

Security and Intelligence Agencies

Financial Statement 2017-18

(For the year ended 31st March 2018)

Presented to the House of Commons pursuant to Section 6(4) of
the Government Resources and Accounts Act 2000

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Introduction

This Statement summarises the use of resources by the Security and Intelligence Agencies for the year ending 31 March 2018. Each of the Agencies produces its own full set of annual accounts in accordance with the Government Financial Reporting Manual and Treasury directions but, for reasons of national security, they are not published. They are audited by the Comptroller and Auditor General and shown to the Chair of the Committee of Public Accounts in accordance with the procedure for handling such material set down by the relevant Secretary of State under the Intelligence Services Act 1994. In line with these arrangements this Statement comprises only a Statement of Parliamentary Supply and Consolidated Statement of Net Expenditure together with appropriate notes and a Governance Statement.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Security and Intelligence Agencies to prepare for each financial year a Financial Statement detailing the resources acquired, held, or disposed of during the year and the use of resources by the Agencies during the year.

The individual Agency accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency's applications of resources, changes in taxpayers' equity, cash flows and net resource outturn by way of a note for the financial year.

For reasons of national security, these accounts are not published. They are audited by the Comptroller and Auditor General and shown to the Chair of the Committee of Public Accounts in accordance with the procedure for handling such material set down by the Secretary of State under the Intelligence Services Act 1994.

As a consequence of these arrangements, the Treasury has directed that a Financial Statement should be published in accordance with Section 5 (2) of the Government Resources and Accounts Act 2000, and that this should comprise only a Statement of Parliamentary Supply and Consolidated Statement of Net Expenditure together with appropriate notes.

In preparing the Financial Statement, the Accounting Officer is required, within the limitations imposed by the interests of national security, to comply with the Government Financial Reporting Manual prepared by the Treasury, and in particular to:

- i. observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ii. make judgements and estimates on a reasonable basis;
- iii. state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statement; and
- iv. prepare the Financial Statement on a going concern basis.

The Treasury has appointed the National Security Adviser as Principal Accounting Officer for the Security and Intelligence Agencies. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Security and Intelligence Agencies' assets, are set out in Managing Public Money published by HM Treasury.

Accounting Officer's Declaration

I consider there to be no relevant audit information of which the NAO auditors have not been made aware. I have taken all steps necessary to make myself aware of any relevant audit information and to establish that NAO auditors are aware of that information.

I can confirm that the financial statement as a whole is fair, balanced and understandable and that I take personal responsibility for the financial statement and the judgement required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of Responsibility

This Governance Statement, for the period ending 31 March 2018, covers the Single Intelligence Account (SIA), the funding vehicle for the Security and Intelligence Agencies (the Agencies): Secret Intelligence Service (SIS), Government Communications Headquarters (GCHQ) and the Security Service (MI5).

The SIA, in covering non-ministerial departments, operates differently to other parts of the Government. The Prime Minister has overall responsibility for intelligence and security matters and is accountable to Parliament for matters affecting the Agencies collectively. The Agency Heads have a statutory duty to provide annual reports directly to the Prime Minister as well as to their Secretary of State. The Foreign Secretary is the responsible Secretary of State for SIS and GCHQ and the Home Secretary for MI5. The Agencies ensure that the appropriate Secretary of State is briefed on matters that could become the subject of Parliamentary or public interest and on issues which they need to be aware of in discharging their wider Ministerial responsibilities. There are well-established arrangements for seeking Ministerial clearance for operations when required. Additionally the Agency Heads also report to me as the National Security Adviser (NSA) and Principal Accounting Officer (PAO) for the SIA.

In line with the responsibility assigned to me in Managing Public Money, my role is to ensure that the Agencies operate effectively and efficiently in support of national security policies, aims and objectives. However, I delegate authority for spending to the Heads of Agencies who are each Accounting Officers (AOs) in their own right.

The Agencies' operations are conducted within a framework of legislation that defines their roles, activities, and arrangements for their oversight. The main statutes are the Security Services Act 1989, the Intelligence Services Act 1994, the Regulation of Investigatory Powers Act 2000 (RIPA), the Justice and Security Act 2013, and the Investigatory Powers Act 2016 (2016 Act).

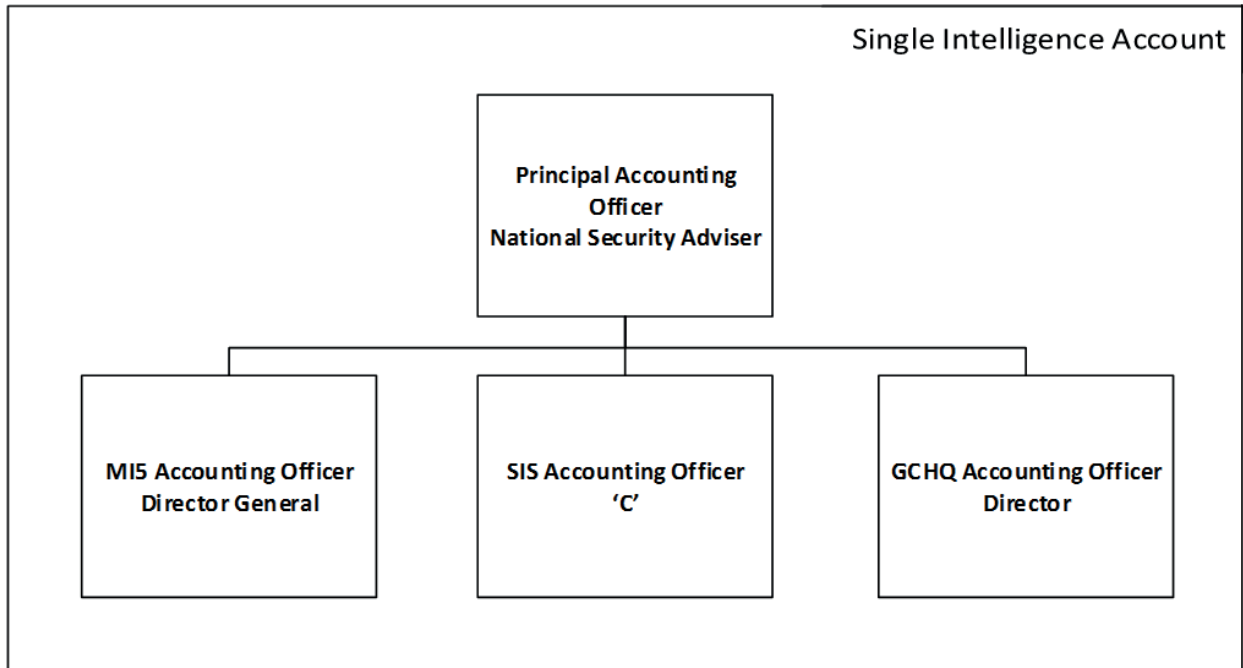
The oversight framework for investigatory powers helps to ensure that public authorities act in ways that are compatible with the Human Rights Act 1998. The Investigatory Powers Tribunal was established in October 2000 under RIPA and provides a right of redress for anyone who believes they have been a victim of unlawful action by a public authority improperly using covert investigative techniques. The Tribunal is also the appropriate forum to consider claims brought against the agencies alleging the infringement of human rights.

The 2016 Act created a new role, the Investigatory Powers Commissioner, to approve and oversee the use of investigatory powers by public authorities. The Investigatory Powers Commissioner assumed his responsibilities on 1st September 2017, taking on the important constitutional function of independently balancing the public interest and the rights of the individual, in particular assessing when it is justifiable for these rights to be interfered with. The Investigatory Powers Commissioner has now assumed the functions of the former Intelligence Services Commissioner, Chief Surveillance Commissioner, and Interception of Communications Commissioner, as well as additional functions provided for by the 2016 Act.

Parliamentary oversight of the three Intelligence Agencies is provided by the Intelligence and Security Committee (ISC), which examines the expenditure, administration and policy of the three Agencies. The ISC can also oversee certain operational matters in specific circumstances, subject to the

parameters set out in the MOU between Government and the ISC. The ISC's independence from Government was enhanced in July 2013 with the coming into force of the Justice and Security Act which makes the ISC a statutory Committee of Parliament and formalises its remit. Additionally the Chair of the House of Commons' Public Accounts Committee sees the Annual Report and Accounts of the Agencies through the National Audit Office.

Structure of the SIA



Employees of MI5 and SIS are Crown Servants, whilst employees of GCHQ are Civil Servants.

The Governance Framework

Financial responsibility for the SIA lies with the National Security Adviser (NSA), who is based in the Cabinet Office and leads the National Security Secretariat (NSS). The Prime Minister and the NSA are supported in their engagement with the Agencies by a small team in the NSS which includes professional accountants. The governance at the centre is complemented by comprehensive governance structures in each of the three Agencies.

To protect national security, there are necessarily different governance arrangements in place for the Agencies. These ensure appropriate oversight and accountability for Agency spending, without compromising the need for operational secrecy. Special arrangements have been agreed for the implementation of the Government's transparency agenda by the Agencies. To help drive good financial management, the Agencies are required to produce all the data required of other government departments for the transparency agenda and share it with the relevant teams in HM Treasury and the NSS. However, this data is not published because of risks to national security. In line with other departments the Agencies are also required to produce and maintain a business plan. These plans are discussed with the ISC at a strategic level and there is regular reporting from the Agencies to the ISC.

As with other departments, where specific investment plans in the Agencies either exceed the delegated financial authority given to Agency Heads by the Chief Secretary to the Treasury (CST) through the PAO or falls within the Treasury definition of complex, Agency Heads must seek approval from HM Treasury.

For reasons of national security the Minister of the Cabinet Office, Treasury officials and the DNSA have approved special arrangements for the Agencies with regards to the Cabinet Office controls. Within these arrangements, the Agencies ensure that taxpayers get the best possible value from SIA spending whilst protecting operational sensitivities.

Each of the Agencies produces their own Annual Report and Accounts and these are independently audited, in full, by the Comptroller and Auditor General. The Agencies also produce their own Governance Statements which reflect their individual circumstances. For this reason, this Governance Statement focuses on the SIA level structures and aggregated risk position, making reference to the individual statements of the Agencies as necessary.

Each Agency complies with the 'Corporate Governance in central government departments: Code of good practice', where it is appropriate to do so. Since each Agency operates independently under the direction of its Accounting Officer, the governance structures for the Agencies are different to that of standard governance frameworks. However, the Agency Heads, supported by Deputies, meet quarterly to discuss strategic issues affecting the Agencies. The NSS-led structures in place outlined below enable effective management of finances and complement those of the Agencies.

NSS Governance of Intelligence Agencies

The Financial Steering Group (FSG) is the highest level of financial governance and is made up of NSA (Chair), Agency Heads, the Deputy NSA and Agency Finance Directors. The Group generally meets a minimum of three times a year, and provides the opportunity for the PAO to meet with his AOs and discuss key financial issues such as setting future budgets, business and associated financial risks, progress on efficiency plans and in-year financial management. The FSG considers significant cross-SIA collaborative investments and efficiencies. Due to scheduling issues, FSG met twice in 2017-18.

Each month, the Deputy Director of Intelligence Oversight in NSS chairs a meeting of Agency Finance Directors. Amongst other things, this group manages the in-year finances of the SIA and co-ordinates the Agencies' work on efficiency.

Supporting these structures there are frequent working level meetings including a monthly meeting chaired by NSS with representatives from across the Agencies and HM Treasury. The aim of this meeting is to provide peer review and discussion of the spending forecasts, cash management, and application of Treasury policy papers.

Governance of the National Cyber Security Programme (NCSP)

This Governance Statement also covers the NCSP, which is a five year £1.2 billion investment in cyber announced in 2015. The total funding for 2017/18 was £233m which initially sits in the SIA account until supplementary estimates at which point any non-SIA NCSP funding is distributed to the relevant partners spending the funds. The NCSP is managed by a small programme team in the National Security Secretariat (NSS) in the Cabinet Office, reporting to the DNSA. The DNSA is the Senior Responsible Owner (SRO).

NCSP funding is allocated to support realisations of the thirteen strategic objectives set out in the National Cyber Security Strategy (2016) and has a rigorous governance framework set up to ensure performance against delivery of these objectives is managed effectively and funding allocated appropriately. Delivery of specific objectives is managed by Accountable Directors who hold responsibility for ensuring that departments/agencies manage their finances and deliverables. There is a programme board at Deputy Director level and above this, the Cyber Steering Group, chaired by the NSS Cyber Director, holds accountability for overall delivery of the National Cyber Security Strategy and draws together the entire programme and addresses cross-cutting issues. The NCSP is ultimately accountable to the National Security Council sub-committee on SDSR.

Accountable Departments submit business cases for approval by the NSS Cyber Director and HM Treasury before resources are released. The programme team assesses the delivery of the programme using monthly reporting and monitoring arrangements, and raises issues, as appropriate, through the governance hierarchy.

The NCSP works with the Infrastructure and Projects Authority (IPA) and follows good practice set out by the National Audit Office to ensure this programme is being managed effectively and delivers value for money.

Compliance with the Corporate Governance in central government departments: Code of good practice

As non-ministerial departments, the individual Agencies follow the principles of the Corporate Governance in central government departments: Code of good practice where relevant and practical. Areas of departure are set out in each of the Agency's own governance statements. The Agencies collectively are not a ministerial department and so are not accountable to Parliament in the way described by the Code. Parliamentary oversight mechanisms are as described above. As each Agency has its own Accounting Officer, there is no SIA management board as described by the Code. FSG (see above) has responsibility for those financial issues requiring Cabinet Office oversight or co-ordination.

Information Security and Protection

No information security incidents were reported to the Information Commissioner's Office during 2017-18.

Risk Assessment

The NSS regularly discuss individual Agency and cross-SIA finance risks with Agency Finance Directors, working level Agency finance contacts and HM Treasury. These conversations feed into discussion with the NSA at the FSG.

The FSG also considers cross-SIA business risk. During 2017-18, the SIA set out their risks to the NSA at each FSG meeting. The key business risks currently faced by the SIA relate to:

1. Delivery of collaborative transformation projects;
2. Delivery of efficiencies committed to at SR15; and
3. Delivery on Strategic Defence and Security Review commitments.

Review of the Effectiveness of Risk Management and Internal Control

As Principal Accounting Officer, I, NSA, have responsibility for reviewing the effectiveness of governance structures. I have been provided with the full, unpublished, versions of the individual Agency Governance Statements. I am content that these Governance Statements represent a true picture of each Agency's position.

Accounting Officer Systems Statement

A separate Accounting Officer Systems Statement (AOSS) has not been produced for the SIA as it has been judged that all the relevant information, within national security constraints, is contained within the Governance Statement.

Mark Sedwill
Principal Accounting Officer
31 August 2018

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS**Opinion on Financial Statement**

I certify that I have audited the Financial Statement of the Security and Intelligence Agencies for the year ended 31 March 2018 under the Government Resources and Accounts Act 2000. The Financial Statement comprises the Consolidated Statement of Net Expenditure and the Statement of Parliamentary Supply and related notes. The Financial Statement has been prepared under the accounting policies set out within it.

In my opinion:

- the Financial Statement properly presents the net cash requirement, net resource outturn and net operating cost for the year ended 31 March 2018;
- the Financial Statement has been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder; and
- the Financial Statement is consistent with the unpublished audited accounts of the individual Security and intelligence Agencies for the year ended 31 March 2018.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2018 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the Financial Statement have been applied to the purposes intended by Parliament and the financial transactions recorded in the Financial Statement conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statement section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Security and intelligence Agencies in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Accounting Officer for the Financial Statement

As explained more fully in the Statement of Accounting Officer's Responsibilities, the National Security Advisor as Principal Accounting Officer is responsible for the preparation of the Financial Statement and for being satisfied that it is presented properly.

Auditor's responsibilities for the audit of the Financial Statement

My responsibility is to audit, certify and report on the Financial Statement in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statement sufficient to give reasonable assurance that the Financial Statement is free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statement.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Security and Intelligence Agencies internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Security and Intelligence Agencies ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Statement, including the disclosures, and whether the consolidated Financial Statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the Financial Statement

have been applied to the purposes intended by Parliament and the financial transactions recorded in the Financial Statement conform to the authorities which govern them.

The Financial Statement discloses the use of resources by the Security and Intelligence Agencies. As explained in the introduction, for reasons of national security it consists solely of a Statement of Parliamentary Supply and a Consolidated Statement of Net Expenditure and does not comply fully with International Financial Reporting Standards or the Government Financial reporting manual. The unpublished constituent accounts, which I audit in accordance with International Standards on Auditing (UK) are, however, fully compliant. My opinion on each of these is unqualified.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the Financial Statement to be audited is not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on the Financial Statement.

Sir Amyas C E Morse
Comptroller and Auditor General

5 September 2018

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2017-18

£000	2017-18						2016-17
	Estimate			Outturn			Outturn
	Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted outturn compared with Estimate saving/ (excess)
Departmental Expenditure Limit							
- Resource	2,414,456	-	2,414,456	2,390,876	-	2,390,876	23,580
- Capital	578,031	-	578,031	576,195	-	576,195	1,836
Annually Managed Expenditure							
- Resource	28,550	-	28,550	16,437	-	16,437	12,113
- Capital	-	-	-	-	-	-	-
Total Budget	3,021,037	-	3,021,037	2,983,508	-	2,983,508	37,529
Non-Budget							
- Resource	-	-	-	-	-	-	-
Total	3,021,037	-	3,021,037	2,983,508	-	2,983,508	37,529
Total Resource			2,443,006			2,407,313	35,693
Total Capital			578,031			576,195	1,836
Total			3,021,037			2,983,508	37,529

Net Cash Requirement 2017-18

£000

2017-18
Estimate

2,746,312

2017-18		2016-17
Outturn	Outturn compared with Estimate saving/ (excess)	Outturn
2,623,691	122,621	2,524,000

Administration Costs 2017-18

2017-18
Estimate

72,425

2017-18
Outturn

69,961

2016-17
Outturn

67,194

Figures in the areas outlined in bold are voted totals subject to Parliamentary control

Notes to the Statement of Parliamentary Supply

For the Year ended 31 March 2018

Reconciliation of outturn to net operating expenditure

Reconciliation of net resource outturn to net operating expenditure

	2017-18	2016-17
	£000	£000
Total resource outturn in Statement of Parliamentary Supply		
Budget	2,407,313	2,281,235
Non-Budget	-	-
	2,407,313	2,281,235
Less:		
Income Payable to the Consolidated Fund	(464)	(532)
Other Net Adjustments	146,636	169,579
	146,172	169,047
Net Operating Costs in Consolidated Statement of Net Expenditure	2,553,485	2,450,282

Reconciliation of net outturn to net cash requirement

	Estimate	Outturn	Net total outturn compared with Estimate saving/(excess)
	£000	£000	£000
Resource Outturn	2,443,006	2,407,313	35,693
Capital Outturn	578,031	576,195	1,836
Accruals to cash adjustments:			
<i>Adjustments to remove non-cash items</i>	(394,570)	(402,167)	7,597
<i>Other Adjustments</i>	-	11,740	(11,740)
<i>Adjustment to reflect movements in working balances</i>	119,845	30,610	89,235
Net Cash Requirement	2,746,312	2,623,691	122,621

Income Payable to the Consolidated Fund***Analysis of Income Payable to the Consolidated Fund***

In addition to income retained by the department, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Outturn 2017-18		Outturn 2016-17	
	Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000
Income outside the ambit of the estimate	360	<i>360</i>	383	<i>383</i>
(Excess) cash surrenderable to the consolidated fund	104	<i>104</i>	149	<i>149</i>
Total income payable to the Consolidated Fund	464	<i>464</i>	532	<i>532</i>

Consolidated Statement of Net Expenditure**For the Year ended 31 March 2018**

£000	2017-18	2016-17
Income	(114,895)	(167,634)
Total operating income	<u>(114,895)</u>	<u>(167,634)</u>
Staff costs	997,622	938,252
Other costs	1,670,758	1,679,664
Total operating expenditure	<u>2,668,380</u>	<u>2,617,916</u>
Net Operating Expenditure	<u>2,553,485</u>	<u>2,450,282</u>

Mark Sedwill
Principal Accounting Officer
31 August 2018

Notes to the Consolidated Statement of Net Expenditure

For the Year ended 31 March 2018

1. Statement of accounting policies and disclosure

This is the consolidated Financial Statement of the individual Security and Intelligence Agencies. The individual Agency accounts have been prepared in accordance with the 2017-18 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the policy which is judged to be the most appropriate to the particular circumstances of the Agencies for the purpose of ensuring the Financial Statement is presented properly, has been selected.

1.1 Accounting convention

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

1.2 Basis of consolidation

These accounts are based upon a consolidation of the individual Security and Intelligence Agencies. Transactions between entities included in the consolidation have been eliminated in accordance with IFRS10 – Consolidated Financial Statements.

Historically all intra-group asset and liability balances have been eliminated from the consolidated Accounts. Prior year income and expenditure balances have not been eliminated as detailed data was not available to support the adjustment and the net impact on the accounts was immaterial. Due to increased collaboration between the Agencies and availability of better information, intra-group income and expenditure balances have also been eliminated in the 2017-18 accounts.

For comparison, the unadjusted “Other costs” figure (from Consolidated Statement of Net Expenditure) for 2017-18 is £1,780,768k and the unadjusted “Income” figure (from Consolidated Statement of Net Expenditure) for 2017-18 is £224,905k.

2. Losses and Special Payments

	2017-18	2017-18	2016-17	2016-17
	No. of cases	£000	No. of cases	£000
Losses and Special Payments	172	4,207	1,704	1,168
Total	172	4,207	1,704	1,168

Annex A**Tables 1 to 4 – Core Tables (unaudited)**

The SIA comprises the budgets of the three Security and Intelligence Agencies – the Security Service, the Secret Intelligence Service and the Government Communications Headquarters. Since May 2010, the National Security Adviser has been the PAO for the SIA, when he took the function over from the Cabinet Secretary. The PAO delegated authority to spend to the three Agency Heads (who are themselves Accounting Officers) at levels agreed with the Treasury. The Security and Intelligence Agencies operate within a separate statutory framework.

Table 1 – Total departmental spending for the Security and Intelligence Agencies The years from 2012-13 to 2014-15 are part of the SR10 settlement, 2015-16 is part of the SR13 settlement. 2016-17 to 2020-21 is part of the SR15 settlement.

Table 2 – Administration budget for the Security and Intelligence Agencies Administration budgets in line with the SR10, SR13 and SR15 settlements.

Table 3 – Outturn 2017-18 This table shows the outturn against plans.

Table 4 – Staff Numbers for the Security and Intelligence Agencies This table shows staff numbers from 2012-13 to 2017-18 and reflects plans for 2018-19 to 2020-21 agreed in SR15, by function expressed in full-time equivalents.

Table 1 - Security and Intelligence Agencies total departmental spending

	£'000																	
	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
Resource DEL	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS	OUTTURN	PLANS
Security and Intelligence Agencies	1,944,820		1,966,545		2,031,604		2,173,700		2,267,877		2,389,986		2,592,522		2,398,406		2,482,534	
Total Resource DEL	1,944,820		1,966,545		2,031,604		2,173,700		2,267,877		2,389,986		2,592,522		2,398,406		2,482,534	
<i>Of which:</i>																		
Staff costs	750,727		766,598		757,231		809,870		879,983		929,585		816,704		897,282		-	
Purchase of goods and services	845,933		831,942		983,256		1,083,835		1,106,913		1,198,390		1,582,181		1,123,724		2,092,734	
Income from sales of goods and services	(102,054)		(93,974)		(199,144)		(191,690)		(135,113)		(176,737)		(172,075)		-		-	

Security and Intelligence Agencies

Financial Statement 2017-18

Rentals	29,320	30,922	32,888	34,712	38,016	39,398	-	-	-
Depreciation ¹	388,570	402,874	425,255	405,766	347,470	369,997	365,400	377,400	389,800
Other resource	32,324	28,183	32,118	31,207	30,608	29,353	312	-	-
Resource AME									
Spending in Annually Managed Expenditure	40,680	18,722	41,163	134,973	13,396	19,122	39,050	39,050	-
Total Resource AME	40,680	18,722	41,163	134,973	13,396	19,122	39,050	39,050	-
<i>Of which:</i>									
Depreciation ¹	44,718	24,439	43,134	139,274	16,805	11,463	39,900	39,900	-
Take up of provisions	(4,038)	(5,717)	(1,971)	(4,301)	(3,409)	7,659	(850)	(850)	-
Total Resource Budget	1,985,500	1,985,267	2,072,767	2,308,673	2,281,273	2,409,108	2,631,572	2,437,456	2,482,534
<i>Of which:</i>									
Depreciation ¹	433,288	427,313	468,389	545,040	364,275	381,460	405,300	417,300	389,800
Capital DEL									
Security and Intelligence Agencies	476,144	498,530	550,049	574,897	603,273	575,858	643,217	655,100	680,600
Total Capital DEL	476,144	498,530	550,049	574,897	603,273	575,858	643,217	655,100	680,600
<i>Of which:</i>									
Purchase of goods and services	128,258	139,252	171,428	175,510	186,571	187,744	184,800	186,100	188,600
Capital grants to persons & non-profit bodies (net)	1,957	-	-	-	-	-	-	-	-
Capital grants to private sector companies (net)	(1,959)	-	-	-	-	-	-	-	-
Purchase of assets	365,628	396,539	391,282	405,760	444,214	435,677	497,017	469,000	492,000
Income from sales of assets	(2,597)	(25,435)	(539)	(544)	(6,646)	(584)	-	-	-
Other capital	(15,143)	(11,826)	(12,122)	(5,829)	(20,866)	(46,979)	(38,600)	-	-

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Capital AME

Of which:

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Capital Budget	476,144	498,530	550,049	574,897	603,273	575,858	643,217	655,100	680,600
Total departmental spending³	2,028,356	2,056,484	2,154,427	2,338,530	2,520,271	2,603,506	2,869,489	2,675,256	2,773,334
Total DEL	2,032,394	2,062,201	2,156,398	2,342,831	2,523,680	2,595,847	2,870,339	2,676,106	2,773,334
Total AME	(4,038)	(5,717)	(1,971)	(4,301)	(3,409)	7,659	(850)	(850)	-

¹ Includes impairments

² Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items

³ Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table 2 - Administration budget for the Security and Intelligence Agencies

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total administration budget	65,511	58,922	58,474	63,118	67,240	69,931	75,000	76,000	67,000
Of which:									
Staff costs	49,754	47,038	37,667	40,230	44,266	48,018	44,250	44,840	0
Purchase of goods and services	28,940	24,687	20,687	22,787	22,848	21,650	30,638	31,160	67,000
Income from sales of goods and services	-13,385	-13,064	-134	-157	-200	-87	-200	0	0
Other resource	202	261	254	258	326	350	312	0	0

Table 3 - Outturn year, 2017-18

	2017-18		2017-18		2017-18		2017-18	
	Original Plans Resource	Capital	Adjusted Planst Resource	Capital	Final Plans Resource	Capital	OUTTURN Resource	Capital
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure	2,401,005	609,700	2,401,005	609,700	2,414,455	578,031	2,389,986	575,858
<i>Of which:</i>								
Security and Intelligence Agencies	2,401,005	609,700	2,401,005	609,700	2,414,455	578,031	2,389,986	575,858
Total Spending in DEL	2,401,005	609,700	2,401,005	609,700	2,414,455	578,031	2,389,986	575,858
Spending in Annually Managed Expenditure (AME)								
Voted expenditure	39,050	-	39,050	-	28,550	-	19,122	-
Spending in Annually Managed Expenditure	39,050	-	39,050	-	28,550	-	19,122	-
Total Spending in AME	39,050	-	39,050	-	28,550	-	19,122	-
Total	2,440,055	609,700	2,440,055	609,700	2,443,005	578,031	2,409,108	575,858
<i>Of which:</i>								
Voted expenditure	2,440,055	609,700	2,440,055	609,700	2,443,005	578,031	2,409,108	575,858

† Figures for Adjusted Plans have been adjusted for machinery of government changes effected during 2016 to reflect the Final Plans structure where applicable

Table 4 Staff numbers for the Security and Intelligence Agencies

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
CS FTEs	12,328	12,190	12,196	12,669	13,335	13,967	15,196	15,719	15,996
Total	12,328	12,190	12,196	12,669	13,335	13,967	15,196	15,719	15,996

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