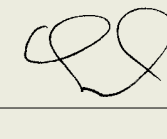
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

		2007	2006
Income	Note	€	€
Oireachtas Grants	1	39,659,257	29,099,203
Emissions Trading Costs Recovered	2	1,062,339	1,237,454
Other Services		28,387	552,356
Income from Regional Laboratories		2,147,968	1,955,690
Licensing Activities	3	1,285,060	965,689
Enforcement Activities	4	7,689,253	7,158,841
Sundry Receipts	5	117,418	188,729
Net deferred funding for Pensions	18(b)	7,270,864	5,232,636
		59,260,546	46,390,598
Expenditure			
Salaries and PRSI	6	17,760,966	15,557,564
Pension Costs	18(c)	8,188,664	6,096,070
Travelling Expenses	7	1,775,596	1,401,390
Laboratory and Field Costs	8	1,250,084	930,540
Accommodation Costs	9	1,276,577	1,185,859
Other Administration Costs	10	5,486,972	4,840,423
Consultants and Grants		7,233,829	4,486,822
Environmental Research		11,269,137	6,967,701
Depreciation	15	1,802,802	1,615,826
		56,044,627	43,082,195
Transfer to Capital Account	11	3,609,373	2,749,679
		59,654,000	45,831,874
Operating (Deficit) / Surplus		(393,454)	558,724
Surplus / (Deficit) on Disposals of Assets		493,283	(170,208)
Surplus before Interest		99,829	388,516
Interest Received	12	10,820	1,653
Interest Payable and Similar Charges	13	(114,221)	(102,430)
(Deficit) / Surplus for Year		(3,572)	287,739
Surplus / (Deficit) at 1 January		37,846	(249,893)
Surplus at 31 December		34,274	37,846

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
24 June 2008

Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

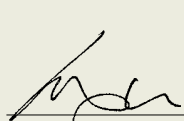
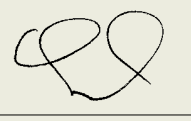
		2007	2006
	Note	€	€
(Deficit) / Surplus for the Year		(3,572)	287,739
Experience losses on pension scheme liabilities		(583,000)	(9,891,000)
Changes in assumptions underlying the present value of pension scheme liabilities		8,505,000	(3,056,364)
Actuarial Gain / (Loss) on Pension Liabilities	18(f)	7,922,000	(12,947,364)
Adjustment to Deferred Pension Funding		(7,922,000)	12,947,364
Total Recognised Gains and Losses for the Year		(3,572)	287,739

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

24 June 2008

Director

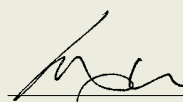
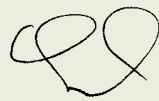
BALANCE SHEET AS AT 31 DECEMBER 2007

		2007	2006
	Note	€	€
Fixed Assets	15	24,363,802	23,739,239
Current Assets			
Debtors and Prepayments	16	7,252,217	4,576,573
Cash on Hand and at Bank		6,044,078	8,675,905
		13,296,295	13,252,478
Less Current Liabilities			
Creditors (Amounts falling due within one year)	17(a)	9,444,572	12,127,982
Net Current Assets		3,851,723	1,124,496
Creditors (Amounts falling due after more than one year)	17(b)	(2,494,583)	(2,748,594)
Total Assets less Current Liabilities before Pensions		25,720,942	22,115,141
Deferred Pension Funding	18(d)	98,329,000	98,980,000
Pension Liabilities	18(e)	(98,329,000)	(98,980,000)
		0	0
Total Net Assets		25,720,942	22,115,141
Represented by:			
Capital Account	11	25,686,668	22,077,295
Income and Expenditure Account		34,274	37,846
		25,720,942	22,115,141

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
24 June 2008

 
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007


	Note	2007 €	2006 €
Reconciliation of Surplus to Net Cash			
Inflow from Operating Activities			
(Deficit) / Surplus for year		(3,572)	287,739
Interest Received	12	(10,820)	(1,653)
(Surplus) / Deficit on Disposal of Assets		(493,283)	170,208
Transfer to Capital Account	11	3,609,373	2,749,679
Depreciation charge for year	15	1,802,802	1,615,826
(Increase) / Decrease in Debtors		(2,675,644)	1,989,497
(Decrease) / Increase in Creditors (other than Loan Creditors)		(2,703,913)	7,763,059
Net Cash Flow from Operating Activities		(475,057)	14,574,355
Cash Flow Statement			
Net Cash Flow from Operating Activities		(475,057)	14,574,355
Returns on investments and servicing of finance			
Bank Interest		10,820	1,653
Investing activities			
Payments to acquire fixed assets		(1,934,082)	(7,125,386)
Net Cash (Outflow) / Inflow Before Financing		(2,398,319)	7,450,622
Financing			
Fixed Asset Loan Repayments	15	(233,508)	(233,845)
(Decrease) / Increase in Cash		(2,631,827)	7,216,777
Reconciliation of net cash flow to movement in cash balances			
(Decrease) / Increase in cash in year		(2,631,827)	7,216,777
Funds at 1 January		8,675,905	1,459,128
Funds at 31 December		6,044,078	8,675,905

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

Mary Kelly

Director General

24 June 2008


Director

NOTES TO THE FINANCIAL STATEMENTS

1 Oireachtas Grants

Department of the Environment, Heritage and Local Government Vote:

	2007	2006
Grants from the Vote:	€	€
Current	21,939,769	14,290,123
Capital	3,051,000	3,985,131
Research Funding	11,165,000	7,000,000
Other Programmes	3,503,488	3,823,949
	39,659,257	29,099,203

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

€11,269,137 was expended on these research activities in 2007 (2006 €6,967,701).

2 Emissions Trading Unit (ETU) Activities

	€	€
(a) Cost of Emissions Trading Unit	1,062,339	1,237,454
Emissions Trading Operator Registration Fees, etc.	5,300	1,950
Costs to be recovered from Auction Funds, etc.	1,057,039	1,235,504
Total Funding of ETU Costs	1,062,339	1,237,454
(b) Summary of Emissions Trading Unit Funds:	€	€
Funds Carried Forward	6,948,380	0
Total Funds Generated	79,488	13,273,337
Balance of 2005 ETU Costs	0	(404,871)
Total Current Year ETU Costs	(1,062,339)	(1,237,454)
Provision for 2007 ETU Costs	0	(1,500,000)
ETU Funds payable to the DoEH&LG	5,965,529	10,131,012
Paid to DoEH&LG	(5,448,380)	(4,682,632)
Balance of ETU Proceeds payable to DoEH&LG (see Note 17 (a))	517,149	5,448,380

3 Licensing Activities – IPPC, Waste and WWD

	€	€
Licence Fees prepaid at 1 January	865,454	736,076
Fees Received	2,811,421	1,127,366
Less Refunds Paid	(80,632)	(32,299)
Licence Fees prepaid at 31 December (see Note 17 (a))	(2,311,183)	(865,454)
Amount credited to Income and Expenditure Account	1,285,060	965,689

Licensing: Integrated Pollution Prevention and Control (IPPC) and Waste

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

Licensing: Waste Water Discharges (WWD)

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

	2007	2006
	€	€
4 Enforcement Activities – IPPC and Waste		
Enforcement Charges Invoiced and Fees Received	7,689,253	7,158,841

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

5 Sundry Receipts	€	€
Insurance claims	714	524
Sales of publications	17,317	33,222
Sundry	99,387	154,983
	117,418	188,729

6 Salaries and PRSI of Staff	€	€
Salaries	16,489,866	14,461,834
Employers' PRSI	1,271,100	1,095,730
Total Salary Costs	17,760,966	15,557,564

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

Headquarters	Wexford	140	135
Regional Inspectorates:	Castlebar	25	27
	Cork	33	30
	Dublin	71	68
	Kilkenny	16	15
	Monaghan	14	11
Regional Offices		8	8
		307	294

7 Travelling Expenses	€	€
Travel and Subsistence	1,666,447	1,296,513
Motor Vehicle Expenses	126,332	120,447
Travel Refunds	(17,183)	(15,570)
	1,775,596	1,401,390

	2007	2006
8 Laboratory and Field Costs	€	€
Laboratory and Field Expenses	919,885	652,843
Equipment Repairs and Maintenance	313,620	261,448
Protective Clothing	16,579	16,249
	1,250,084	930,540
9 Accommodation Costs	€	€
Rent and Rates	389,598	335,706
Power, Light and Heat, Cleaning	499,264	529,229
Repairs, Maintenance, Security	387,715	320,924
	1,276,577	1,185,859
10 Other Administration Costs	€	€
Telephone and Postage	262,662	280,689
Printing of Publications and Stationery Supplies	534,701	512,678
Insurance	95,664	96,324
Computer and Data Processing Charges	2,244,361	1,543,563
Audit Fees	14,400	14,400
Corporate Governance and Internal Audit Costs	69,278	83,967
Legal Fees	491,082	435,722
Staff Appointment Costs	82,675	110,901
Bank Interest and Charges	4,848	5,304
Books, Periodicals, and Library	93,362	86,488
Staff Development and Training Costs	692,170	579,280
Advertising	300,816	481,388
Communications	501,934	527,507
Sundries	99,019	82,212
	5,486,972	4,840,423

11 Capital Account	€	€
At 1 January 2007		22,077,295
Transfer from Income and Expenditure Account :		
Income Allocated for Capital purposes		
Fixed Asset Additions	2,639,990	
To Fund Future Additions (See note 16)	2,751,303	
Repayment of Loans	233,507	
	<u>5,624,800</u>	
Less		
Disposals of Fixed Assets at Cost	369,926	
Less prior depreciation on disposals	<u>(157,301)</u>	
	212,625	
Depreciation charge for year	<u>1,802,802</u>	
Net Transfer from Income and Expenditure Account		3,609,373
At 31 December 2007		<u>25,686,668</u>

As at 31 December 2007, the Capital Account balance includes €4,185,680 in respect of prepayments for fixed assets (see Note 16 – Debtors and Prepayments).

	2007	2006
12 Interest Received	€	€
Bank deposit interest	10,820	1,653
	<u>10,820</u>	<u>1,653</u>
13 Interest Payable and Similar Charges	€	€
Bank Loans repayable by Instalments	114,221	102,430
	<u>114,221</u>	<u>102,430</u>

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
	€	€	€	€	€	€
Cost						
At 1 January 2007	39,505,759	23,491,558	2,054,482	4,130,468	8,934,694	894,557
Purchases	2,639,990	339,958	258,312	287,920	1,551,177	202,623
Disposals	(369,926)	(264,645)				(105,281)
At 31 December 2007	41,775,823	23,566,871	2,312,794	4,418,388	10,485,871	991,899
Depreciation						
At 1 January 2007	15,766,520	2,931,337	1,097,978	3,536,272	7,632,287	568,646
Charge for Year	1,802,802	465,823	195,126	366,986	620,289	154,578
On Disposals	(157,301)	(74,127)				(83,174)
At 31 December 2007	17,412,021	3,323,033	1,293,104	3,903,258	8,252,576	640,050
Net Book Value						
At 31 December 2007	24,363,802	20,243,838	1,019,690	515,130	2,233,295	351,849
At 31 December 2006	23,739,239	20,560,221	956,504	594,196	1,302,407	325,911

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.

	2007	2006
16 Debtors and Prepayments	€	€
Debtors	2,968,526	2,486,839
Prepayments	98,011	655,357
Prepayments for Fixed Assets	4,185,680	1,434,377
	7,252,217	4,576,573

Prepayments for Fixed Assets

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

Inniscarra

Under an arrangement with Cork County Council the Agency shared a building at Inniscarra, Co Cork for a number of years. In accordance with an agreement reached in 2003 the Agency took possession of the entire building in March 2008. At 31 December 2007 the total agreed amount of €1,174,377 (2006 €1,174,377) had been paid to Cork County Council in advance of the final transfer. This amount has been treated as a prepayment and will be transferred to fixed assets in 2008.

Advances to the Office of Public Works (OPW)

At 31 December 2007 advance payments of €2,850,000 (2006 €260,000) had been made to the OPW in respect of refurbishment and an extension at the Agency's headquarters building at Johnstown Castle Estate, Wexford. These amounts will be transferred to Fixed Assets on completion of the projects.

Advance payments for other Fixed Assets

Stage payments amounting to €161,303 were advanced in 2007 in respect of equipment which was delivered in 2008. These amounts will be transferred to Fixed Assets in 2008.

All debtors fall due within one year.

17 Creditors and Accruals	€	€
(a) Amounts falling due within one year:		
Licence Fees (see Note 3)	2,311,183	865,454
Proceeds of ETU Auction Payable to DoEH&LG (See Note 2(b))	517,149	5,448,380
Trade and Other Expenses	6,248,009	5,466,420
Instalments due on purchase of Fixed Assets	368,231	347,728
	9,444,572	12,127,982
(b) Amounts falling due after more than one year:		
Instalments due on purchase of Fixed Assets	2,494,583	2,748,594

18 Pension Obligations

(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 2007.

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

Assumption	2007	2006	2005
Discount rate	5.50%	4.75%	4.25%
Rate of increase in salaries	4.25%	4.00%	3.50%
Rate of increase in pensions in payment	4.25%	4.00%	3.25%
Inflation rate	2.50%	2.25%	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 2007 was estimated at €98.329m (compared with €98.98m as at 31 December 2006).

	2007	2006
	€	€
(b) Net Deferred Funding for Pensions in year		
Funding Recoverable in respect of current year pension costs	8,881,000	6,724,000
State Grants applied to pay pensioners	(1,610,136)	(1,491,364)
	7,270,864	5,232,636

	€	€
(c) Analysis of total pension costs charged to Expenditure		
Current Service Cost	4,034,000	3,156,000
Interest on Pension Scheme Liabilities	4,847,000	3,568,000
Employee Contributions Received	(692,336)	(627,930)
	8,188,664	6,096,070

18 Pension Obligations (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 2007 amounted to €98.329 million (2006: €98.98 million).

	2007	2006
(e) Movement in Net Pension Liability during the financial year	€	€
Net Pension Liability at 1 January	98,980,000	80,800,000
Current Service Cost	4,034,000	3,156,000
Interest Costs	4,847,000	3,568,000
Actuarial loss / (gain)	(7,922,000)	12,947,364
Pensions paid in the year	(1,610,136)	(1,491,364)
Net Pension Liability at 31 December	98,328,864	98,980,000

(f) History of Experience Gains and Losses	2007	2006
Experience Gains / (Losses) on Scheme Liabilities		
Amount (€ '000)	(583)	(9,891)
Percentage of the present value of scheme liabilities	0.6%	10.0%
Total Amount recognised in the Statement of total recognised gains and losses		
Actuarial Gain / (Loss) – Amount (€ '000)	7,922	(12,947)
Percentage of the present value of scheme liabilities	8.1%	13.1%

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 24 June 2008.

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